



# ABC Permit Recycling A Guide for Local Governments

## FACT SHEET

### BACKGROUND

During the 2005 legislative session, the North Carolina General Assembly passed House Bill 1518 (Session Law 2005-348) requiring holders of certain Alcoholic Beverage Control permits to separate, store and recycle all recyclable beverage containers.

The bill affects only holders of on-premises malt beverage, on-premises unfortified wine, on-premises fortified wine and mixed beverages permits. Furthermore, recycling is required only for those containers that are sold at retail for on-premises consumption. House Bill 1518 becomes effective Jan. 1, 2008.

The requirement to recycle under House Bill 1518 directly affects permit holders. There is no requirement for local governments to enforce the bill or provide services to affected establishments. However, the bill does ban the disposal and incineration of recyclable beverage containers from affected establishments (G.S. 130A-309.10).

A component of the bill also requires the N.C. Department of Environment and Natural Resources to work with the ABC Commission to develop model recycling program scenarios that take into account the varying local conditions throughout the state.

### AFFECTED ESTABLISHMENTS

The North Carolina ABC Commission regulates the sale, transportation, manufacture and consumption of alcoholic beverages in North Carolina. The commission has almost 25,000 active or pending, permanent and temporary permits. House Bill 1518 will likely affect about 8,000 of these 25,000 permits. As would be expected, most of the establishments affected are located in the state's major metropolitan areas and tourism counties. The 15 largest counties in North Carolina account for more than 57 percent of the establishments affected. When the primary coastal tourism communities are included, the percentage jumps to more than 65 percent. For a searchable database of permits by county, visit the ABC Commission Web site at [www.ncabc.com](http://www.ncabc.com). Remember to search only active, on-premises malt beverage, unfortified wine, fortified wine and mixed beverage permits. For assistance searching the database contact DPPEA at (919) 715-6500.

### HOW LOCAL GOVERNMENTS MAY BE AFFECTED

Despite the fact that there are no specific local government obligations written into House Bill 1518, local governments may feel some impact from this legislation. Some establishments may request that local governments provide services, some may seek technical assistance from local governments and some may simply implement a recycling program without any assistance from local government.

Local governments should be aware that there might be a demand for services from local permit-holders. How local governments respond to that demand depends on short and long-term solid waste and recycling plans in addition to existing financial and staffing resources. Each local government would be well served by making a thoughtful determination of their intended involvement in the bill's implementation.

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More than 150 local ABC Boards fall under the ABC Commission. These boards are independent political subdivisions of the state and have the authority to set policy and adopt rules that conform to Commission rules and the laws governing alcoholic beverage control. Local governments are encouraged to contact the local ABC boards to assess their ability to provide service or assistance with implementation of this bill. Local ABC Boards can be found on the ABC Commission Web site: [www.ncabc.com](http://www.ncabc.com).

## **LOCAL GOVERNMENT OPTIONS**

Local governments can employ several approaches to implementing House Bill 1518. Some possible options are outlined below, followed by examples of how some communities have interacted with permit-holders to date.

### ***Do Nothing – “Free Market” Scenario***

Due to limited financial and staffing resources, local governments can choose not to provide any assistance or services to affected establishments. Under this scenario, affected establishments would independently contract with their existing solid waste service provider or an alternative recycling collection service provider.

Example: Since 1995 some of the bars, restaurants and other businesses in Durham’s Brightleaf Square have worked with Orange Recycling Services for recycling services. Participating establishments can recycle paper and source separated containers at a central location near Brightleaf Square. Each establishment is responsible for bringing materials to the facility, which uses a compactor for municipal waste and 12 to 16, 90-gallon roll out carts for source separated recyclables.

### ***Technical Assistance***

Local governments may opt to offer technical assistance to affected establishments but not offer any passive or active collection services. Technical assistance may range from helping a permit-holder identify and choose service providers to conducting waste assessments and assisting with the design of a collection system. The Division of Pollution Prevention and Environmental Assistance’s Online Markets Directory is a valuable tool for identifying potential service providers. The directory can be accessed at the following Web site: [www.p2pays.org/dmrm](http://www.p2pays.org/dmrm). DPPEA has also written a fact sheet designed to help permit-holders implement recycling programs – see <http://www.p2pays.org/ref/38/37873.pdf>. This information can be distributed to permit-holders by local government programs and can be posted on local Web sites to help provide technical assistance to businesses affected by H1518.

Example: In April of 2002, Raleigh’s Angus Barn restaurant requested waste reduction technical assistance from the Wake County Recycling and Solid Waste Department. Wake County’s Commercial Waste Reduction Specialist invited N.C. DPPEA’s staff members to assist in providing technical support. The resulting cooperative team conducted a waste analysis and made recommendations for enhancing the restaurant’s waste reduction program with the addition of food recycling and streamlining of its waste reduction program.

The Angus Barn operates a very thorough recycling program that began in 1990. Since the waste assessment was conducted, the Angus Barn has expanded the program. The restaurant now recycles the following items using private contractors: glass bottles, aluminum cans, grease and meat by-products, edible foods, food scraps, old corrugated containers, office paper, high density polyethylene buckets and magazines.

### ***Passive Collection***

Most county governments and quite a few municipal governments operate drop-off systems for recycling. Some of these drop-off systems are currently available to commercial establishments. Local governments can decide to allow bars and restaurants to start or continue using local government drop-off sites or to restrict access.

It may be feasible for rural counties with only a few affected establishments to continue to allow access. But urban areas of the state will need to balance the large potential usage by permit-holders of drop-off sites with economic and logistical concerns, especially associated with receiving high volumes of glass. Regardless, it is likely that only smaller establishments will take advantage of drop-off sites. The high volume of recyclable beverage containers handled at larger

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bars and restaurants may make it very difficult or impossible for these establishments to use local drop-off sites. These permit-holders will require the services of existing haulers or recycling companies.

### ***Active Collection***

Some North Carolina local governments such as Orange County, Pasquotank County and the city of Hickory already provide active collection services for some commercial establishments. In reaction to H1518, local governments may choose to expand existing commercial collection programs or implement new ones. These can range from locating new beverage container drop-offs in areas with a high concentration of establishments, to actively providing roll out cart or dumpster service to bars and restaurants. Some of these systems may be tax subsidized while others may charge a specific fee for service.

Example: Pasquotank County has operated a commercial/business recycling program since 1995. The county uses 96 and 105-gallon roll out carts and collects two streams of material: containers and fiber. The program is fully funded through the tax base and is limited only by the number of rolling carts the county has available. A case study of the Pasquotank County business recycling program can be found at the following Web site:  
<http://www.p2pays.org/ref/38/37868.pdf>.

## **CONCLUSION**

Despite the lack of any specific requirement for local governments to provide services to permit-holders, local government will use multiple approaches to ensure that the needs of local bars and restaurants are met. Where a strong private sector recycling infrastructure exists, communities may rely on haulers and recycling companies to provide services, while communities with their own processing capabilities or limited private infrastructure may opt to provide services directly. At some point, local governments should expect to receive a call from a local permit-holder seeking assistance with available options. Understanding your own government's capabilities and what resources exist for permit-holders should alleviate any problems that arise as H1518 is implemented. Local governments can also ensure a smooth implementation process by being in contact with local ABC Boards to outline, in advance, what services and assistance will be available to permit-holders.

In addition to an online markets directory, the Division of Pollution Prevention and Environmental Assistance offers annual grant rounds that local governments and the recycling industry can access to help implement programs for ABC permit-holders. DPPEA can also provide general information, technical assistance and peer-matching for interested local governments. For more information or assistance, please contact DPPEA at (919) 715-6500.



The North Carolina Division of Pollution Prevention and Environmental Assistance provides free, non-regulatory technical assistance and education on methods to eliminate, reduce, or recycle wastes before they become pollutants or require disposal. Telephone DPPEA at (919) 715-6500 or (800) 763-0136 for assistance with issues in this fact sheet or any of your waste reduction concerns.