



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3612

Introduced 2/17/2023, by Rep. Janet Yang Rohr

SYNOPSIS AS INTRODUCED:

New Act

Creates the Carpet Stewardship Act. Provides that within 60 days after the effective date of the Act, the Director of the Environmental Protection Agency shall appoint specified members to a clearinghouse to administer and implement a carpet stewardship program. Specifies the duties of the clearinghouse. Requires the clearinghouse to be incorporated as a nonprofit. Provides that for all carpet sold in this State, the clearinghouse shall implement, and producers shall finance, a statewide carpet stewardship program that manages the product by reducing the product's waste generation, promotes its carpet recovery and reutilization, and provides for negotiation and execution of agreements to collect, transport, process, and market the old carpet for end-of-life carpet recovery or carpet reutilization. Requires the clearinghouse to submit, by July 1, 2024 and by July 1 every 3 years thereafter, a 3-year plan to the Agency for approval. Specifies the requirements for the plan. Establishes requirements for review of the plan and requirements for producers, retailers, and distributors of carpet. Requires the clearinghouse to submit annual reports to the Agency and pay specified administrative fees. Includes enforcement provisions for the Act. Establishes requirements for State procurement of carpet in the future. Contains other provisions. Effective immediately.

LRB103 30273 CPF 56701 b

1 AN ACT concerning health.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Carpet
5 Stewardship Act.

6 Section 5. Findings and purpose. The General Assembly
7 finds that:

8 (1) Based on data contained in the Illinois Commodity
9 Waste Generation and Characterization Study, commissioned
10 in 2014 by the Illinois Department of Commerce and
11 Economic Opportunity, approximately 229,000 tons of carpet
12 and carpet padding are landfilled each year, 1.5% of the
13 total waste landfilled in this State.

14 (2) Old carpet and padding are currently being
15 recovered in this State at a carpet recovery rate
16 estimated to be less than 1%, compared to a 29% carpet
17 recovery rate for the second quarter in 2021 in
18 California, which has enacted Extended Producer
19 Responsibility legislation for carpet.

20 (3) Carpet recovery can be significantly expanded by
21 utilizing an Extended Producer Responsibility approach
22 which will lead to job creation through the collection,
23 processing, and marketing of old carpet and padding. In

1 California, this approach has created approximately 150
2 direct jobs.

3 (4) According to the U.S. Environmental Protection
4 Agency, the carpet recovery of old carpet has a positive
5 impact on the reduction of greenhouse gases when compared
6 to the landfilling or incineration of old carpet, which
7 increases the generation of greenhouse gases.

8 (5) Due to the detrimental environmental impacts of
9 improper management of old carpet and padding at the end
10 of its intended use, it is the purpose of this Act to
11 utilize a market share liability approach to recover the
12 funding necessary to implement the clearinghouse program
13 required by this Act.

14 Section 10. Definitions. In this Act:

15 "Agency" means the Illinois Environmental Protection
16 Agency.

17 "Artificial turf" means artificial or synthetic turf used
18 for sports playing surfaces.

19 "Blended carpet" means carpet with a nonuniform face
20 fiber, which is manufactured with multiple polymer types,
21 fiber types, or both, in the face of the constructed material.

22 "Brand" means a name, symbol, word, or mark that
23 identifies the carpet, rather than its components, and
24 attributes the product to the owner or licensee of the brand as
25 the producer.

1 "Carpet" means a manufactured article that is (i) used in
2 commercial buildings, single or multifamily residential
3 buildings, or sports playing surfaces, (ii) affixed or placed
4 on the floor or building walking surface as a decorative or
5 functional building interior or exterior feature, and (iii)
6 primarily constructed of a top visible surface of synthetic
7 face fibers or yarns or tufts attached to a backing system
8 derived from synthetic or natural materials. "Carpet"
9 includes, but is not limited to, a commercial or residential
10 broadloom carpet, modular carpet tiles, and artificial turf.
11 "Carpet" includes a pad or underlayment used in conjunction
12 with a carpet. "Carpet" does not include handmade rugs, area
13 rugs, or mats.

14 "Carpet recovery" means the process by which old carpet is
15 collected, processed, and returned to the economic mainstream
16 in the form of raw materials or products. "Carpet recovery" is
17 further defined to include only those pounds of old carpet
18 that are an output of a processor destined for an end market or
19 carpet reutilization and is not meant to mean the gross input
20 pounds of old carpet accepted by a processor. "Carpet
21 recovery" does not include energy recovery or energy
22 generation by means of combusting old carpet, and it does not
23 include any disposal or use of old carpet within the permitted
24 boundaries of a municipal solid waste landfill unit.

25 "Carpet recovery rate" means the percentage of old carpet
26 that is an output of a processor destined for carpet recovery

1 or reutilization and is computed by dividing the amount of old
2 carpet that is an output of a processor destined for carpet
3 recovery or reutilization by the total amount of old carpet
4 that is generated over a program year. To determine the annual
5 carpet recovery rates required by this Act the amount of old
6 carpet generated shall be calculated using an industry
7 standard calculation based on annual sales, replacement rate,
8 and the average weight of carpet.

9 "Carpet reutilization" means donating or selling an old
10 carpet back into the market for its original intended use,
11 when the old carpet retains its original purpose and
12 performance characteristics.

13 "Carpet stewardship program" means a statewide program for
14 the collection of old carpet and environmentally sound
15 management of old carpet that is funded by producers and
16 established and operated by the clearinghouse.

17 "Clearinghouse" means the entity incorporated as a
18 nonprofit within the meaning of 26 U.S.C. 501 representing
19 carpet producers, and other designated representatives who are
20 cooperating with one another to collectively establish and
21 operate a carpet recovery and carpet reutilization program for
22 old carpet for the purpose of complying with this Act.

23 "Clearinghouse plan" means a single, detailed plan
24 prepared by the clearinghouse that includes all the
25 information required by this Act.

26 "Clearinghouse program" means a statewide program for the

1 collection of old carpet and environmentally sound management
2 of old carpet that is financed by producers and established
3 and operated by the clearinghouse.

4 "Collection" means any method of consolidating and
5 temporarily storing old carpet.

6 "Collection site" means a site managed by a
7 clearinghouse-approved collector to collect and temporarily
8 store old carpet as provided by this Act.

9 "Collector" means any public or private entity approved by
10 the clearinghouse that provides old carpet collection
11 services.

12 "Comptroller" means the Comptroller of the State.

13 "Consumer" means any person who makes a purchase at
14 retail.

15 "Distributor" or "wholesaler" means a person who buys or
16 otherwise acquires carpet from another source and sells or
17 offers to sell that carpet to retailers in this State.

18 "Installer" means any person or entity contracted for the
19 purpose of installing flooring where old carpet is removed.

20 "Nylon carpet" means carpet made with a uniform face fiber
21 made with either nylon 6 or nylon 6,6.

22 "Old carpet" means carpet that is no longer used for its
23 manufactured purpose.

24 "Person" means any individual, partnership, copartnership,
25 firm, company, corporation, association, joint stock company,
26 trust, estate, political subdivision, State agency, or any

1 other legal entity, or their legal representative, agent, or
2 assign.

3 "PET carpet" means carpet made from polyethylene
4 terephthalate.

5 "Polypropylene carpet" means carpet made from
6 polypropylene.

7 "Processor" means a public or private entity approved by
8 the clearinghouse to prepare old carpet for reutilization,
9 recovery, or disposal that uses industry recognized processes,
10 such as shredding, grinding, shearing, depolymerization, or
11 other methods recognized by the clearinghouse, to convert old
12 carpet into finished recovered output ready to be used as an
13 input material for secondary products.

14 "Producer" means a person who manufactures carpet that is
15 sold, offered for sale, or distributed in this State. Producer
16 includes any person who imports carpet into the United States
17 that is sold, offered for sale, or distributed in this State
18 and that is manufactured by a person who does not manufacture
19 the carpet in the United States. "Producer" does not include a
20 retailer that trademarks or brands carpet that is sold,
21 offered for sale, or distributed in this State that is
22 manufactured by a person other than the retailer.

23 "Program year" means a calendar year. The first program
24 year is 2024.

25 "PTT carpet" means carpet made from polytrimethylene
26 terephthalate.

1 "Retailer" means any person engaged in the business of
2 making sales at retail that generate occupation or use tax
3 revenue. "Retailer" does not include a distributor, producer,
4 or wholesaler, as those terms are defined in this Section.

5 "Roll-off dumpster" means a waste container that holds at
6 least 40 cubic yards of waste.

7 "Sale" or "sell" means a transfer of title to carpet for
8 consideration, including a remote sale conducted through a
9 sales outlet, catalog, website, or similar electronic means.
10 "Sale" or "sell" includes a lease through which carpet is
11 provided to a consumer by a producer, distributor, or
12 retailer.

13 "Semitrailer" means any vehicle without motive power,
14 other than a pole trailer, designed for carrying persons or
15 property and for being drawn by a motor vehicle and so
16 constructed that some part of its weight and that of its load
17 rests upon or is carried by another vehicle.

18 "Sorter" means a public or private entity approved by the
19 clearinghouse that performs the sorting of old carpet for
20 third-party carpet recovery or carpet reutilization.

21 "Sorting" means the method used for sorting old carpet
22 into its various backing types or fiber types for carpet
23 recovery or carpet reutilization.

24 "Wool carpet" means carpet made from wool.

25 Section 15. Formation, duties, and powers of the

1 clearinghouse.

2 (a) Within 60 days after the effective date of this Act,
3 the Director of the Agency shall appoint the following members
4 to the clearinghouse, which shall be incorporated as a
5 nonprofit, to administer and implement the carpet stewardship
6 program, and the Director of the Agency shall appoint members
7 that reflect the racial and gender diversity of this State:

8 (1) one individual who is a representative of a
9 statewide association representing retailers;

10 (2) two individuals who are representatives of carpet
11 producers;

12 (3) one individual who is a representative of a
13 national association representing manufacturers of carpet;

14 (4) two individuals who are representatives of carpet
15 processors;

16 (5) two individuals who are representatives of a
17 statewide association representing waste disposal
18 companies;

19 (6) two individuals who are representatives of
20 environmental organizations;

21 (7) two individuals who are representatives of county
22 or municipal joint action agency waste management
23 programs;

24 (8) one individual who is a representative of a
25 company that utilizes old carpet to manufacture a new
26 product, not including new carpet; and

1 (9) one individual who is a representative of an
2 association representing installers of carpet.

3 (b) Members of the clearinghouse shall serve without
4 compensation but shall be reimbursed for travel expenses and
5 any other contingent expenses related to the formation of the
6 clearinghouse as a legal and functioning entity as part of the
7 budget for the clearinghouse program approved in the
8 clearinghouse plan. Members shall serve on the clearinghouse
9 until a successor is appointed and qualified.

10 (c) The clearinghouse's duties include, but are not
11 limited to:

12 (1) selection of a Chairperson, Vice-Chairperson,
13 Secretary, and Treasurer, the creation of bylaws, and
14 organizing itself into committees to implement this Act;

15 (2) incorporating itself as a 501c(3) nonprofit
16 organization and establishing financial accounts for use
17 by the clearinghouse under this Act;

18 (3) preparing the clearinghouse plan, and any required
19 amendments, in compliance with this Act;

20 (4) implementing the clearinghouse plan;

21 (5) submitting to the Agency in the clearinghouse plan
22 a funding mechanism that will generate sufficient funds to
23 implement the clearinghouse plan and meet the performance
24 goals established in paragraph (12) of subsection (a) of
25 Section 25; in determining the level of funding necessary
26 the clearinghouse may take into account program costs in

1 other jurisdictions' approved carpet stewardship plans,
2 annual reports, audits, and other information;

3 (6) approving collectors, sorters, and processors to
4 provide services under this Act;

5 (7) creating and administering a grant program to
6 assist in covering the costs to collect, process, or
7 market old carpet for carpet reutilization or carpet
8 recovery;

9 (8) being responsible for meeting the performance
10 goals specified by this Act;

11 (9) submitting annual program reports as required by
12 this Act;

13 (10) overseeing an annual audit conducted by a
14 third-party entity of the carpet stewardship program's
15 revenues and expenditures, and reporting those findings to
16 the Comptroller; and

17 (11) holding meetings that are open to the public with
18 reasonable notice of the meeting made publicly available.

19 (d) The clearinghouse shall hire a director and necessary
20 staff within 150 days after the effective date of this Act,
21 which shall be funded as part of the budget for the
22 clearinghouse program approved in the clearinghouse plan.

23 Section 20. Carpet stewardship program and sale
24 requirement.

25 (a) For all carpet sold in this State, the clearinghouse

1 shall implement, and producers shall finance, a statewide
2 carpet stewardship program that: manages carpet by reducing
3 its waste generation; promotes its carpet recovery and carpet
4 reutilization; and provides for negotiation and execution of
5 agreements to collect, transport, process, or market the old
6 carpet for end-of-life carpet recovery or carpet
7 reutilization.

8 (b) On and after January 1, 2024, a producer or
9 distributor may not offer for sale any carpet to any person in
10 this State unless the producer has registered with the
11 clearinghouse and has provided its share of funding, on an
12 annual basis, necessary to implement the clearinghouse plan as
13 approved by the Agency pursuant to Section 45 and is subject to
14 penalties under Section 70.

15 Section 25. Clearinghouse plan.

16 (a) By July 1, 2024 and by July 1 every 3 years thereafter,
17 beginning with program year 2025, the clearinghouse shall
18 submit a 3-year plan to the Agency and receive approval of the
19 plan. The clearinghouse plan shall include, at a minimum, each
20 of the following:

21 (1) Certification that the carpet stewardship program
22 will accept for collection all old carpet, regardless of
23 type or which producer manufactured the product and its
24 individual components.

25 (2) Contact information for each individual

1 representing the clearinghouse, designation of a program
2 manager responsible for administering the program in this
3 State, a list of all producers participating in the carpet
4 stewardship program, and the brands covered by the product
5 stewardship program.

6 (3) A description of the methods by which old carpet
7 will be collected in this State, including an explanation
8 of how the collection system will achieve a convenience
9 standard of having collection sites in all counties with a
10 population density of greater than or equal to 100
11 individuals per square mile in this State by January 1,
12 2024 for program year 2024, and all counties with a
13 population density of greater than or equal to 50
14 individuals per square mile for program year 2025 and
15 thereafter.

16 (4) An evaluation, beginning with the second 3-year
17 plan submitted by July 1, 2026, of the feasibility and
18 cost of expanding the convenience standard to at least one
19 collection site in every county in the State.

20 (5) A description of how the adequacy of the
21 collection program will be monitored, evaluated, and
22 maintained.

23 (6) The names and locations of collectors, sorters,
24 and processors who have been approved by the clearinghouse
25 to manage old carpet.

26 (7) A description of how the old carpet and the

1 products' components will be safely and securely
2 transported, tracked, and handled from collection through
3 final carpet recovery and processing.

4 (8) A description of the methods to be used to
5 reutilize, deconstruct, or recover old carpet to ensure
6 that the products' components, to the extent feasible, are
7 transformed or remanufactured into finished products for
8 use.

9 (9) A description of the methods to be used to manage
10 or dispose of old carpet that cannot be carpet recovered
11 or carpet reutilized.

12 (10) A description of the promotion and outreach
13 activities and proposed budget that will be used to
14 encourage participation in the collection and carpet
15 recovery programs and how the activities' effectiveness
16 will be evaluated and the program modified, if necessary.

17 (11) Certification that any person who may be involved
18 in collection, handling, or disposal operations possesses
19 adequate insurance, as determined by the clearinghouse,
20 including, but not limited to, workers compensation and
21 liability coverage.

22 (12) A 3-year rolling performance goal, including an
23 estimate of the percentage of old carpet that will be
24 collected, carpet reutilized, and carpet recovered during
25 each of the next 3 years of the stewardship plan, with a
26 minimum goal of achieving a 25% carpet recovery rate by

1 December 31, 2026. The performance goals shall include a
2 specific goal for the amount of old carpet that will be
3 collected, carpet recovered, and carpet reutilized during
4 each year of the plan.

5 The clearinghouse shall achieve a carpet recovery rate
6 goal of 50% by December 31, 2029 for the 3-year plan period
7 beginning January 1, 2027. Thereafter, the clearinghouse
8 shall establish a carpet recovery rate goal for each
9 subsequent 3-year plan period by March 1 of the calendar
10 year preceding the first year of that 3-year plan period.

11 (13) A discussion of the status of end markets for old
12 carpet and what, if any, additional end markets are needed
13 to improve the functioning of the program.

14 (14) A discussion of carpet design and manufacturing
15 changes that the producers are considering or have
16 implemented in order to reduce toxicity, water use, or
17 energy use associated with the production of carpet and
18 efforts to increase the recoverable content,
19 recoverability, or carpet longevity.

20 (15) A funding mechanism that demonstrates sufficient
21 producer funding to carry out the plan, including the
22 administrative, operational, and capital costs of
23 implementing the plan, and payment of incentive payments
24 to carpet collectors, processors, and end use markets to
25 assist with the implementation of this Act.

26 (16) Annual budgets showing revenue and expenditure

1 projections for the current program year and projected for
2 the next 2 years of the program.

3 (17) A process by which the financial activities of
4 the clearinghouse that are related to the implementation
5 of the plan shall be subject to an annual independent
6 audit, conducted by a third party, which shall be reviewed
7 by the Comptroller.

8 (18) A description of an educational program and
9 materials that shall be implemented and used to train
10 operators of collection sites on how to properly collect
11 old carpet and reduce contamination. At no time shall a
12 collection site be subject to a fine or extra charge for
13 contamination by either the clearinghouse or a carpet
14 processor. However, collection sites that continue to ship
15 contaminated old carpet to processors may be removed from
16 the stewardship program by the clearinghouse.

17 (19) Baseline information, for the most current year
18 for which data is available, on the amount of square feet
19 and pounds of carpet sold in this State, by type of polymer
20 or nonpolymer material used to make the carpet.

21 (20) A discussion of the feasibility, cost, and
22 effectiveness of labeling the backside of new carpet with
23 the polymer type or nonpolymer material used to
24 manufacture the carpet to assist processors in more easily
25 identifying the type of old carpet collected for
26 processing.

1 (21) A description of the program that shall be
2 implemented to train carpet installers on how to properly
3 manage old carpet so that it can be carpet reutilized or
4 carpet recovered under this Act, including, but not
5 limited to, the development of videos and written
6 materials regarding the carpet recovery program.

7 (b) An update to the plan shall be submitted, at a minimum,
8 every 3 years, or if the clearinghouse determines that a plan
9 update is needed, prior to the minimum of once every 3 years.

10 (c) If the clearinghouse determines that any proposed
11 significant changes or modifications to the plan or its
12 implementation are needed, within 30 days of that
13 determination the clearinghouse shall submit to the Agency a
14 written plan update for review and approval in accordance with
15 Section 30.

16 Section 30. Review and approval of the clearinghouse plan
17 and plan updates.

18 (a) After receipt of a proposed plan or plan update, the
19 Agency shall determine whether the plan or plan update
20 complies with Section 25. If the Agency determines that the
21 plan or plan update complies with Section 25, the Agency shall
22 notify the clearinghouse of the plan or plan update approval
23 in writing within 90 days of receipt of the plan or plan
24 update. If the Agency determines that the plan or plan update
25 does not comply with Section 25, the Agency shall notify the

1 clearinghouse of the plan or plan update rejection in writing
2 within 90 days of receipt of the plan or plan update and
3 include the reasons why the plan or plan update does not comply
4 with Section 25. The clearinghouse shall submit a revised plan
5 to the Agency within 60 days after receiving a notice of
6 rejection. Any proposed changes to a plan or plan update must
7 be reviewed and approved by the Agency in accordance with this
8 subsection (a).

9 (b) The clearinghouse plan and plan updates approved by
10 the Agency shall be placed on the Agency's website and made
11 available at the Agency's headquarters for public review in
12 accordance with the Freedom of Information Act.

13 Section 32. Implementation of clearinghouse plan. The
14 clearinghouse shall implement the clearinghouse plan
15 components under subsection (a) of Section 25 upon approval of
16 the clearinghouse plan or plan update by the Agency under
17 Section 30. The clearinghouse shall monitor the implementation
18 of the clearinghouse plan and shall have the authority to
19 require specific action by its director and staff to meet the
20 clearinghouse plan implementation requirements under this
21 Section.

22 Section 36. Collection of old carpet.

23 (a) No later than June 1, 2024, in any county with a
24 population of greater than 200,000 people, any installer

1 engaged in removing old carpet from a residence or business
2 shall transport, or contract to transport, all old carpet to a
3 clearinghouse-approved old carpet collection site as defined
4 in Section 10.

5 (b) Approved carpet collection sites as defined in Section
6 10 shall ensure that old carpet is collected in the prescribed
7 conditions required by the clearinghouse plan. The conditions
8 must also include, but are not limited to, the following
9 requirements:

10 (1) Old carpet must be kept in a location that allows
11 it to remain dry at all times.

12 (2) Containers holding collected old carpet must be
13 free of all noncarpet discarded waste items.

14 (3) Prior to shipment to a processor, containers
15 holding discarded carpet must be filled to the following
16 minimum standards:

17 (A) Roll-off dumpsters shall be filled to a
18 minimum of 8 tons.

19 (B) Semitrailers shall be filled to a minimum of
20 13 tons.

21 (4) Approved collection sites must permit an approved
22 processor's prescribed container to be housed on site for
23 loading by the collector for pickup at the collection
24 site.

25 (c) Any approved collection site that has collected old
26 carpet as prescribed by the clearinghouse plan and whose full

1 container volume is not removed by a registered processor upon
2 3-business day's electronic notice to the processor stating
3 that collected old carpet is ready for removal may dispose of
4 that container's contents in a landfill.

5 Section 37. Economic support for approved carpet
6 collection sites. The clearinghouse program shall pay approved
7 old carpet collection sites for costs, services, and
8 infrastructure improvements as follows:

9 (1) Reimbursement for reasonable costs, as
10 pre-approved by the clearinghouse, to adapt sites for old
11 carpet collection as required by this Act, including, but
12 not limited to, one-time costs for constructing the needed
13 structure to make the collection of carpet safe and
14 convenient, and to ensure adequate room to maneuver old
15 carpet collection equipment in such a manner so as to not
16 disrupt the normal flow of activity at the collection
17 site.

18 (2) A recovery fee equivalent to \$20 per ton for all
19 old carpet collected that is subject to this Act and
20 loaded into trailers at the collector's site in accordance
21 with subsection (b) of Section 36.

22 (3) Approved carpet collection sites located at waste
23 transfer or waste disposal facilities permitted by the
24 Agency may, at their discretion, charge the generator of
25 such discarded carpet customary and proprietary collection

1 and disposal fees.

2 (4) Approved carpet collection sites may not charge a
3 processor any fee for removal of carpet discarded from the
4 collection site location.

5 (5) Economic support for approved carpet collectors
6 under this Section shall be reviewed by the clearinghouse
7 every 3 years as clearinghouse plans are submitted to the
8 Agency.

9 Section 40. State action antitrust exemption. Each
10 producer and the clearinghouse shall be immune from liability
11 for any claim of violation of antitrust law or unfair trade
12 practice if the conduct is a violation of antitrust law, to the
13 extent the producer or clearinghouse is exercising authority
14 under the provisions of this Act.

15 Section 45. Requirements applicable to producers.

16 (a) On and after January 1, 2024, producers of carpet
17 shall provide funding to the clearinghouse sufficient to cover
18 the administrative costs of establishing the clearinghouse in
19 calendar year 2024 and annually thereafter to cover the costs
20 of developing and implementing the clearinghouse plan. The
21 funding mechanism:

22 (1) shall take into account the financial burden that
23 blended carpet, nylon carpet, PET carpet, polypropylene
24 carpet, and wool carpet have on the clearinghouse program

1 costs;

2 (2) shall be differentiated by the type of material,
3 recycling cost, recycling content, and other qualities
4 related to toxicity, resource use, and recyclability;

5 (3) shall ensure an equitable and efficient allocation
6 of financial responsibility among producers;

7 (4) shall be at a level sufficient to cover the annual
8 costs of the clearinghouse program, as reported to the
9 Agency in the clearinghouse plan, and based on program
10 metrics and outcomes; if the Agency determines the level
11 of funding from the producers is not sufficient to cover
12 the annual costs of the clearinghouse program, the Agency
13 may request additional funding from the clearinghouse; and

14 (5) shall not charge:

15 (A) a specific point-of-sale fee to consumers to
16 recoup the costs of the clearinghouse program; or

17 (B) an increase in the cost of carpet to recoup the
18 costs of the clearinghouse program.

19 (b) The amount that each producer pays to fund the
20 clearinghouse program on an annual basis shall be considered
21 proprietary information that is privileged or confidential and
22 shall not be disclosed to the clearinghouse or the public.
23 However, in order to determine if each producer is paying its
24 proper share, an independent professional accounting firm
25 shall be hired by the clearinghouse to review the payments and
26 verify that the funding provided by each producer is in

1 compliance with the funding mechanism agreed to by the
2 producers.

3 (c) Producers, working with the clearinghouse, shall
4 provide consumers with educational materials regarding the
5 clearinghouse program. The materials shall include information
6 regarding available end-of-life management options for old
7 carpet offered through the carpet stewardship program.

8 (d) Producers who sell carpet in this State shall register
9 with the clearinghouse by October 1, 2024 and annually
10 thereafter for as long as that producer sells carpet in this
11 State. For the first year of registration, a producer shall
12 pay a registration fee of \$25,000 to the clearinghouse, the
13 amount of which may be deducted from the producer's quarterly
14 assessment due to the clearinghouse until such time that the
15 producer's assessment due exceeds the total cost of the
16 registration fee.

17 Section 50. Requirements applicable to retailers and
18 distributors.

19 (a) On and after January 1, 2024, no carpet may be sold in
20 this State unless the carpet's producer has registered with
21 the clearinghouse under subsection (d) of Section 45.

22 (b) Any retailer or distributor may participate, on a
23 voluntary basis, as a designated collection point under a
24 product stewardship program and in accordance with applicable
25 law.

1 (c) No retailer or distributor shall be found to be in
2 violation of this Section if, on the date the carpet was
3 ordered from the producer or its agent, the producer was
4 registered on the clearinghouse's website in accordance with
5 this Act.

6 (d) Retailers shall provide consumers with educational
7 materials, developed by producers and the clearinghouse, that
8 shall include, but are not limited to, information (i)
9 regarding available end-of-life management options for old
10 carpet, and (ii) notifying the consumer of the importance of
11 carpet recovery.

12 Section 55. Posting of information.

13 (a) Beginning March 1, 2024, and annually thereafter, the
14 clearinghouse shall post on its website the list of carpet
15 producers that registered with the clearinghouse, in
16 accordance with subsection (d) of Section 45.

17 (b) Beginning January 1, 2025, and annually thereafter,
18 for the benefit of assisting consumers who wish to find
19 collection sites for recovering carpet, the Agency shall post
20 on its website the location of all collection sites identified
21 to the Agency by the clearinghouse in its plans and annual
22 reports.

23 (c) Beginning May 1, 2026, and annually thereafter, the
24 Agency shall post on its website copies of the annual reports.

1 Section 60. Annual stewardship reports.

2 (a) By April 1, 2025, and by April 1 of each year
3 thereafter, the clearinghouse shall submit a report to the
4 Agency that includes, for the previous program year, a
5 description of the carpet stewardship program, including, but
6 not limited to, the following:

7 (1) the amount of carpet sold by square feet and
8 pounds in this State during the reporting period by
9 polymer type or nonpolymer material;

10 (2) a description of the methods used to collect,
11 transport, and process old carpet in regions of this
12 State, and a listing of the persons used to collect,
13 transport, and process old carpet;

14 (3) identification of all old carpet collection sites
15 in this State and whether the requirement of paragraph (3)
16 of subsection (a) of Section 25 has been met;

17 (4) the weight of all old carpet collected and carpet
18 reutilized or carpet recovered in all regions of this
19 State, a comparison to the performance goals and carpet
20 recovery rates established in the clearinghouse plan, and,
21 if appropriate, an explanation stating the reason or
22 reasons performance goals were not met;

23 (5) the weight of old carpet collected in this State
24 but not carpet reutilized or carpet recovered and its
25 ultimate disposition, and a comparison to the performance
26 goals in the clearinghouse plan;

1 (6) the total cost of implementing the clearinghouse
2 plan and a copy of the independent audit regarding the
3 financial activities of the clearinghouse;

4 (7) a proposed budget for implementing the
5 clearinghouse plan in the subsequent calendar year;

6 (8) an evaluation of the producers' funding mechanism
7 and its ability to properly fund the implementation of the
8 clearinghouse plan, including whether the incentive
9 payments to collectors, processors, and end markets for
10 managing carpet are adequate to ensure that the old carpet
11 can be carpet reutilized or carpet recovered under the
12 program;

13 (9) identification of the facilities processing
14 carpet, the weight processed at each facility, and each
15 facility's processing capacity;

16 (10) an evaluation of the effectiveness of the
17 clearinghouse plan, and anticipated steps, if needed, to
18 improve performance;

19 (11) a discussion of progress made toward achieving
20 carpet design changes according to paragraph (14) of
21 subsection (a) of Section 25; and

22 (12) samples of educational materials provided to
23 consumers and carpet installers, and an evaluation of the
24 effectiveness of the materials and the methods used to
25 disseminate the materials. The evaluation shall include,
26 but shall not be limited to, information on the number of

1 consumers and carpet installers that received or viewed
2 the educational materials, and any consumer and carpet
3 installer survey data that may have been collected
4 regarding the educational materials used.

5 Section 65. Administrative fee.

6 (a) The clearinghouse shall remit to the Agency an annual
7 fee of \$250,000 to be used for administrative costs pursuant
8 to this Act. This amount shall be included in the annual budget
9 for the clearinghouse plan. The clearinghouse shall reimburse
10 the Comptroller for costs related to reviewing the annual
11 carpet stewardship program audits.

12 (b) The clearinghouse shall pay the Agency's
13 administrative fee under subsection (a) on or before January
14 1, 2024, and annually thereafter. The clearinghouse shall
15 reimburse the Comptroller for its costs within 60 days of
16 receiving notice from the Comptroller.

17 (c) The Agency shall deposit the fees collected under this
18 Section into the Solid Waste Management Fund.

19 Section 70. Enforcement.

20 (a) On and after January 1, 2024, no producer,
21 distributor, or retailer shall sell or offer for sale carpet
22 to any person in this State if the producer of the carpet is
23 not registered with the clearinghouse or has not remitted
24 adequate funding pursuant to Section 45.

1 (b) No retailer or distributor shall be found in violation
2 of the provisions of subsection (a) if, on the date the carpet
3 was ordered from the producer or its agent, the producer was
4 listed on the clearinghouse's website in accordance with the
5 provisions of subsection (a) of Section 55.

6 (c) The Attorney General or the State's Attorney of the
7 county in which the violation occurred are authorized to seek
8 a civil penalty in the amount of \$5,000 per day for each
9 violation against any producer who violates the registration
10 requirements under subsection (d) of Section 45 or who fails
11 to remit the funding under Section 45.

12 (d) The Attorney General or the State's Attorney of the
13 county in which the violation occurred are authorized to seek
14 a civil penalty in the amount of \$5,000 per day for each
15 violation against any producer, distributor, or retailer who
16 sells or offers for sale carpet to any person in this State if
17 the producer of the carpet is not registered with the
18 clearinghouse under subsection (d) of Section 45 or has not
19 remitted the required funding under Section 45.

20 (e) The penalties provided for in this Section may be
21 recovered in a civil action. Any penalties collected under
22 this Section in an action in which the Attorney General has
23 prevailed shall be deposited in the Environmental Protection
24 Trust Fund, to be used in accordance with the provisions of the
25 Environmental Protection Trust Fund Act.

26 (f) The State's Attorney of the county in which the

1 violation occurred, or the Attorney General, may, at the
2 request of the Agency or on his or her own motion, institute a
3 civil action for an injunction, prohibitory or mandatory, to
4 restrain violations of this Act or to require such other
5 actions as may be necessary to address violations of this Act.

6 (g) The State's Attorney of the county in which the
7 violation occurred, or the Attorney General, may, at the
8 request of the Agency or on his or her own motion, institute a
9 civil action for an injunction, prohibitory or mandatory, to
10 restrain violations of this Act, any rule or regulation
11 adopted under this Act, any permit or to require such other
12 actions as may be necessary to address violations of this Act
13 or any rule or regulation adopted under this Act.

14 (h) Nothing in this Act prohibits a retailer or
15 distributor from selling their inventory of carpet existing
16 prior to January 1, 2023.

17 (i) Nothing in this Act mandates or otherwise requires and
18 nothing in the clearinghouse plan shall mandate or otherwise
19 require participation of the waste disposal industry in the
20 carpet stewardship program created by this Act.

21 Section 75. State procurement of carpet. Beginning on
22 January 1, 2025, at least 35% of carpet purchased by State
23 agencies shall be carpet with a minimum of 10% post-consumer
24 recovered content by weight from old carpet and comply with
25 the National Science Foundation/American National Standards

1 Institute (NSF/ANSI) 140-2009 Standard, Platinum Level or the
2 most current version in effect as provided by the American
3 National Standards Institute. The carpet shall be purchased
4 from a carpet producer with a third-party certified closed
5 loop recovering facility. Thereafter, those purchases shall
6 increase by a rate of 10% per year until it reaches 75%. Prior
7 to January 1, 2025, the clearinghouse shall provide a report
8 to the Illinois Department of Central Management Services on
9 the other types of products that contain reutilized carpet as
10 a feedstock that the State should consider purchasing.

11 Section 97. Severability. The provisions of this Act are
12 severable under Section 1.31 of the Statute on Statutes.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.