



SENATE BILL 706: County Waste Management Assistance.

2025-2026 General Assembly

Analysis of: S.L. 2025-66

Date: September 2, 2025
Prepared by: Legislative Analysis
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S.L. 2025-66 (Senate Bill 706) does the following:

- Requires that 30% of the net proceeds of the scrap tire disposal tax be credited to the Scrap Tire Disposal Account (Account) and that excess funds must be credited to the Highway Fund if the amount in the Account exceeds \$300,000 at the end of a fiscal year.
- Reenacts the Account as it existed immediately before its repeal and locates the Account within the Department of Environmental Quality (DEQ). DEQ can use funds in the Account as follows:
 - 75% of the revenue for grants to units of local government to assist them in disposing of scrap tires.
 - 15% of the revenue for grants to encourage the use of processed scrap tire materials. The grants can 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.
 - Up to \$175,000 for administrative costs and to support a DEQ position to implement the requirements of the scrap tire program.
 - The remaining revenue to fund the clean up of illegal scrap tire collection sites that DEQ has determined are nuisances.
- Removes the deadline for DEQ's report to the Environmental Review Commission (ERC) on the implementation of the North Carolina Scrap Tire Disposal Act.
- Requires DEQ to include in its annual report to the ERC and the Fiscal Research Division the beginning and ending balances of the Account for the reporting period and the amount credited to the Account during the reporting period.
- Provides that local governments that do not comply with requirements to (i) make a good faith effort to achieve the States' 40% municipal solid waste reduction goal and comply with the State's comprehensive solid waste plan, (ii) annually report on solid waste management programs and waste reduction activities within the unit of local government, and (iii) establish and maintain a solid waste reduction program are not eligible for grants from the Account and cannot receive the proceeds of the scrap tire disposal tax or white goods disposal tax. The proceeds of the taxes withheld from units of local government must be credited to the Highway Fund.
- Limits the use of the tax on new tires to the disposal of scrap tires.

The act became effective October 1, 2025, and applies to quarterly crediting of the proceeds of the scrap tire disposal tax occurring on or after that date.

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Director



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