

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 533
Committee Substitute Favorable 6/22/22
Committee Substitute #2 Favorable 6/28/22

Short Title: County Waste Management Assistance.

(Public)

Sponsors:

Referred to:

April 13, 2021

A BILL TO BE ENTITLED

AN ACT TO RESTORE ASSISTANCE TO COUNTIES WITH THE CLEANUP OF SCRAP
TIRES.

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%)~~ seventeen percent (17%)
of the net tax proceeds to the Scrap Tire Disposal Account and thirteen percent (13%) of the net
tax proceeds to the General 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. 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%) 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%) 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



1 processed tire materials. These grants shall be made in consultation with the
 2 Department of Commerce, the Division of Environmental Assistance and
 3 Outreach of the Department, and, where appropriate, the Department of
 4 Transportation. Grants to encourage the use of processed scrap tire materials
 5 shall not be used to process tires.

6 (3) The Department may use revenue in the Account to support a position to
 7 provide local governments with assistance in developing and implementing
 8 scrap tire management programs designed to complete the cleanup of nuisance
 9 tire collection sites and prevent scrap tires generated from outside of the State
 10 from being presented for free disposal in the State.

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

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

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

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

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

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

35 ...

36 (10) A description of the implementation of the North Carolina Scrap Tire Disposal
 37 Act that includes the beginning and ending balances in the Scrap Tire Disposal
 38 Account for the reporting period, the amount credited to the Scrap Tire
 39 Disposal Account during the reporting period, and the amount of revenue used
 40 for grants and to clean up nuisance tire collection ~~under the provisions of G.S.~~
 41 ~~130A-309.64~~ as required by G.S. 130A-309.63(d).

42"

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

44 "(g) In addition to any other penalties provided by law, a unit of local government that
 45 does not comply with the requirements of G.S. 130A-309.09A(b), G.S. 130A-309.09A(d), and
 46 G.S. 130A-309.09B(a) shall not be eligible for grants from the Solid Waste Management Trust
 47 ~~Fund~~ Fund, the Scrap Tire Disposal Account, or the White Goods Management Account and
 48 shall not receive the proceeds of the scrap tire disposal tax imposed by Article 5B of Chapter 105
 49 of the General Statutes or the proceeds of the white goods disposal tax imposed by Article 5C of
 50 Chapter 105 of the General Statutes to which the unit of local government would otherwise be
 51 entitled. The Secretary shall notify the Secretary of Revenue to withhold payment of these funds

1 to any unit of local government that fails to comply with the requirements of
2 G.S. 130A-309.09A(b), G.S. 130A-309.09A(d), and G.S. 130A-309.09B(a). Proceeds of the
3 scrap tire disposal tax that are withheld pursuant to this subsection shall be credited to the General
4 Fund and may be used as provided in ~~G.S. 130A-309.64.~~ G.S. 130A-309.63. Proceeds of the
5 white goods disposal tax that are withheld pursuant to this subsection shall be credited to the
6 General Fund and may be used as provided in ~~G.S. 130A-309.83.~~ G.S. 130A-309.82."

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

8 "**§ 130A-309.54. Use of scrap tire tax proceeds.**

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

15 **SECTION 2.** G.S. 130A-309.58 reads as rewritten:

16 "**§ 130A-309.58. Disposal of scrap tires.**

17 ...

18 (h) Nothing in this Article shall prohibit a unit of local government from collecting and
19 shipping, or arranging for the collection and shipment of, scrap tires directly from a tire retailer
20 for permissible disposal purposes."

21 **SECTION 3.** Section 1 of this act becomes effective October 1, 2022, and applies to
22 quarterly crediting of the proceeds of the scrap tire disposal tax occurring on or after that date.
23 The remainder of this act is effective when it becomes law.