

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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**HOUSE BILL 823
Committee Substitute Favorable 4/30/19**

Short Title: NC Managing Environmental Waste Act of 2019.

(Public)

Sponsors:

Referred to:

April 18, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE "NC MANAGING ENVIRONMENTAL WASTE ACT OF
3 2019" TO ADDRESS THE ISSUE OF SINGLE-USE PLASTICS BY, AMONG OTHER
4 MEASURES, INCREASING REVENUE DISTRIBUTED TO CITIES AND COUNTIES
5 WITH PROGRAMS TO REDUCE PLASTIC WASTE, ESTABLISHING A PILOT
6 PROGRAM TO REDUCE THE USE OF SINGLE-USE PLASTICS AT
7 STATE-OPERATED FOOD SERVICE FACILITIES, AND DIRECTING THE
8 ENVIRONMENTAL REVIEW COMMISSION TO STUDY THE ISSUE OF SINGLE-USE
9 PLASTICS.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.** G.S. 105-187.63 reads as rewritten:

12 "**§ 105-187.63. Use of tax proceeds.**

13 From the taxes received pursuant to this Article, the Secretary may retain the costs of
14 collection, not to exceed two hundred twenty-five thousand dollars (\$225,000) a year, as
15 reimbursement to the Department. The Secretary must credit or distribute taxes received pursuant
16 to this Article, less the cost of collection, on a quarterly basis as follows:

- 17 (1) Fifty percent (50%) to the Inactive Hazardous Sites Cleanup Fund established
18 by G.S. 130A-310.11.
19 (2) ~~Thirty-seven and one-half percent (37.5%)~~ Thirty-two and one-half percent
20 (32.5%) to cities and counties in the State on a per capita basis, using the most
21 recent annual estimate of population certified by the State Budget Officer.
22 One-half of this amount must be distributed to cities, and one-half of this
23 amount must be distributed to counties. For purposes of this distribution, the
24 population of a county does not include the population of a city located in the
25 county.

26 A city or county is excluded from the distribution under this subdivision
27 if it does not provide solid waste management programs and services and is
28 not responsible by contract for payment for these programs and services. The
29 Department of Environmental Quality must provide the Secretary with a list
30 of the cities and counties that are excluded under this subdivision. The list
31 must be provided by May 15 of each year and applies to distributions made in
32 the fiscal year that begins on July 1 of that year.

33 Funds distributed under this subdivision must be used by a city or county
34 solely for solid waste management programs and services.

- 35 (2a) Five percent (5%) to cities and counties in the State that provide plastics
36 recycling services within their jurisdictions. Funds distributed to cities and



1 counties pursuant to this subdivision shall be distributed on a per capita basis,
 2 using the most recent annual estimate of population certified by the State
 3 Budget Officer. One-half of this amount must be distributed to cities eligible
 4 under this subdivision and one-half of this amount must be distributed to
 5 counties eligible under this subdivision. For purposes of this distribution, the
 6 population of a county does not include the population of a city located in the
 7 county.

8 The Department of Environmental Quality must adopt a rule establishing
 9 the criteria for eligibility under this subdivision and must provide the
 10 Secretary with a list of the cities and counties that are eligible under this
 11 subdivision. The list must be provided by May 15 of each year and applies to
 12 distributions made in the fiscal year that begins on July 1 of that year.

13 Funds distributed under this subdivision must be used by a city or county
 14 solely for plastics recycling and single-use plastics reduction programs and
 15 services, including for the procurement of alternatives to single-use plastics
 16 for packaging and food service ware to be used by the city or county.

17 (3) Twelve and one-half percent (12.5%) to the General Fund."

18 **SECTION 2.(a)** G.S. 143-58.2 reads as rewritten:

19 **"§ 143-58.2. State policy; bid procedures and specifications; identification of products.**

20 ...

21 (d) The Department of Administration, in cooperation with the Division of ~~Pollution~~
 22 ~~Prevention and Environmental Assistance and Customer Service~~ of the Department of
 23 ~~Environment and Natural Resources, Environmental Quality,~~ shall identify materials and
 24 supplies with recycled content that meet appropriate standards for use by State departments,
 25 institutions, agencies, community colleges, and local school administrative units.

26 ...

27 (f) On or before October 1 of each year, each State department, institution, agency,
 28 community college, and local school administrative unit authorized to purchase materials and
 29 supplies shall report to the Division of ~~Pollution Prevention and Environmental Assistance and~~
 30 ~~Customer Service~~ of the Department of ~~Environment and Natural Resources, Environmental~~
 31 ~~Quality,~~ the amounts and types of materials and supplies with recycled content that were
 32 purchased during the previous fiscal year and its progress toward reaching the goals under
 33 G.S. 143-58.3. On or before December 1 of each year, the Division of ~~Pollution Prevention and~~
 34 ~~Environmental Assistance and Customer Service~~ shall prepare a summary of these reports and
 35 submit the summary to the Joint Legislative Commission on Governmental Operations. The
 36 summary of these reports shall also be included in the report required by G.S. 130A-309.06(c).

37 (g) The Department of Administration and the Department of ~~Environment and Natural~~
 38 ~~Resources-Environmental Quality~~ shall develop guidelines for minimum content standards for
 39 materials and supplies with recycled content and may recommend appropriate goals in addition
 40 to those goals set forth in G.S. 143-58.3, for types of materials and supplies with recycled content
 41 to be purchased by the State.

42 (h) The Secretary of Administration may adopt rules to implement the provisions of this
 43 section and G.S. 143-58.3.

44 (i) On or before October 1 of each year, each State department, institution, agency,
 45 community college, and local school administrative unit authorized to purchase materials and
 46 supplies shall report to the Division of Environmental Assistance and Customer Service of the
 47 Department of Environmental Quality the amounts and types of materials and supplies with
 48 recycled content that were purchased during the previous fiscal year and its progress toward
 49 reaching the goals under G.S. 143-58.3. On or before December 1 of each year, the Division of
 50 Environmental Assistance and Customer Service shall prepare a summary of these reports and

1 submit the summary to the Environmental Review Commission. The summary of these reports
2 shall also be included in the report required by G.S. 130A-309.06(c).

3 (j) On or before October 1 of each year, each State department, institution, agency,
4 community college, and local school administrative unit shall report to the Division of
5 Environmental Assistance and Customer Service of the Department of Environmental Quality
6 the amounts and types of materials collected for recycling within the department, institution,
7 agency, community college, and local school administrative unit. On or before December 1 of
8 each year, the Division of Environmental Assistance and Customer Service shall prepare a
9 summary of these reports and submit the summary to the Environmental Review Commission.
10 The summary of these reports shall also be included in the report required by
11 G.S. 130A-309.06(c)."

12 **SECTION 2.(b)** G.S. 130A-309.06(c) is amended by adding a new subdivision to
13 read:

14 "(c) The Department shall report to the Environmental Review Commission and the Fiscal
15 Research Division on or before January 15 of each year on the status of solid waste management
16 efforts in the State. The report shall include:

17 ...

18 (20) A summary of the reports by each State department, institution, agency,
19 community college, and local school administrative unit authorized to
20 purchase materials and supplies detailing the amounts and types of materials
21 and supplies with recycled content that were purchased during the previous
22 fiscal year and the progress toward reaching the goals under G.S. 143-58.3,
23 as required by G.S. 143-58.2(i)."

24 **SECTION 3.** The Environmental Review Commission shall study the issue of
25 single-use plastics. In conducting this study, the Commission shall examine all of the following
26 matters:

- 27 (1) The environmental impacts of plastics pollution.
- 28 (2) The State's current requirements for plastics recycling.
- 29 (3) Estimates of the proportionate volume of plastics recycled versus plastics
30 disposed of in landfills in the State.
- 31 (4) Recycling markets and available information on the fate of plastics collected
32 for recycling in the State, including data on plastics used as feedstock for
33 in-State recycling, and national and international markets.
- 34 (5) Pending and enacted legislation in other states to regulate single-use plastics,
35 including bans on single-use plastic packaging and food service ware.
- 36 (6) Current private sector initiatives to reduce plastics pollution and additional
37 financial and market tools that may be employed by private sector interests
38 for this purpose.
- 39 (7) Alternatives to use of single-use plastics for packaging and food service ware.
- 40 (8) Any other issue the Commission deems relevant.

41 In conducting the study, the Commission shall consult with stakeholders, including
42 the Department of Environmental Quality, the Department of Health and Human Services, the
43 Department of Administration, representatives of the environmental community, the North
44 Carolina Retail Merchants Association, and the North Carolina Beverage Association. The
45 Environmental Review Commission shall report its findings and recommendations, including
46 any legislative proposals, to the 2020 Regular Session of the 2019 General Assembly upon its
47 convening.

48 **SECTION 4.(a)** The Legislative Services Officer shall evaluate all opportunities to
49 reduce the use of single-use plastics in food establishments operated by the General Assembly
50 and implement such measures at the earliest date that (i) does not result in disposal, prior to use,
51 of single-use plastics already procured on the date this act becomes law and (ii) does not impair

1 contracts for purchase of such food service ware in effect on the date this act becomes law. The
2 Legislative Services Officer shall issue a preliminary report on implementation of the
3 requirements of this section to the Environmental Review Commission no later than September
4 1, 2019, and shall provide a final report to the Commission no later than March 1, 2020.

5 **SECTION 4.(b)** The Department of Administration shall implement a pilot program
6 to eliminate the sale or provision of food or beverages for consumption on or off the premises,
7 in or with single-use plastics at State agencies or agencies of a political subdivision of the State
8 that is using State funds. In implementing this pilot, the Department shall identify five food
9 service establishments operated by State agencies to implement measures to eliminate single-use
10 plastics at the earliest possible date that (i) does not result in disposal, prior to use, of single-use
11 plastics already procured by the agency on the date this act becomes law and (ii) does not impair
12 contracts for purchase of such food service ware in effect on the date this act becomes law. The
13 Department shall issue a preliminary report on implementation of the requirements of this section
14 to the Environmental Review Commission no later than September 1, 2019, and shall provide a
15 final report to the Commission no later than March 1, 2020.

16 **SECTION 5.** For purposes of Sections 3 and 4 of this act, the term "single-use
17 plastics" means non-recyclable and noncompostable single-use disposable products food service
18 ware used by a food provider for serving or transporting prepared, ready-to-consume food or
19 beverages including plastic or polystyrene plates, cups, bowls, trays, utensils, straws, cup lids,
20 and hinged or lidded containers.

21 **SECTION 6.** The Department of Environmental Quality shall adopt rules to
22 implement G.S. 105-187.63(2a), as enacted by Section 1 of this act.

23 **SECTION 7.** Section 1 of this act becomes effective July 1, 2020. The remainder of
24 this act is effective when it becomes law.