S T A T E   O F   R H O D E   I S L A N D

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: Representatives Cortvriend, Boylan, Speakman, Carson, McGaw, Fogarty, Kislak, Handy, Tanzi, and Bennett

Date Introduced: March 01, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Legislative Findings.

The general assembly finds and declares that:

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

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

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

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

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

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

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

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

(9) Several other states have instituted disposal surcharges to fund waste diversion and
litter abatement, including New Jersey, Pennsylvania, Indiana, Iowa, Minnesota, North Carolina, Ohio and Wisconsin; of these, Pennsylvania, Minnesota, and Wisconsin also fund other environmental programs from disposal surcharges;

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

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

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

CHAPTER 6.3

COMPOSTING AND ORGANIC WASTE DIVERSION

42-6.3-1. Short title.

This chapter shall be known and may be cited as the “Composting and Organic Waste Diversion.”

42-6.3-2. Purpose.

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

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

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

(d) Establishing a solid waste disposal surcharge pursuant to the provisions of § 42-6.3-4, to be collected and transferred, on a quarterly basis, to the office of the general treasurer, by Rhode Island resource recovery corporation or other refuse disposal system in the state.

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

42-6.3-3. Definitions.

As used in this chapter:

(1) "Compost" means a stable organic product produced by a controlled aerobic decomposition process that can be used as a soil additive, fertilizer, growth media or other beneficial use.
(2) “Composting” means the controlled aerobic biological decomposition of organic waste material resulting in compost.

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

(4) “Payor” means all entities required to pay the surcharge and can include any of the following:

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

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

(5) "Refuse disposal system" includes:

(i) A solid waste transfer station;

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

(iii) Any other facility accepting mixed solid waste.

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

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

42-6.3-4. Solid waste disposal surcharge.

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

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

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

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

(ii) Twenty (20%) percent.

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

(1) If the surcharge is assessed on given solid waste before its final disposal destination (e.g. at a municipal drop off site or transfer station), that assessed value shall be accounted for and then collected once it reaches the final destination.
(2) Every solid waste hauler or collector is authorized to collect rates, fees, or surcharges from solid waste generators serviced by the solid waste hauler or collector only up to the amount sufficient to recover the surcharge collected by the owner or operator of a refuse disposal system.

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

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

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

42-6.3-5. Compost fund.

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

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

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

(2) Surplus food rescue;

(3) Shell recovery and waste shell diversion;

(4) Compost production and compost use; and

(5) Minimizing illegal dumping.

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

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

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

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

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

(e) The compost fund consists of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) The CG fund consists of:

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

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

(3) Interest earnings; and

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

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

(1) The costs of developing and implementing compost production and compost use projects, including the costs of:
(i) Purchasing compost and equipment for compost application;
(ii) Equipment and infrastructure in support of compost processing and production;
(iii) Composting materials generated on-site or off-site, including animal manure generated on-site and food scraps generated off-site;
(iv) Compost management training under a program offered by the University of Rhode Island Cooperative Extension, the U.S. Composting Council, or other appropriate entity;
(v) Compost testing equipment or submitting compost samples for testing to a laboratory with appropriate expertise;
(vi) Quantifying the benefits of compost application to soil health and carbon sequestration;
(vii) Studying impacts of compost application on nutrient and water quality management to inform relevant regulations;
(viii) Researching and developing new compost treatments or products that will benefit or inform compost use;
(ix) Consulting with a nutrient management specialist or other consultant; and
(x) Registering compost for sale within the state and/or with the U.S. Composting Council’s Seal of Testing Assurance Program.

(2) The costs of developing and implementing activities that advance food waste prevention, food rescue and recovery, or composting, as well as minimize illegal dumping in the state, including the costs of:

(i) Encouraging source-separation of uncontaminated materials;
(ii) Providing education and technical assistance to public and private entities, including small haulers, to:

(A) Advance food waste prevention, recovery, or composting; and
(B) Minimize illegal dumping;
(iii) Collecting and composting source-separated compostable materials;
(iv) Enabling restaurants, multifamily housing property managers, small haulers, and other small businesses to develop, maintain, or expand programs and procure necessary equipment for waste diversion and to minimize illegal dumping; and
(v) Developing, maintaining, or expanding measures that address and minimize illegal dumping, including measures relating to:

(A) Community and river clean-ups and campaigns;
(B) Training and resources for small haulers;
(C) Drop-off recycling receptacles;
(D) Resource recycling centers that accept a wide range of materials; and
Alternatives to single-use plastics and other single-use products.

The Rhode Island department of environmental management shall ensure that grants awarded under this subsection are awarded equitably among:

1. Activities relating to food waste prevention, food rescue and recovery, composting, and minimizing illegal dumping; and

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

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

Interest earnings of the CG fund shall be credited to the CG fund.

An eligible entity may apply for a grant from the CG fund.

"Eligible entity" means:

1. A conservation district;
2. A local education agency;
3. An institution of higher education;
4. A nonprofit organization;
5. A farmer, including a small farmer, urban farmer, aquaculture farmer, or a rancher; or
6. A business that is:
   a. Operating in the state in good standing; and
   b. Intended to operate at a profit and return a profit to its owners; or
   c. A consortium of any of the entities identified in subsections (1)(1)(i) through (1)(1)(vii) of this subsection.

The department of environmental management shall establish grant application and reporting procedures.

The grant application procedures shall include:

1. A process for facilitating participation of eligible entities with limited resources;
2. A simple common application format;
3. A process for authorizing eligible entities to use the entity's standard annual report and "letter of interest" to meet application requirements;
4. A process for submitting applications in writing and through video and audio formats; and
5. Translation services for applicants to overcome language barriers in the application process.

The grant reporting procedures shall include:

1. The department of environmental management shall establish grant application and reporting procedures.

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

(B) A simple common reporting format; and

(C) A process for authorizing eligible entities to use the entity’s standard annual report to meet reporting requirements.

(2) The grant reports shall include:

(i) A description of all grant-funded activities;

(ii) If applicable, amount of compost generated and/or utilized;

(iii) If applicable, amount and types of materials diverted from disposal; and

(iv) If applicable, any discernible impacts on:

(A) Soil health;

(B) Community resilience and sustainability;

(C) Job creation and other economic benefits;

(D) Waste prevention and diversion;

(E) Illegal dumping.

(k) In awarding grants under this section, the department of environmental management shall give priority for projects that meet one or more of the following:

(1) For which an applicant clearly describes the project and goals, including a description of how the project will support compost production or compost use, advance food waste prevention, food rescue and recovery, or composting, as well as minimize illegal dumping in the state;

(2) For which an applicant clearly describes how the project will provide direct, meaningful, and assured benefits to the community and address important community needs;

(3) That divert organic waste from refuse disposal facilities to instead be composted locally, and where the resulting compost is returned to soil within the state to support food production;

(4) That are based on a distributed infrastructure strategy that incorporate small- or medium-sized activities (such as home or on-site composting programs);

(5) That involve the construction, renovation, or expansion of sites to increase in-state infrastructure for food waste prevention, food rescue and recovery, or composting in the state;

(6) That minimize negative impacts and maximize benefits to the local community, including jobs created for the community, job training, or support for hiring and leadership development practices that are inclusive and provide living wages;

(7) That incorporate components of food waste prevention, food rescue and recovery, or composting of any debris collected as part of illegal dumping clean up and mitigation projects;

(8) For which an applicant demonstrates knowledge of best practices in the field and how
to incorporate those best practices in the project;

(9) That are led by low-income, socially disadvantaged, beginning, small, women, or

veteran entities, organizations, and businesses,

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

(11) That engage small or diverse farming operations.

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

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

(b) The MG fund shall consist of:

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

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

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

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

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

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

the MG fund.

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

42-6.3-8. Municipal waste diversion grants.

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

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

(2) Encouraging source-separation of uncontaminated materials;

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

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

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

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

(ii) Training and resources for small haulers;
(iii) Drop-off recycling receptacles;
(iv) Solid waste recovery;
(v) Resource recovery and/or recycling centers that accept a wide range of materials; and
(vi) Alternatives to single-use plastics and other single-use products.

(b) A municipality may apply for a grant under this section if the municipality has:
(1) Created a separate account in its general fund to deposit the grant money; and
(2) Established accounting procedures to ensure that grant money in the separate account
is spent only in accordance with this section.

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

(d)(1) A municipality that is awarded a grant under this section shall submit a report at the
end of each fiscal year on:
(i) The activities undertaken under the grant to increase the municipality's proportion of
waste diversion, including the specific activities relating to food waste prevention, food rescue and
recovery, or composting;
(ii) The activities undertaken under the grant to minimize illegal dumping; and
(iii) The gains achieved in waste diversion practices and in addressing illegal dumping.

(2) The report required under this section:
(i) May be submitted electronically; and
(ii) Shall be posted on the municipality's website.

42-6.3-9. Reporting requirements.

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

(2) The report shall include:
(i) The number and types of grants awarded; and
(ii) The impact of grant awards on:
(1) Job creation and other benefits to the state;
(2) Waste prevention and diversion; and
(3) The quantity of compost utilized by farmers.

(b) Beginning with the report due January 1, 2030, and every five (5) years thereafter, the
Rhode Island department of environmental management shall include in the report an analysis on
whether and to what extent an adjustment to the solid waste disposal surcharge provided pursuant
to § 42-6.3-4 is recommended to further the purposes of this chapter.

SECTION 3. This act shall take effect on January 1, 2025.
This act would establish the compost fund to provide funding to the RI department of environmental management to award grants to assist with the costs of developing, implementing, expanding equipment, infrastructure, and education relating to reducing the amount of solid waste generated in the state. The office of the general treasurer would administer the fund.

This act would take effect on January 1, 2025.