

2024 -- S 2753

=====
LC005658
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

—————
A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- COMPOSTING AND ORGANIC
WASTE DIVERSION

Introduced By: Senators Valverde, Kallman, Gu, DiMario, Miller, Britto, LaMountain,
DiPalma, Tikoian, and Murray

Date Introduced: March 08, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative Findings.

2 The general assembly finds and declares that:

3 (1) Approximately one third of the material disposed of at the RI resource recovery central
4 landfill is compostable;

5 (2) The central landfill is estimated to be full by 2043;

6 (3) Rhode Island has one of the lowest municipal landfill tipping fees in New England;

7 (4) The general public is increasingly interested in diverting their food scraps;

8 (5) Compost added to soil increases soil organic matter, in turn improving soil's ability to
9 sequester carbon, and reduces the need for synthetic nitrogen fertilizer, which can lead to reduced
10 emissions associated with the production and use of nitrogen fertilizer;

11 (6) Healthy agricultural soils sequester carbon and play a vital role in protecting our
12 waterways and the climate, and ensuring crop yields and farm profitability;

13 (7) Composting reduces greenhouse gas emissions, builds healthy soils, manages water
14 runoff and quality, and builds local economies;

15 (8) Enforcing a "Polluter Pays" principle via a surcharge on materials disposed is an
16 effective way to encourage waste diversion and raise funds to support development and expansion
17 of waste diversion programs and infrastructure;

18 (9) Several other states have instituted disposal surcharges to fund waste diversion and

1 litter abatement, including New Jersey, Pennsylvania, Indiana, Iowa, Minnesota, North Carolina,
2 Ohio and Wisconsin; of these, Pennsylvania, Minnesota, and Wisconsin also fund other
3 environmental programs from disposal surcharges;

4 (10) Whole or pulverized shell has high value as a raw material and does not degrade, and
5 therefore, should not be disposed of in a landfill, but recycled or recovered from trash and reused;

6 (11) Reducing wasted food and increasing composting is in line with the goals of Rhode
7 Island's 2021 Act on Climate.

8 SECTION 2. Title 42 of the General Laws entitled "STATE AFFAIRS AND
9 GOVERNMENT" is hereby amended by adding thereto the following chapter:

10 CHAPTER 6.3

11 COMPOSTING AND ORGANIC WASTE DIVERSION

12 **42-6.3-1. Short title.**

13 This chapter shall be known and may be cited as the "Composting and Organic Waste
14 Diversion."

15 **42-6.3-2. Purpose.**

16 (a) Establishing the compost fund as a special, nonlapsing fund; requiring interest earnings
17 of the compost fund to be credited to the compost fund established pursuant to § 42-6.3-5.

18 (b) Establishing the competitive composting and waste diversion grant fund ("CG fund")
19 as a special, nonlapsing fund; requiring interest earnings of the competitive composting and waste
20 diversion grant fund to be credited to the competitive composting and waste diversion grant fund.

21 (c) Establishing the municipal waste diversion grant fund ("MG fund") as a special,
22 nonlapsing fund, requiring interest earnings of the municipal waste diversion grant fund to be
23 credited to the municipal waste diversion grant fund.

24 (d) Establishing a solid waste disposal surcharge pursuant to the provisions of § 42-6-3-4,
25 to be collected and transferred, on a quarterly basis, to the office of the general treasurer, by Rhode
26 Island resource recovery corporation or other refuse disposal system in the state.

27 (e) Requiring the office of the general treasurer, on an annual basis, to transfer solid waste
28 disposal surcharge revenue to the compost fund, and specifying that solid waste disposal surcharge
29 revenue in and originating from the compost fund may not revert to the general fund of the state.

30 **42-6.3-3. Definitions.**

31 As used in this chapter:

32 (1) "Compost" means a stable organic product produced by a controlled aerobic
33 decomposition process that can be used as a soil additive, fertilizer, growth media or other
34 beneficial use.

1 (2) "Composting" means the controlled aerobic biological decomposition of organic waste
2 material resulting in compost.

3 (3) "Composting facility" means buildings, grounds (such as a composting pad) and
4 equipment dedicated to the manufacture of compost, and also includes stormwater control systems.

5 (4) "Payor" means all entities required to pay the surcharge and can include any of the
6 following:

7 (i) Any individual or entity (e.g. municipally contracted waste haulers and privately
8 contracted waste haulers) disposing of waste at a municipal drop-off site or transfer station; and

9 (ii) Any individual or entity (e.g. municipally contracted waste haulers and privately
10 contracted waste haulers) disposing of waste at the central landfill run by Rhode Island resource
11 recovery corporation.

12 (5) "Refuse disposal system" includes:

13 (i) A solid waste transfer station;

14 (ii) A landfill and/or landfill system; and

15 (iii) Any other facility accepting mixed solid waste.

16 (6) "Recycling" means any process in which recyclable materials are collected, separated,
17 or processed and returned to the marketplace in the form of raw materials or products.

18 (7) "Solid waste" means any discarded material destined for landfill disposal or other final
19 disposal at a refuse disposal system. Solid waste does not include segregated or source-separated
20 materials that are rescued, reused, recycled, or composted.

21 **42-6.3-4. Solid waste disposal surcharge.**

22 (a) There is hereby established a solid waste disposal surcharge to be paid by each payor
23 and collected by the owner or operator of each refuse disposal facility in the state.

24 (b)(1) The solid waste disposal surcharge shall be two dollars (\$2.00) per ton of solid waste
25 processed by a refuse disposal system.

26 (2) On or before January 1, 2030, and every five (5) years thereafter, the department of
27 environmental management shall adjust the solid waste disposal surcharge to the greater of:

28 (i) The changes in the consumer price index for the New England region; or

29 (ii) Twenty (20%) percent.

30 (c) The surcharge may only be assessed once on given solid waste destined for final
31 disposal.

32 (1) If the surcharge is assessed on given solid waste before its final disposal destination
33 (e.g. at a municipal drop off site or transfer station), that assessed value shall be accounted for and
34 then collected once it reaches the final destination.

1 (2) Every solid waste hauler or collector is authorized to collect rates, fees, or surcharges
2 from solid waste generators serviced by the solid waste hauler or collector only up to the amount
3 sufficient to recover the surcharge collected by the owner or operator of a refuse disposal system.

4 (d)(1) The office of the general treasurer shall receive the solid waste disposal surcharge
5 assessed under this section and deposit the revenue into the compost fund.

6 (i) Beginning January 1, 2025, on a quarterly basis, Rhode Island resource recovery
7 corporation or the owner/operator of other refuse disposal systems in the state shall complete and
8 submit, under oath, a return and transfer the solid waste disposal surcharge to the office of the
9 general treasurer.

10 (ii) The return shall include information on the number of tons of solid waste accepted for
11 disposal, transfer, or collection, as appropriate, during the reporting period.

12 **42-6.3-5. Compost fund.**

13 (a) The compost fund is hereby established under the jurisdiction of the department of
14 environmental management.

15 (b) The purpose of the compost fund is to provide funding to the department of
16 environmental management to award grants to assist with the costs of developing, implementing,
17 or expanding equipment, infrastructure, and education relating to:

18 (1) Reducing the amount of solid waste generated in the state;

19 (2) Surplus food rescue;

20 (3) Shell recovery and waste shell diversion;

21 (4) Compost production and compost use; and

22 (5) Minimizing illegal dumping.

23 (c) The office of the general treasurer shall administer the fund.

24 (d)(1) The compost fund is a special, nonlapsing fund.

25 (2) The office of the general treasurer shall hold the compost fund separately, and the
26 department of environmental management shall account for expenditures and disbursements from
27 the compost fund.

28 (3) The compost fund shall be administered by the office of the general treasurer in
29 accordance with the same laws and fiscal procedures as the general funds of the state.

30 (4) Interest earnings of the compost fund shall be credited to the compost fund.

31 (e) The compost fund consists of:

32 (1) The solid waste disposal surcharge revenue deposited into the compost fund;

33 (2) Money appropriated in the state budget to the compost fund;

34 (3) Interest earnings;

1 (4) Sums recovered by any action brought to recover funds owed pursuant to the provisions
2 of this chapter or any recovery pursuant to chapter 18.9 of title 23; and

3 (5) Any other money from any other source accepted for the benefit of the compost fund.

4 (f)(1) The compost fund may be used only to:

5 (i) Provide the funding necessary to award grants under both the competitive composting
6 and waste diversion grant fund and municipal waste diversion grant fund; and

7 (ii) Cover the reasonable administrative costs of the compost fund and the grant programs.

8 (2) Up to five percent (5%) of the estimated annual solid waste surcharge revenue may be
9 used to cover reasonable administrative costs.

10 (3) On an annual basis, after covering reasonable administrative costs, the department of
11 environmental management shall use:

12 (i) Fifty percent (50%) of the money in the compost fund for the competitive composting
13 and waste diversion grant fund pursuant to the provisions of § 42-6.3-6; and

14 (ii) Fifty percent (50%) of the money in the fund for the municipal waste diversion grant
15 fund pursuant to the provisions of § 42-6.3-7.

16 **42-6.3-6. Competitive composting and waste diversion grant fund.**

17 (a) There is hereby established a competitive composting and waste diversion grant fund
18 ("CG fund").

19 (b) The purpose of the CG fund is to award grants to eligible entities to assist with the costs
20 of developing and implementing compost production, compost use, and waste diversion efforts.

21 (c) The director of the department of environmental management shall administer the
22 expenditures and disbursements of the CG fund.

23 (d)(1) The CG fund is a special, nonlapsing fund.

24 (2) The office of the general treasurer shall hold the CG fund separately, and the department
25 of environmental management shall account for the expenditures and disbursements of the CG
26 fund.

27 (e) The CG fund consists of:

28 (1) The solid waste disposal surcharge revenue transferred to the CG fund;

29 (2) Money appropriated in the state budget to the CG fund;

30 (3) Interest earnings; and

31 (4) Any other money from any other source accepted for the benefit of the CG fund.

32 (f) The CG fund may be used only to award grants to eligible entities to assist with:

33 (1) The costs of developing and implementing compost production and compost use
34 projects, including the costs of:

- 1 (i) Purchasing compost and equipment for compost application;
- 2 (ii) Equipment and infrastructure in support of compost processing and production;
- 3 (iii) Composting materials generated on-site or off-site, including animal manure generated
- 4 on-site and food scraps generated off-site;
- 5 (iv) Compost management training under a program offered by the University of Rhode
- 6 Island Cooperative Extension, the U.S. Composting Council, or other appropriate entity;
- 7 (v) Compost testing equipment or submitting compost samples for testing to a laboratory
- 8 with appropriate expertise;
- 9 (vi) Quantifying the benefits of compost application to soil health and carbon sequestration;
- 10 (vii) Studying impacts of compost application on nutrient and water quality management
- 11 to inform relevant regulations;
- 12 (viii) Researching and developing new compost treatments or products that will benefit or
- 13 inform compost use;
- 14 (ix) Consulting with a nutrient management specialist or other consultant; and
- 15 (x) Registering compost for sale within the state and/or with the U.S. Composting
- 16 Council's Seal of Testing Assurance Program.
- 17 (2) The costs of developing and implementing activities that advance food waste
- 18 prevention, food rescue and recovery, or composting, as well as minimize illegal dumping in the
- 19 state, including the costs of:
- 20 (i) Encouraging source-separation of uncontaminated materials;
- 21 (ii) Providing education and technical assistance to public and private entities, including
- 22 small haulers, to:
- 23 (A) Advance food waste prevention, recovery, or composting; and
- 24 (B) Minimize illegal dumping;
- 25 (iii) Collecting and composting source-separated compostable materials;
- 26 (iv) Enabling restaurants, multifamily housing property managers, small haulers, and other
- 27 small businesses to develop, maintain, or expand programs and procure necessary equipment for
- 28 waste diversion and to minimize illegal dumping; and
- 29 (v) Developing, maintaining, or expanding measures that address and minimize illegal
- 30 dumping, including measures relating to:
- 31 (A) Community and river clean-ups and campaigns;
- 32 (B) Training and resources for small haulers;
- 33 (C) Drop-off recycling receptacles;
- 34 (D) Resource recycling centers that accept a wide range of materials; and

1 (E) Alternatives to single-use plastics and other single-use products.

2 (g) The Rhode Island department of environmental management shall ensure that grants
3 awarded under this subsection are awarded equitably among:

4 (1) Activities relating to food waste prevention, food rescue and recovery, composting, and
5 minimizing illegal dumping; and

6 (2) Projects that present a diverse and distributed infrastructure in which small- and
7 medium-sized projects are well represented; and

8 (3) Projects that support the entry, growth, and/or sustainability of low-income, socially
9 disadvantaged, beginning, small, women, and veteran organizations and businesses.

10 (h) Interest earnings of the CG fund shall be credited to the CG fund.

11 (i) An eligible entity may apply for a grant from the CG fund.

12 (1) "Eligible entity" means:

13 (i) A conservation district;

14 (ii) A local education agency;

15 (iii) An institution of higher education;

16 (iv) A nonprofit organization;

17 (v) A farmer, including a small farmer, urban farmer, aquaculture farmer, or a rancher; or

18 (vi) A business that is:

19 (A) Operating in the state in good standing; and

20 (B) Intended to operate at a profit and return a profit to its owners; or

21 (vii) A consortium of any of the entities identified in subsections (i)(1)(i) through (i)(1)(vii)
22 of this subsection.

23 (j) The department of environmental management shall establish grant application and
24 reporting procedures.

25 (i) The grant application procedures shall include:

26 (A) A process for facilitating participation of eligible entities with limited resources;

27 (B) A simple common application format;

28 (C) A process for authorizing eligible entities to use the entity's standard annual report and
29 "letter of interest" to meet application requirements;

30 (D) A process for submitting applications in writing and through video and audio formats;
31 and

32 (E) Translation services for applicants to overcome language barriers in the application
33 process.

34 (ii) The grant reporting procedures shall include:

- 1 (A) A process for facilitating participation of eligible entities with limited resources;
2 (B) A simple common reporting format; and
3 (C) A process for authorizing eligible entities to use the entity's standard annual report to
4 meet reporting requirements.
- 5 (2) The grant reports shall include:
6 (i) A description of all grant-funded activities;
7 (ii) If applicable, amount of compost generated and/or utilized;
8 (iii) If applicable, amount and types of materials diverted from disposal; and
9 (iv) If applicable, any discernible impacts on:
10 (A) Soil health;
11 (B) Community resilience and sustainability;
12 (C) Job creation and other economic benefits;
13 (D) Waste prevention and diversion;
14 (E) Illegal dumping.
- 15 (k) In awarding grants under this section, the department of environmental management
16 shall give priority for projects that meet one or more of the following:
- 17 (1) For which an applicant clearly describes the project and goals, including a description
18 of how the project will support compost production or compost use, advance food waste prevention,
19 food rescue and recovery, or composting, as well as minimize illegal dumping in the state;
- 20 (2) For which an applicant clearly describes how the project will provide direct,
21 meaningful, and assured benefits to the community and address important community needs;
- 22 (3) That divert organic waste from refuse disposal facilities to instead be composted
23 locally, and where the resulting compost is returned to soil within the state to support food
24 production;
- 25 (4) That are based on a distributed infrastructure strategy that incorporate small- or
26 medium-sized activities (such as home or on-site composting programs);
- 27 (5) That involve the construction, renovation, or expansion of sites to increase in-state
28 infrastructure for food waste prevention, food rescue and recovery, or composting in the state;
- 29 (6) That minimize negative impacts and maximize benefits to the local community,
30 including jobs created for the community, job training, or support for hiring and leadership
31 development practices that are inclusive and provide living wages;
- 32 (7) That incorporate components of food waste prevention, food rescue and recovery, or
33 composting of any debris collected as part of illegal dumping clean up and mitigation projects;
- 34 (8) For which an applicant demonstrates knowledge of best practices in the field and how

1 to incorporate those best practices in the project;

2 (9) That are led by low-income, socially disadvantaged, beginning, small, women, or
3 veteran entities, organizations, and businesses.

4 (10) That serve a low-income or socially disadvantaged community; and

5 (11) That engage small or diverse farming operations.

6 **42-6.3-7. Municipal waste diversion grant fund.**

7 (a) There is hereby established a municipal waste diversion grant fund ("MG fund").

8 (b) The MG fund shall consist of:

9 (1) The solid waste disposal surcharge revenue transferred to the MG fund;

10 (2) Money appropriated in the state budget to the fund; and

11 (3) Any other money from any other source accepted for the benefit of the fund.

12 (c) The office of the general treasurer shall administer the MG fund.

13 (d)(1) The MG fund is a special, nonlapsing fund.

14 (2) The office of the general treasurer shall hold the MG fund separately, and the
15 department of environmental management shall account for the expenditures and disbursements of
16 the MG fund.

17 (e) The solid waste disposal surcharge revenue transferred to the MG fund may not revert
18 to the general fund of the state.

19 **42-6.3-8. Municipal waste diversion grants.**

20 (a) In accordance with the state budget, the municipal waste diversion grant fund shall be
21 used only to provide public grants to municipalities to be used by the municipalities for developing
22 and implementing activities that advance food waste prevention, food rescue and recovery, or
23 composting, as well as minimize illegal dumping in the state, including for:

24 (1) Developing, maintaining, or expanding local food waste prevention, food rescue and
25 recovery, or composting, as well as infrastructure that minimizes illegal dumping;

26 (2) Encouraging source-separation of uncontaminated materials;

27 (3) Providing education and technical assistance to public and private entities, including
28 small haulers, to advance food waste prevention, food rescue and recovery, or composting, as well
29 as minimize illegal dumping

30 (4) Collecting and composting source-separated compostable materials; and

31 (5) Developing, maintaining, or expanding measures that address and minimize illegal
32 dumping, including measures relating to:

33 (i) Community and river clean-ups and campaigns;

34 (ii) Training and resources for small haulers;

- 1 (iii) Drop-off recycling receptacles;
- 2 (iv) Solid waste recovery;
- 3 (v) Resource recovery and/or recycling centers that accept a wide range of materials; and
- 4 (vi) Alternatives to single-use plastics and other single-use products.

5 (b) A municipality may apply for a grant under this section if the municipality has:

- 6 (1) Created a separate account in its general fund to deposit the grant money; and
- 7 (2) Established accounting procedures to ensure that grant money in the separate account
- 8 is spent only in accordance with this section.

9 (c) Municipal grants shall be distributed proportionally to eligible municipalities based on
10 population.

11 (d)(1) A municipality that is awarded a grant under this section shall submit a report at the
12 end of each fiscal year on:

13 (i) The activities undertaken under the grant to increase the municipality's proportion of
14 waste diversion, including the specific activities relating to food waste prevention, food rescue and
15 recovery, or composting;

16 (ii) The activities undertaken under the grant to minimize illegal dumping; and

17 (iii) The gains achieved in waste diversion practices and in addressing illegal dumping.

18 (2) The report required under this section:

19 (i) May be submitted electronically; and

20 (ii) Shall be posted on the municipality's website.

21 **42-6.3-9. Reporting requirements.**

22 (a) On or before December 1, 2025 and annually thereafter, the Rhode Island department
23 of environmental management, shall report to the Rhode Island general assembly on the grants
24 awarded under the municipal waste diversion grant program and the competitive composting and
25 waste diversion grant fund program.

26 (2) The report shall include:

27 (i) The number and types of grants awarded; and

28 (ii) The impact of grant awards on:

29 (1) Job creation and other benefits to the state;

30 (2) Waste prevention and diversion; and

31 (3) The quantity of compost utilized by farmers.

32 (b) Beginning with the report due January 1, 2030, and every five (5) years thereafter, the
33 Rhode Island department of environmental management shall include in the report an analysis on
34 whether and to what extent an adjustment to the solid waste disposal surcharge provided pursuant

1 [to § 42-6.3-4 is recommended to further the purposes of this chapter.](#)

2 SECTION 3. This act shall take effect on January 1, 2025.

=====
LC005658
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- COMPOSTING AND ORGANIC
WASTE DIVERSION

1 This act would establish the compost fund to provide funding to the RI department of
2 environmental management to award grants to assist with the costs of developing, implementing,
3 expanding equipment, infrastructure, and education relating to reducing the amount of solid waste
4 generated in the state. The office of the general treasurer would administer the fund.

5 This act would take effect on January 1, 2025.

=====
LC005658
=====