

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 706
House Committee Substitute Favorable 6/25/25

Short Title: County Waste Management/Nonbetterment Costs.

(Public)

Sponsors:

Referred to:

March 26, 2025

A BILL TO BE ENTITLED
AN ACT TO RESTORE ASSISTANCE TO COUNTIES WITH THE CLEANUP OF SCRAP
TIRES AND TO PROVIDE AN EXEMPTION FROM NONBETTERMENT COSTS FOR
CERTAIN MUNICIPALITIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-187.19(b) reads as rewritten:

"(b) Each quarter, the Secretary shall credit thirty percent (30%) of the net tax proceeds to the ~~General Fund-Scrap Tire Disposal Account~~. In the event the amount in the Account exceeds three hundred thousand dollars (\$300,000) at the end of any fiscal year, such excess shall be credited to the Highway Fund. The Secretary shall distribute the remaining seventy percent (70%) of the net tax proceeds among the counties on a per capita basis according to the most recent annual population estimates certified to the Secretary by the State Budget Officer."

SECTION 1.(b) G.S. 130A-309.63 as it existed immediately prior to repeal is reenacted and reads as rewritten:

"§ 130A-309.63. Scrap Tire Disposal Account.

(a) Creation. – The Scrap Tire Disposal Account is established as a nonreverting account within the ~~Department-Department of Environmental Quality~~. The Account consists of revenue credited to the Account from the proceeds of the scrap tire disposal tax imposed by Article 5B of Chapter 105 of the General Statutes.

(b) Use. – The Department may use revenue in the Account only as authorized by this section.

(1) The Department may use up to ~~fifty percent (50%)~~ seventy-five percent (75%) of the revenue in the Account to make grants to units of local government to assist them in disposing of scrap tires. To administer the grants, the Department shall establish procedures for applying for a grant and the criteria for selecting among grant applicants. The criteria shall include the financial ability of a unit of local government to provide for scrap tire disposal, the severity of a unit of local government's scrap tire disposal problem, the effort made by a unit of local government to ensure that only tires generated in the normal course of business in this State are provided free disposal, and the effort made by a unit of local government to provide for scrap tire disposal within the resources available to it.

(2) The Department may use up to ~~forty percent (40%)~~ fifteen percent (15%) of the revenue in the Account to make grants to encourage the use of processed scrap tire materials. These grants may be made to encourage the use of tire-derived fuel, crumb rubber, carbon black, or other components of tires for



use in products such as fuel, tires, mats, auto parts, gaskets, flooring material, or other applications of processed tire materials. These grants shall be made in consultation with the Department of Commerce, the Division of Environmental Assistance and Outreach of the Department, and, where appropriate, the Department of Transportation. Grants to encourage the use of processed scrap tire materials shall not be used to process tires.

(3) The Department may use up to one hundred seventy-five thousand dollars (\$175,000) of the revenue in the Account for administrative costs and to support a position to provide local governments with assistance in developing and implementing scrap tire management programs designed to complete the cleanup of nuisance tire collection sites and prevent scrap tires generated from outside of the State from being presented for free disposal in the State. position for implementation of the requirements of this Part.

(4) The Department may use the remaining revenue in the Account only to clean up illegal scrap tire collection sites that the Department has determined are a nuisance. The Department may use funds in the Account to clean up a nuisance tire collection site only if no other funds are available for that purpose.

(c) Eligibility. – A unit of local government is not eligible for a grant for scrap tire disposal unless its costs for disposing of scrap tires for the six-month period preceding the date the unit of local government files an application for a grant exceeded the amount the unit of local government received during that period from the proceeds of the scrap tire tax under G.S. 105-187.19. A grant to a unit of local government for scrap tire disposal may not exceed the unit of local government's unreimbursed cost for the six-month period.

~~(e)~~(d) Reporting. – The Department shall include in the report to be delivered to the Environmental Review Commission ~~on or before 15 January of each year~~ pursuant to G.S. 130A-309.06(c) a description of the implementation of the North Carolina Scrap Tire Disposal Act for the fiscal year ending the preceding ~~30 June~~ June 30. The description of the implementation of the North Carolina Scrap Tire Disposal Act shall include the beginning and ending balances in the Account for the reporting period, the amount credited to the Account during the reporting period, and the amount of revenue used for grants and to clean up nuisance tire collection sites."

SECTION 1.(c) G.S. 130A-309.64 is repealed.

SECTION 1.(d) G.S. 130A-309.06(c) reads as rewritten:

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

...

(10) A description of the implementation of the North Carolina Scrap Tire Disposal Act that includes the beginning and ending balances in the Scrap Tire Disposal Account for the reporting period, the amount credited to the Scrap Tire Disposal Account during the reporting period, and the amount of revenue used for grants and to clean up nuisance tire collection ~~under the provisions of G.S. 130A-309.64~~ as required by G.S. 130A-309.63(d).

...."

SECTION 1.(e) G.S. 130A-309.09C(g) reads as rewritten:

"(g) In addition to any other penalties provided by law, a unit of local government that does not comply with the requirements of G.S. 130A-309.09A(b), G.S. 130A-309.09A(d), and G.S. 130A-309.09B(a) shall not be eligible for grants from the Solid Waste Management Trust ~~Fund-Fund~~, the Scrap Tire Disposal Account, or the White Goods Management Account and shall not receive the proceeds of the scrap tire disposal tax imposed by Article 5B of Chapter 105

of the General Statutes or the proceeds of the white goods disposal tax imposed by Article 5C of Chapter 105 of the General Statutes to which the unit of local government would otherwise be entitled. The Secretary shall notify the Secretary of Revenue to withhold payment of these funds to any unit of local government that fails to comply with the requirements of G.S. 130A-309.09A(b), G.S. 130A-309.09A(d), and G.S. 130A-309.09B(a). Proceeds of the scrap tire disposal tax that are withheld pursuant to this subsection shall be credited to the ~~General Fund and may be used as provided in G.S. 130A-309.64.~~ Highway Fund. Proceeds of the white goods disposal tax that are withheld pursuant to this subsection shall be credited to the ~~General Fund and may be used as provided in G.S. 130A-309.83.~~ Highway Fund."

SECTION 1.(f) G.S. 130A-309.54 reads as rewritten:

"§ 130A-309.54. Use of scrap tire tax proceeds.

Article 5B of Chapter 105 imposes a tax on new tires to provide funds for the disposal of scrap tires, ~~for the cleanup of inactive hazardous waste sites under Part 3 of this Article, and for all the purposes for which the Bernard Allen Memorial Emergency Drinking Water Fund may be used under G.S. 87-98.~~ tires. A county may use proceeds of the tax distributed to it under that Article only for the disposal of scrap tires pursuant to the provisions of this Part or for the abatement of a nuisance pursuant to G.S. 130A-309.60."

SECTION 1.(g) This section becomes effective October 1, 2025, and applies to quarterly crediting of the proceeds of the scrap tire disposal tax occurring on or after that date.

SECTION 2.(a) G.S. 136-27.1 reads as rewritten:

"§ 136-27.1. Relocation of water and sewer lines of municipalities, nonprofit water or sewer corporations or associations, local boards of education, and certain private water or sewer utilities.

(a) The Department of Transportation shall pay the nonbetterment cost for the relocation of water and sewer lines, located within the existing State transportation project right-of-way, that are necessary to be relocated for a State transportation improvement project and that are owned by: (i) a municipality with a population of ~~10,000~~ 20,000 or less according to the latest decennial census; (ii) a nonprofit water or sewer association or corporation; (iii) any water or sewer system organized pursuant to Chapter 162A of the General Statutes; (iv) a rural water system operated by a County as an enterprise system; (v) any sanitary district organized pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes; (vi) constructed by a water or sewer system organized pursuant to Chapter 162A of the General Statutes and then sold or transferred to a municipality with a population of greater than ~~10,000~~ 20,000 according to the latest decennial census; (vii) a local board of education; or (viii) a private water or sewer utility organized pursuant to Chapter 62 of the General Statutes serving ~~10,000~~ 20,000 or fewer customers.

(b) A municipality with a population of greater than ~~10,000~~ 20,000 shall pay a percentage of the nonbetterment cost for relocation of water and sewer lines owned by the municipality and located within the existing State transportation project right-of-way that are necessary to be relocated for a State transportation improvement project. The percentage shall be based on the municipality's population, with the Department paying the remaining costs, as follows:

- (1) A municipality with a population of greater than ~~10,000~~ 20,000, but less than 50,000, shall pay twenty-five percent (25%) of the cost.
- (2) A municipality with a population of 50,000 or greater, but less than 100,000, shall pay fifty percent (50%) of the cost.
- (3) A municipality with a population of 100,000 or greater shall pay one hundred percent (100%) of the cost."

SECTION 2.(b) This section is effective retroactive to January 1, 2025, and applies to (i) nonbetterment costs arising after that date and (ii) nonbetterment costs arising before that date but unpaid by a municipality on that date.

1 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
2 law.