

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 823  
Committee Substitute Favorable 4/30/19  
Committee Substitute #2 Favorable 5/6/19  
Committee Substitute #3 Favorable 5/6/19

Short Title: NC Managing Environmental Waste Act of 2019.

(Public)

Sponsors:

Referred to:

April 18, 2019

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

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

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

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

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

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



1           (2a) Five percent (5%) to cities and counties in the State that provide plastics  
2 recycling services within their jurisdictions. Funds distributed to cities and  
3 counties pursuant to this subdivision shall be distributed on a per capita basis,  
4 using the most recent annual estimate of population certified by the State  
5 Budget Officer. One-half of this amount must be distributed to cities eligible  
6 under this subdivision and one-half of this amount must be distributed to  
7 counties eligible under this subdivision. For purposes of this distribution, the  
8 population of a county does not include the population of a city located in the  
9 county.

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

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

19           For purposes of this subdivision, the term "single-use plastics" means  
20 nonrecyclable and noncompostable single-use disposable products food  
21 service ware used by a food provider for serving or transporting prepared,  
22 ready-to-consume food or beverages, including plastic or polystyrene plates,  
23 cups, bowls, trays, utensils, straws, cup lids, and hinged or lidded containers.

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

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

26           **"§ 143-58.2. State policy; bid procedures and specifications; identification of products.**

27           ...

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

33           ...

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

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

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

1       (i)     On or before October 1 of each year, each State department, institution, agency,  
2 community college, and local school administrative unit authorized to purchase materials and  
3 supplies shall report to the Division of Environmental Assistance and Customer Service of the  
4 Department of Environmental Quality the amounts and types of materials and supplies with  
5 recycled content that were purchased during the previous fiscal year and its progress toward  
6 reaching the goals under G.S. 143-58.3. On or before December 1 of each year, the Division of  
7 Environmental Assistance and Customer Service shall prepare a summary of these reports and  
8 submit the summary to the Environmental Review Commission. The summary of these reports  
9 shall also be included in the report required by G.S. 130A-309.06(c).

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

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

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

24       ...

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

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

- 34       (1)     The environmental impacts of plastics pollution.
- 35       (2)     The State's current requirements for plastics recycling.
- 36       (3)     Estimates of the proportionate volume of plastics recycled versus plastics  
37 disposed of in landfills in the State.
- 38       (4)     Recycling markets and available information on the fate of plastics collected  
39 for recycling in the State, including data on plastics used as feedstock for  
40 in-State recycling, and national and international markets.
- 41       (5)     Pending and enacted legislation in other states to regulate single-use plastics,  
42 including bans on single-use plastic packaging and food service ware.
- 43       (6)     The impact that bans on single-use plastics packaging and food service ware  
44 have had on people with disabilities.
- 45       (7)     Current private sector initiatives to reduce plastics pollution and additional  
46 financial and market tools that may be employed by private sector interests  
47 for this purpose.
- 48       (8)     Alternatives to use of single-use plastics for packaging and food service ware.
- 49       (9)     New technologies for plastics recycling and waste reduction.
- 50       (10)    Any other issue the Commission deems relevant.

1 In conducting the study, the Commission shall consult with stakeholders, including  
2 the Department of Environmental Quality, the Department of Health and Human Services, the  
3 Department of Administration, representatives of the environmental community, the North  
4 Carolina Retail Merchants Association, and the North Carolina Beverage Association. The  
5 Environmental Review Commission shall report its findings and recommendations, including  
6 any legislative proposals, to the 2020 Regular Session of the 2019 General Assembly upon its  
7 convening.

8 **SECTION 4.(a)** The Legislative Services Officer shall evaluate all opportunities to  
9 reduce the use of single-use plastics in food establishments operated by the General Assembly  
10 and implement such measures at the earliest date that (i) does not result in disposal prior to use  
11 of single-use plastics already procured 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 Legislative Services Officer shall issue a preliminary report on implementation of the  
14 requirements of this section to the Environmental Review Commission no later than September  
15 1, 2019, and shall provide a final report to the Commission no later than March 1, 2020.

16 **SECTION 4.(b)** The Division of Services for the Blind, within the Department of  
17 Health and Human Services, shall implement a pilot program to eliminate the sale or provision  
18 of food or beverages for consumption on or off the premises, in or with single-use plastics at  
19 State agencies or agencies of a political subdivision of the State that is using State funds. In  
20 implementing this pilot, the Division shall identify five food service establishments operated by  
21 the Division to implement measures to eliminate single-use plastics at the earliest possible date  
22 that (i) does not result in disposal prior to use of single-use plastics already procured by the  
23 agency on the date this act becomes law and (ii) does not impair contracts for purchase of such  
24 food service ware in effect on the date this act becomes law. The Division shall issue a  
25 preliminary report on implementation of the requirements of this section to the Environmental  
26 Review Commission no later than September 1, 2019, and shall provide a final report to the  
27 Commission no later than March 1, 2020.

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

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

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