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HOUSE BILL NO. 2496**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Agriculture, Chesapeake and Natural Resources
on February 1, 2023)

(Patron Prior to Substitute—Delegate Runion)

A *BILL to amend the Code of Virginia by adding in Chapter 14 of Title 10.1 an article numbered 3.8, consisting of sections numbered 10.1-1425.40 through 10.1-1425.43, relating to Virginia Recycling Development Center; established; report.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 14 of Title 10.1 an article numbered 3.8, consisting of sections numbered 10.1-1425.40 through 10.1-1425.43, as follows:

Article 3.8.

Virginia Recycling Development Center.

§ 10.1-1425.40. Definitions.

As used in this article, unless the context requires a different meaning:

"Advisory Committee" means the Virginia Recycling Development Center Advisory Committee established in § 10.1-1425.43.

"Center" means the Virginia Recycling Development Center established in § 10.1-1425.41.

"Director" means the Director of the Center established in § 10.1-1425.41.

"Fund" means the Recycling Market Development Fund established in § 10.1-1425.42.

"Recyclable material" means any material that is able to be separated from the waste stream and processed so that it may be used again as a raw material for a product which may or may not be similar to the original product.

"Secretary" means the Secretary of Natural and Historic Resources.

§ 10.1-1425.41. Virginia Recycling Development Center; established; duties; report.

A. There is hereby established within the Department the Virginia Recycling Development Center, which shall provide or facilitate applied research and development, marketing assistance, and policy analysis in furthering the development of markets and processing for recycled commodities and products.

B. The Secretary shall appoint a Director of the Center to serve as the principal administrative officer of the Center. The Director shall be under the supervision of the Secretary or his designee.

C. The Center and the Director shall have the following duties:

1. Adopt an annual plan for developing recycling markets that includes actions and recommendations for commodities that make up a significant portion of the waste stream and can be used as industrial or commercial feedstocks;

2. Analyze, evaluate, and make recommendations to the General Assembly, the Department, and the Secretary regarding current and proposed state policies that may affect the markets for recyclable materials. Recommendations shall include anticipated solid waste rate changes, consumer goods costs, recycling rates, and use of recycled materials rates;

3. Collaborate as necessary with (i) producers of potentially recyclable materials to increase the potential for their products to be recycled or reduced, (ii) material recovery facility operators, (iii) public and private sector recycling and solid waste industries, (iv) packaging manufacturers and retailers, (v) local governments, (vi) environmental organizations, (vii) institutions of higher education in the Commonwealth, and (viii) agencies of the Commonwealth;

4. Conduct or contract for studies related to the development of the recyclables market, which include applied research, technology transfer, life cycle analysis, and pilot demonstration projects;

5. Disseminate recyclable materials market development information;

6. Subject to available funds, issue grants for further development of recycling markets;

7. Provide business and marketing assistance to the public and private sectors;

8. Represent the Commonwealth in regional, national, and global market development efforts;

9. In even numbered years, submit an annual report to the Department, Governor, and General Assembly that includes (i) progress toward achievement of the goals of the annual plan and the overall Center's purpose and (ii) updates on recycling rates and recycled content use in the Commonwealth;

10. Enter into an intergovernmental agreement with the Virginia Economic Development Partnership Authority to perform or contract to perform:

a. Targeted business assistance to recycling businesses, including business plan development, market research and planning, market conditions, and emerging technology and product development;

b. Outreach to facilitate voluntary agreements with manufacturers to increase the use of recycled materials in products and product development that state government entities procure;

60 c. Support, promotion, and identification of research and development to stimulate new technologies
61 and products using recycled materials;

62 d. Active promotion of manufacturing with recycled commodities, as well as the purchase of recycled
63 products by agencies of the Commonwealth consistent with the provisions of § 2.2-4323, local
64 governments, and the private sector;

65 e. Studies on the unmet capital and other needs of recycling centers, beneficiation facilities, and
66 manufacturing firms using recycled materials; and

67 f. Research to understand the waste stream supply chain and incentive strategies for retention,
68 expansion, and attraction of innovative recycling technology businesses;

69 11. Assess the public education needs in support of this article and support acts to (i) minimize
70 inbound contamination delivered by collection services to material recovery facilities, (ii) achieve
71 consistently high levels of public participation and use of collection services, and (iii) engage and
72 educate citizens on proper recycling behaviors;

73 12. Assess public recycling infrastructure needs and financially support, subject to available funds,
74 recycling infrastructure improvement efforts; and

75 13. Recommend to the Department rules and regulations as necessary to implement and enforce the
76 provisions of this article.

77 D. The Center shall recommend for adoption by the Virginia Waste Management Board standards
78 that shall include a robust stakeholder engagement process to enter into an agreement for recycling
79 services pursuant to the operations of this article; however, (i) no such agreement shall be approved
80 except in compliance with the provisions of this article; (ii) no funds may be granted without an
81 agreement in force; and (iii) in addition to a party to an agreement, an agreement may be enforced by
82 the Attorney General or an attorney for the Commonwealth for the locality in which a party or
83 operations are located.

84 E. Every agency of the Commonwealth shall cooperate and assist the Center with the execution of its
85 duties, as requested.

86 **§ 10.1-1425.42. Recycling Market Development Fund.**

87 There is hereby created in the state treasury a special nonreverting fund to be known as the
88 Recycling Market Development Fund. The Fund shall be established on the books of the Comptroller.
89 All funds appropriated for such purpose, any gifts, donations, grants, bequests, and other funds received
90 on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys
91 in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,
92 including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall
93 remain in the Fund. Moneys in the Fund shall be used solely for the purposes of this article.
94 Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued
95 by the Comptroller upon written request signed by the Secretary.

96 **§ 10.1-1425.43. Virginia Recycling Development Center Advisory Committee; membership; terms.**

97 A. Actions of the Center shall be guided by the Virginia Recycling Development Center Advisory
98 Committee, which shall consist of the following nonlegislative citizen members:

99 1. One member appointed by the Secretary of Commerce and Trade to represent the economic
100 development community;

101 2. One member appointed by the Virginia Recycling Association to represent recyclers;

102 3. One member appointed by the Virginia Manufacturers Association to represent manufacturers and
103 processors of recycled material and products;

104 4. One member of the State Council of Higher Education for Virginia and, when possible, is from
105 the faculty of a business school or economics department; and

106 5. One member appointed by the Secretary to represent a national or statewide nonprofit
107 organization whose mission is litter reduction.

108 B. Members of the Advisory Committee shall be appointed to serve for a term of four years.
109 Vacancies occurring other than by expiration of a term shall be filled by appointment of the Secretary
110 for the remainder of the unexpired term. Members shall continue to hold office until their successors
111 have been appointed and qualified.

112 C. The Advisory Committee shall elect a chairman and vice-chairman from among its membership. A
113 majority of the members shall constitute a quorum. The meetings of the Advisory Committee shall be
114 held at the call of the chairman or whenever the majority of the members so request.

115 D. All members of the Advisory Committee shall serve without compensation but shall receive
116 reasonable and necessary expenses incurred in the performance of their duties as provided in
117 §§ 2.2-2813 and 2.2-2825.

118 **2. That the provisions of this act shall expire on July 1, 2038.**

119 **3. That the Virginia Recycling Development Center Advisory Committee established by this act**
120 **shall convene to make recommendations on the sources of potential funding for and detailed**
121 **qualifying uses of the Recycling Market Development Fund established by this act and shall report**

122 its recommendations to the Secretary of Natural and Historic Resources no later than October 1,
123 2023.