



Substitute Senate Bill No. 1081

Public Act No. 13-285

AN ACT CONCERNING RECYCLING AND JOBS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 22a-207a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2013*):

(a) As used in sections 22a-208d, 22a-208q and subsection (b) of section 22a-228: (1) "Composting" means a process of accelerated biological decomposition of organic material under controlled conditions; (2) "mixed municipal solid waste" means municipal solid waste that consists of mixtures of solid wastes which have not been separated at the source of generation or processed into discrete, homogeneous waste streams such as glass, paper, plastic, aluminum or tire waste streams provided such wastes shall not include any material required to be recycled pursuant to section 22a-241b; [.] and (3) "mixed municipal solid waste composting facility" means a volume reduction plant where mixed municipal solid waste is processed using composting technology.

(b) As used in this chapter, "end user" means any person who uses a material for such material's original use or any manufacturer who uses a material as feedstock to make a marketable product.

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Sec. 2. Section 22a-208f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2013*):

Notwithstanding the provisions of section 22a-208a, a scrap metal processor, as described in section 14-67w, shall not be required to obtain a permit under [said] section 22a-208a if on or before [July 1, 1990] July 31, 2014, and annually [on March thirty-first thereafter, he] thereafter, such scrap metal processor submits to the Commissioner of Energy and Environmental Protection, on a form prescribed by the commissioner, the amount of scrap metals generated within the borders of the state and purchased or received [from any municipality, municipal or regional authority, the state or any political subdivision of the state listed by town of origin. He shall also send to each Connecticut municipality included in such listing a copy of such information pertaining to the municipality] by such processor for the prior state fiscal year, including a good faith estimate of the amount received directly from instate construction or demolition sites. Such report shall identify the monthly amounts of scrap metal generated within the state, other recyclable materials generated within the state and recycling residue generated, each of which was sent out by such processor, and indicate the destination facility type for such materials, including an indication of whether such facility is in this state.

Sec. 3. Subsection (g) of section 22a-220a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2013*):

(g) As used in this section, "collector" means any person who holds himself out for hire regularly to collect solid waste [on a regular basis] from residential, business, commercial or other establishments. "Collector" does not include: (1) Any person who transports solid waste that is incidentally generated during professional or commercial activities unrelated to the collection of solid waste, such as residential property repairs, provided such solid waste is self-generated by such

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person's professional or commercial activities and such solid waste is transported to an authorized recycling facility, a permitted recycling facility, or a permitted solid waste facility, and (2) any person who transports used materials for the purpose of delivering such materials to a charitable organization that distributes reused household items or to a retail facility that sells reused household items.

Sec. 4. Subsection (a) of section 22a-226e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2013*):

(a) [Not later than six months after the establishment of service in the state by two or more permitted source-separated organic material composting facilities, as defined in section 22a-207, that have a combined capacity to service the needs of commercial food wholesalers or distributors, industrial food manufacturers or processors, supermarkets, resorts or conference centers that each generate an average projected volume of not less than one hundred four tons per year of source-separated organic materials] (1) On and after January 1, 2014, each commercial food wholesaler or distributor, industrial food manufacturer or processor, supermarket, resort or conference center that is located not more than twenty miles from an authorized source-separated organic material composting facility and that generates an average projected volume of not less than one hundred four tons per year of source-separated organic materials shall: [(1)] (A) Separate such source-separated organic materials from other solid waste; and [(2)] (B) ensure that such source-separated organic materials are recycled at [a permitted source-separated organic material composting facility that is not more than twenty miles from such wholesaler, distributor, manufacturer, processor, supermarket, resort or conference center, as applicable] any authorized source-separated organic material composting facility that has available capacity and that will accept such source-separated organic material.

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(2) On and after January 1, 2020, each commercial food wholesaler or distributor, industrial food manufacturer or processor, supermarket, resort or conference center that is located not more than twenty miles from an authorized source-separated organic material composting facility and that generates an average projected volume of not less than fifty-two tons per year of source-separated organic materials shall: (A) Separate such source-separated organic materials from other solid waste; and (B) ensure that such source-separated organic materials are recycled at any authorized source-separated organic material composting facility that has available capacity and that will accept such source-separated organic material.

Sec. 5. (NEW) (*Effective October 1, 2013*) The Commissioner of Energy and Environmental Protection, in consultation with other state agencies or quasi-public agencies, shall identify opportunities for the establishment of a new, or the expansion of any existing, recycling infrastructure investment program.

Sec. 6. (NEW) (*Effective October 1, 2013, and applicable to assessment years commencing on or after said date*) (a) For the purposes of this section:

(1) "Municipality" has the same meaning as provided in section 12-129r of the general statutes.

(2) "Recycling" has the same meaning as provided in section 22a-207 of the general statutes.

(b) Any municipality may, by ordinance adopted by its legislative body, provide an exemption from property tax for any machinery or equipment used in connection with recycling that is installed on or after October 1, 2013. Any such exemption shall apply only to: (1) The increased value of the commercial or industrial property that is attributable to such machinery or equipment, and (2) the first fifteen

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assessment years following installation of such machinery or equipment.

Sec. 7. (NEW) (*Effective from passage*) (a) Not later than June 30, 2013, the Department of Energy and Environmental Protection, in consultation with the Office of Policy and Management, shall initiate one or more audits of the Connecticut Resources Recovery Authority. The Connecticut Resources Recovery Authority shall cooperate fully with any such audit and shall pay the cost of any such audit provided such payment shall not exceed a cumulative total of five hundred thousand dollars. Any such audit may include, but need not be limited to, a review or analysis of: (1) The results of any such audits, review of any investigation of said authority or by said authority that occurred prior to the effective date of this section, (2) the financial condition of said authority, (3) said authority's short and long-term liabilities, including, but not limited to, such liabilities to bond holders, employees, former employees and such liabilities from lawsuits, leases, contractual obligations and any other matter, (4) said authority's existing and projected revenues, (5) said authority's cash flow projections for each of the next three calendar years, (6) said authority's operations, including, but not limited to, human resources, facilities use, information technology services, and identification of potential operating efficiencies, (7) said authority's internal controls, financial management and risk management practices, and (8) any transaction of said authority.

(b) On or before October 30, 2013, the Department of Energy and Environmental Protection, in conjunction with the Office of Policy and Management, shall provide a summary of the findings of such audits to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to the environment, appropriations and government administration.

Sec. 8. (*Effective from passage*) (a) There is established a Resources

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Recovery Task Force to study the operations, financial stability and business models for resource recovery facilities operating in the state.

(b) The task force shall consist of the following members:

(1) One appointed by the speaker of the House of Representatives, who shall be a municipal official or a representative of an organization that represents municipalities;

(2) One appointed by the president pro tempore of the Senate, who shall be a municipal official or a representative of an organization that represents municipalities;

(3) One appointed by the minority leader of the House of Representatives, who shall be a municipal official or a representative of an organization that represents municipalities;

(4) One appointed by the minority leader of the Senate, who shall be a municipal official or a representative of an organization that represents municipalities;

(5) One appointed by the majority leader of the House of Representatives, who shall be a representative of the solid waste hauling industry;

(6) One appointed by the majority leader of the Senate, who shall have experience in energy procurement;

(7) Four appointed by the Governor, each of whom shall represent resource recovery facilities in this state or have experience in energy procurement;

(8) The Commissioner of Energy and Environmental Protection, or the commissioner's designee;

(9) The Secretary of the Office of Policy and Management, or the

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secretary's designee; and

(10) The Commissioner of Administrative Services, or the commissioner's designee.

(c) All appointments to the task force shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(d) The Commissioner of Energy and Environmental Protection, or the commissioner's designee, shall serve as the chairperson of the task force. Such chairperson shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.

(e) The administrative staff of the Department of Energy and Environmental Protection shall serve as administrative staff of the task force.

(f) Not later than December 15, 2013, the task force shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to energy, in accordance with the provisions of section 11-4a of the general statutes. Such report shall include:

(1) A review of the applicable statutes and regulations regarding renewable energy certificate credits provided to resource recovery facilities in the state and a recommendation on whether such statutes should be modified. For any such recommendation, the task force shall specify the expected economic impact that such recommendation will have on resource recovery facilities, municipalities and energy consumers in the state;

(2) An analysis of the financial status of the resource recovery facilities operating in the state and recommendations to improve such

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status, including, but not limited to, whether bilateral purchasing agreements between resource recovery facility-based businesses and the state or municipalities would provide a mechanism for improving the long-term financial stability of such facilities;

(3) Recommendations for any changes to the statutes and regulations concerning bilateral purchase agreements and a description of the effect that such recommendations would have on the anticipated structure of such agreements and the financial impacts such agreements would have on resource recovery facilities, municipalities, and energy consumers in the state;

(4) A recommendation on whether resource recovery facilities in this state should be defined as an "electric municipal utility" for the purpose of the municipalities such facilities serve; and

(5) Any other recommendations the task force deems appropriate concerning the future of resource recovery facilities in the state and the long-term financial status of such facilities.

(g) The task force shall terminate on the date it submits such report or December 15, 2013, whichever is later.

Sec. 9. (NEW) (*Effective from passage*) The Connecticut Resources Recovery Authority shall develop a transition plan for: (1) Achieving a sustainable business model that improves the long-term financial stability of said authority, or (2) conducting the dissolution of said authority and the disposing of said authority's assets. Such plan shall be transmitted to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment on or before November 30, 2013. Such plan shall be developed in consultation with the Resources Recovery Task Force established in section 2 of this act. In developing such plan, the authority shall detail and give consideration to, but not be limited to,

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an assessment of:

(A) The benefits and consequences of: (i) The closure or sale of the Mid-Connecticut Resource Recovery Facility, (ii) the transition of such facility to an alternative use such as a solid waste management facility, and (iii) the sale of other authority assets;

(B) The reductions in authority expenses, including, but not limited to, management fees, labor costs, contract obligations and legal fees;

(C) Said authority's financial and legal liabilities and an evaluation of whether such liabilities may be eliminated or mitigated;

(D) The operational requirements of said authority's regional transfer stations, landfills and any other functional role of said authority;

(E) Said authority's state-wide role in the areas of bonding, education and development and how such transition plan affects that role; and

(F) The post-closure responsibilities and liabilities of said authority for landfills under said authority's care and control.

Sec. 10. Section 22a-261 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There is hereby established and created a body politic and corporate, constituting a public instrumentality and political subdivision of the state of Connecticut established and created for the performance of an essential public and governmental function, to be known as the Connecticut Resources Recovery Authority. The authority shall not be construed to be a department, institution or agency of the state.

(b) On and before May 31, 2002, the powers of the authority shall be

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vested in and exercised by a board of directors, which shall consist of twelve directors: Four appointed by the Governor and two ex-officio members, who shall have a vote including the Commissioner of Transportation and the Commissioner of Economic and Community Development; two appointed by the president pro tempore of the Senate, two by the speaker of the House, one by the minority leader of the Senate and one by the minority leader of the House of Representatives. Any such legislative appointee may be a member of the General Assembly. The directors appointed by the Governor under this subsection shall serve for terms of four years each, from January first next succeeding their appointment, provided, of the directors first appointed, two shall serve for terms of two years, and two for terms of four years, from January first next succeeding their appointment. Any vacancy occurring under this subsection other than by expiration of term shall be filled in the same manner as the original appointment for the balance of the unexpired term. Of the four members appointed by the Governor under this subsection, two shall be first selectmen, mayors or managers of Connecticut municipalities; one from a municipality with a population of less than fifty thousand, one from a municipality of over fifty thousand population; two shall be public members without official governmental office or status with extensive high-level experience in municipal or corporate finance or business or industry, provided not more than two of such appointees shall be members of the same political party. The chairman of the board under this subsection shall be appointed by the Governor, with the advice and consent of both houses of the General Assembly and shall serve at the pleasure of the Governor. Notwithstanding the provisions of this subsection, the terms of all members of the board of directors who are serving on May 31, 2002, shall expire on said date.

(c) On and after June 1, 2002, the powers of the authority shall be vested in and exercised by a board of directors, which shall consist of eleven directors as follows: Three appointed by the Governor, one of

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whom shall be a municipal official of a municipality having a population of fifty thousand or less and one of whom shall have extensive, high-level experience in the energy field; two appointed by the president pro tempore of the Senate, one of whom shall be a municipal official of a municipality having a population of more than fifty thousand and one of whom shall have extensive high-level experience in public or corporate finance or business or industry; two appointed by the speaker of the House of Representatives, one of whom shall be a municipal official of a municipality having a population of more than fifty thousand and one of whom shall have extensive high-level experience in public or corporate finance or business or industry; two appointed by the minority leader of the Senate, one of whom shall be a municipal official of a municipality having a population of fifty thousand or less and one of whom shall have extensive high-level experience in public or corporate finance or business or industry; two appointed by the minority leader of the House of Representatives, one of whom shall be a municipal official of a municipality having a population of fifty thousand or less and one of whom shall have extensive, high-level experience in the environmental field. No director may be a member of the General Assembly. Not more than two of the directors appointed by the Governor shall be members of the same political party. The appointed directors shall serve for terms of four years each, provided, of the directors first appointed for terms beginning on June 1, 2002, (1) two of the directors appointed by the Governor, one of the directors appointed by the president pro tempore of the Senate, one of the directors appointed by the speaker of the House of Representatives, one of the directors appointed by the minority leader of the Senate and one of the directors appointed by the minority leader of the House of Representatives shall serve an initial term of two years and one month, and (2) the other appointed directors shall serve an initial term of four years and one month. The appointment of each director for a term beginning on or after June 1, 2004, shall be made with the advice and consent of both

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houses of the General Assembly. The Governor shall designate one of the directors to serve as chairperson of the board, with the advice and consent of both houses of the General Assembly. The chairperson of the board shall serve at the pleasure of the Governor. Any appointed director who fails to attend three consecutive meetings of the board or who fails to attend fifty per cent of all meetings of the board held during any calendar year shall be deemed to have resigned from the board. Any vacancy occurring other than by expiration of term shall be filled in the same manner as the original appointment for the balance of the unexpired term. As used in this subsection, "municipal official" means the first selectman, mayor, city or town manager or chief financial officer of a municipality that has entered into a solid waste disposal services contract with the authority and pledged the municipality's full faith and credit for the payment of obligations under such contract.

(d) The chairperson shall, with the approval of the directors, appoint a president of the authority who shall be an employee of the authority and paid a salary prescribed by the directors. The president shall supervise the administrative affairs and technical activities of the authority in accordance with the directives of the board.

(e) Each director shall be entitled to reimbursement for said director's actual and necessary expenses incurred during the performance of said director's official duties.

(f) Directors may engage in private employment, or in a profession or business, subject to any applicable laws, rules and regulations of the state or federal government regarding official ethics or conflict of interest.

(g) Six directors of the authority shall constitute a quorum for the transaction of any business or the exercise of any power of the authority, provided, two directors from municipal government shall be

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present in order for a quorum to be in attendance. For the transaction of any business or the exercise of any power of the authority, and except as otherwise provided in this chapter, the authority shall have power to act by a majority of the directors present at any meeting at which a quorum is in attendance. If the legislative body of a municipality that is the site of a facility passes a resolution requesting the Governor to appoint a resident of such municipality to be an ad hoc member, the Governor shall make such appointment upon the next vacancy for the ad hoc members representing such facility. The Governor shall appoint with the advice and consent of the General Assembly ad hoc members to represent each facility operated by the authority provided at least one-half of such members shall be chief elected officials of municipalities, or their designees. Each such facility shall be represented by two such members. The ad hoc members shall be electors from a municipality or municipalities in the area to be served by the facility and shall vote only on matters concerning such facility. The terms of the ad hoc members shall be four years.

[(h) There is established, effective June 1, 2002, a steering committee of the board of directors, consisting of at least three but not more than five directors, who shall be jointly appointed by the Governor, the president pro tempore of the Senate and the speaker of the House of Representatives. Said committee shall consist of at least one director who is a municipal official, as defined in subsection (c) of this section. The steering committee shall forthwith establish a financial restructuring plan for the authority, subject to the approval of the board of directors, and shall implement said plan. The financial restructuring plan shall determine the financial condition of the authority and provide for mitigation of the impact of the Connecticut Resources Recovery Authority-Enron-Connecticut Light and Power Company transaction on municipalities which have entered into solid waste disposal services contracts with the authority. The steering committee shall also review all aspects of the authority's finances and

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administration, including but not limited to, tipping fees and adjustments to such fees, the annual budget of the authority, any budget transfers, any use of the authority's reserves, all contracts entered into by or on behalf of the authority, including but not limited to, an assessment of the alignment of interests between the authority and the authority's contractors, all financings or restructuring of debts, any sale or other disposition or valuation of assets of the authority, including sales of electricity and steam, any joint ventures and strategic partnerships, and the initiation and resolution of litigation, arbitration and other disputes. The steering committee (1) shall have access to all information, files and records maintained by the authority, (2) may retain consultants and utilize other resources necessary to carry out its responsibilities under this subsection, which have a total cost of not more than five hundred thousand dollars, without the approval of the board of directors, and may draw on accounts of the authority for such costs, and (3) shall submit a report to the board of directors and the General Assembly, in accordance with section 11-4a, on its findings, progress and recommendations for future action by the board of directors in carrying out the purposes of this subsection, not later than December 31, 2002. Said report shall also include a report on any loans made to the authority under section 22a-268d. The steering committee shall terminate on December 31, 2002, unless extended by the board.]

[(i)] (h) The board may delegate to three or more directors such board powers and duties as it may deem necessary and proper in conformity with the provisions of this chapter and its bylaws. At least one of such directors shall be a municipal official, as defined in subsection (c) of this section, and at least one of such directors shall not be a state employee.

[(j)] (i) Appointed directors may not designate a representative to perform in their absence their respective duties under this chapter.

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[(k)] (j) The term "director", as used in this section, shall include such persons so designated as provided in this section and this designation shall be deemed temporary only and shall not affect any applicable civil service or retirement rights of any person so designated.

[(l)] (k) The appointing authority for any director may remove such director for inefficiency, neglect of duty or misconduct in office after giving the director a copy of the charges against the director and an opportunity to be heard, in person or by counsel, in the director's defense, upon not less than ten days' notice. If any director shall be so removed, the appointing authority for such director shall file in the office of the Secretary of the State a complete statement of charges made against such director and the appointing authority's findings on such statement of charges, together with a complete record of the proceedings.

[(m)] (l) The authority shall continue as long as it has bonds or other obligations outstanding and until its existence is terminated by law. Upon the termination of the existence of the authority, all its rights and properties shall pass to and be vested in the state of Connecticut.

[(n)] (m) The directors, members and officers of the authority and any person executing the bonds or notes of the authority shall not be liable personally on such bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof, nor shall any director, member or officer of the authority be personally liable for damage or injury, not wanton or wilful, caused in the performance of such person's duties and within the scope of such person's employment or appointment as such director, member or officer.

[(o)] (n) Notwithstanding the provisions of any other law to the contrary, it shall not constitute a conflict of interest for a trustee, director, partner or officer of any person, firm or corporation, or any

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individual having a financial interest in a person, firm or corporation, to serve as a director of the authority, provided such trustee, director, partner, officer or individual shall abstain from deliberation, action or vote by the authority in specific respect to such person, firm or corporation.

Sec. 11. Subsection (a) of section 22a-221 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The state, any municipality or any municipal or regional authority may make contracts for the exercise of its corporate or municipal powers with respect to the collection, transportation, separation, volume reduction, processing, storage and disposal of its solid wastes for a period not exceeding thirty years and may pledge its full faith and credit for the payment of obligations under such contracts. Said thirty-year limitation shall not apply to the extension of any such contract that was in force as of December 31, 2008, and that was approved by the commissioner pursuant to subsection (a) of section 22a-213.

Sec. 12. Sections 22a-268c to 22a-268f, inclusive, of the general statutes are repealed. (*Effective from passage*)

Approved July 12, 2013