



HOUSE BILL 823: NC Managing Environmental Waste Act of 2019.

2019-2020 General Assembly

Committee:	House Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	May 6, 2019
Introduced by:	Reps. Warren, McGrady, Harrison, Grange	Prepared by:	Jennifer McGinnis
Analysis of:	PCS to Second Edition H823-CSBR-17		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 823 would enact several measures related to single-use plastics as follows:*

- *Allocate 5% of the revenue generated by the solid waste disposal tax to cities and counties in the State that provide plastics recycling services within their jurisdictions.*
- *Restore certain annual reporting requirements concerning the amounts and types of materials and supplies with recycled content purchased and the amounts and types of materials collected for recycling by State agencies, community colleges, and local school administrative units.*
- *Require the Environmental Review Commission (ERC) to study the issue of single-use plastics.*
- *Require the Legislative Services Officer to evaluate and implement opportunities to reduce the use of single-use plastics in food establishments operated by the General Assembly.*
- *Require the Division of Services for the Blind (Division), within the Department of Health and Human Services to implement a pilot program to eliminate the use of single-use plastics at five food service establishments operated by State agencies.*

The PCS adds an additional focus to the ERC study in Section 3, and makes a technical correction to change the Department of Administration to the Division in Sec. 4(b).

BILL ANALYSIS:

Section 1 Under current law, a tax of \$2 per ton is imposed on waste disposed of in municipal solid waste and construction and demolition debris landfills. The proceeds of the tax are distributed as follows:

- 50% of the proceeds must be credited to the Inactive Hazardous Sites Cleanup Fund, and the Secretary of the Department of Environmental Quality is required to fund assessment and cleanup of pre-1983 landfills (aka "pre-reg" and "orphan" landfills).
- 37.5% to cities and counties in the State on a per capita basis solely for solid waste management programs and services.
- 12.5% to the General Fund.

Section 1 of the bill would modify the 37.5% allocation currently given to cities and counties for solid waste management programs and services, to allocate 5% to cities and counties that provide plastics recycling services within their jurisdictions. Specifically, funds distributed must be used for plastics recycling and single-use plastics reduction programs and services, including for the procurement of alternatives to single-use plastics for packaging and food service ware to be used by the city or county.

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Section 2 of the bill would restore certain reporting requirements applicable to State agencies, community colleges, and local school administrative units concerning the amounts and types of materials and supplies with recycled content purchased annually by these entities, and the amounts and types of materials collected for recycling annually by these entities, and require the Department of Environmental Quality (DEQ) to report this data to the ERC. These reporting requirements were repealed in 2009 and 2010.

Section 3 of the bill would direct the ERC to study the issue of single-use plastics, including examination of all of the following matters:

- The environmental impacts of plastics pollution.
- The State's current requirements for plastics recycling.
- Estimates of the proportionate volume of plastics recycled versus plastics disposed of in landfills in the State.
- Recycling markets and available information on the fate of plastics collected for recycling in the State, including data on plastics used as feedstock for in-State recycling, and national and international markets.
- Pending and enacted legislation in other states to regulate single-use plastics, including bans on single-use plastic packaging and food service ware.
- The impact that bans on single-use plastics packaging and food service ware have had on people with disabilities.
- Current private sector initiatives to reduce plastics pollution and additional financial and market tools that may be employed by private sector interests for this purpose.
- Alternatives to use of single-use plastics for packaging and food service ware.

The bill would require the ERC to consult with stakeholders in conducting the study, including DEQ, the Department of Health and Human Services, the Department of Administration, representatives of the environmental community, the North Carolina Retail Merchants Association, and the North Carolina Beverage Association. The ERC would be required to report its findings and recommendations, including any legislative proposals, to the 2020 Regular Session of the 2019 General Assembly upon its convening.

Section 4 would require:

- The Legislative Services Officer to evaluate all opportunities to reduce the use of single-use plastics in food establishments operated by the General Assembly and implement such measures at the earliest date that (i) does not result in disposal, prior to use, of single-use plastics already procured on the date this act becomes law and (ii) does not impair contracts for purchase of such food service ware in effect on the date this act becomes law. The Legislative Services Officer must issue a preliminary report on implementation of the requirements of this section to the ERC no later than September 1, 2019, and shall provide a final report to the Commission no later than March 1, 2020.
- The Division to implement a pilot program to eliminate the sale or provision of food or beverages for consumption on or off the premises, in or with single-use plastics at State agencies or agencies of a political subdivision of the State that is using State funds. In implementing this pilot, the Division must identify five food service establishments operated by State agencies to implement measures to eliminate single-use plastics at the earliest possible date that (i) does not result in disposal, prior to use, of single-use plastics already procured by the agency on the date this act becomes law and (ii) does not impair contracts for purchase of such food service ware in effect

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on the date this act becomes law. The Division must issue a preliminary report on implementation of the requirements of this section to the ERC no later than September 1, 2019, and shall provide a final report to the Commission no later than March 1, 2020.

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

EFFECTIVE DATE: Section 1 of the bill would become effective July 1, 2020. The remainder of the bill would be effective when it becomes law.