

**Effective 7/1/2020**

## **Chapter 13 Recycling Market Development Zone Act**

### **19-13-101 Title.**

This part is known as the "Recycling Market Development Zone Act."

Renumbered and Amended by Chapter 360, 2020 General Session

### **19-13-102 Definitions.**

As used in this part:

- (1) "Composting" means the controlled decay of landscape waste or sewage sludge and organic industrial waste, or a mixture of these, by the action of bacteria, fungi, molds, and other organisms.
- (2) "Postconsumer waste material" means any product generated by a business or consumer that has served its intended end use, and that has been separated from solid waste for the purposes of collection, recycling, and disposition and that does not include secondary waste material.
- (3)
  - (a) "Recovered materials" means waste materials and by-products that have been recovered or diverted from solid waste.
  - (b) "Recovered materials" does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.
- (4)
  - (a) "Recycling" means the diversion of materials from the solid waste stream and the beneficial use of the materials and includes a series of activities by which materials that would become or otherwise remain waste are diverted from the waste stream for collection, separation, and processing, and are used as raw materials or feedstocks in lieu of or in addition to virgin materials in the manufacture of goods sold or distributed in commerce or the reuse of the materials as substitutes for goods made from virgin materials.
  - (b) "Recycling" does not include burning municipal solid waste for energy recovery.
- (5) "Recycling market development zone" or "zone" means an area designated by the office as meeting the requirements of this part.
- (6)
  - (a) "Secondary waste material" means industrial by-products that go to disposal facilities and waste generated after completion of a manufacturing process.
  - (b) "Secondary waste material" does not include internally generated scrap commonly returned to industrial or manufacturing processes, such as home scrap and mill broke.
- (7) "Tax incentive" means a nonrefundable tax credit available under Section 59-7-610 or 59-10-1007.

Renumbered and Amended by Chapter 360, 2020 General Session

### **19-13-103 Duties of the department.**

The department shall:

- (1) facilitate recycling development zones through state support of county incentives that encourage development of manufacturing enterprises that use recycling materials currently collected;
- (2) evaluate an application from a county or municipality executive authority to be designated as a recycling market development zone and determine if the county or municipality qualifies for that designation;
- (3) provide technical assistance to municipalities and counties in developing applications for designation as a recycling market development zone;
- (4) assist counties and municipalities designated as recycling market development zones in obtaining assistance from the federal government and agencies of the state;
- (5) assist a qualified business in obtaining the benefits of an incentive or inducement program authorized by this part; and
- (6) monitor the implementation and operation of this part and conduct a continuing evaluation of the progress made in the recycling market development zone.

Renumbered and Amended by Chapter 360, 2020 General Session

**19-13-104 Criteria for recycling market development zone -- Application process and fees.**

- (1) An area may be designated as a recycling market development zone only if:
  - (a) the county or municipality agrees to make a qualifying local contribution under Section 19-13-105; and
  - (b) the county or municipality provides for postconsumer waste collection for recycling within the county or municipality.
- (2) The executive authority of any municipality or county desiring to be designated as a recycling market development zone shall:
  - (a) obtain the written approval of the municipality or county's legislative body; and
  - (b) file an application with the department demonstrating the county or municipality meets the requirements of this part.
- (3) The application shall be in a form prescribed by the department, and shall include:
  - (a) a plan developed by the county or municipality that identifies local contributions meeting the requirements of Section 19-13-105;
  - (b) a county or municipality development plan that outlines:
    - (i) the specific investment or development reasonably expected to take place;
    - (ii) any commitments obtained from businesses to participate, and in what capacities regarding recycling markets;
    - (iii) the county's or municipality's economic development plan and demonstration of coordination between the zone and the county or municipality in overall development goals;
    - (iv) zoning requirements demonstrating that sufficient portions of the proposed zone area are zoned as appropriate for the development of commercial, industrial, or manufacturing businesses;
    - (v) the county's or municipality's long-term waste management plan and evidence that the zone will be adequately served by the plan; and
    - (vi) the county or municipality postconsumer waste collection infrastructure;
  - (c) the county's or municipality's proposed means of assessing the effectiveness of the development plan or other programs implemented within the zone;
  - (d) state whether within the zone either of the following will be established:

- (i) commercial manufacturing or industrial processes that will produce end products that consist of not less than 50% recovered materials, of which not less than 25% is postconsumer waste material; or
  - (ii) commercial composting;
  - (e) any additional information required by the department; and
  - (f) any additional information the county or municipality considers relevant to its designation as a recycling market development zone.
- (4) A county or municipality applying for designation as a recycling market development zone shall pay to the department an application fee determined under Section 63J-1-504.

Renumbered and Amended by Chapter 360, 2020 General Session

**19-13-105 Qualifying local contributions.**

Qualifying local contributions to the recycling market development zone may vary depending on available resources, and may include:

- (1) simplified procedures for obtaining permits;
- (2) dedication of available government grants;
- (3) waiver of business license or permit fees;
- (4) infrastructure improvements;
- (5) private contributions;
- (6) utility rate concessions;
- (7) suspension or relaxation of locally originated zoning laws or general plans; and
- (8) other proposed local contributions as the department finds promote the purposes of this part.

Renumbered and Amended by Chapter 360, 2020 General Session

**19-13-106 Eligibility review.**

- (1) The department shall:
  - (a) review and evaluate an application submitted under Section 19-13-104; and
  - (b) determine whether the municipality or county is eligible for designation as a recycling market development zone.
- (2) In designating recycling market development zones, the department shall consider:
  - (a) whether the current waste management practices and conditions of the county or municipality are favorable to the development of postconsumer waste material markets;
  - (b) whether the creation of the zone is necessary to assist in attracting private sector recycling investments to the area; and
  - (c) the amount of available landfill capacity to serve the zone.

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**19-13-107 Quarterly consideration.**

The department shall take action quarterly on any application requesting designation as a recycling market development zone.

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**19-13-108 Duration of designation.**

A recycling market development zone designation ends five years from the date the department designates the area as a recycling market development zone, at the end of which the county or municipality may reapply for the designation.

Renumbered and Amended by Chapter 360, 2020 General Session

**19-13-109 Revocation of designations.**

- (1) The department may revoke the designation of a recycling market development zone if no businesses utilize the tax incentives during any calendar year.
- (2) Before revocation of the zone, the department shall conduct a public hearing within a reasonable distance of the zone to determine reasons for inactivity and explore possible alternative actions.

Renumbered and Amended by Chapter 360, 2020 General Session

**19-13-110 Recycling market development zone credit.**

For a taxpayer within a recycling market development zone, there are allowed the nonrefundable credits against tax as provided by Sections 59-7-610 and 59-10-1007.

Renumbered and Amended by Chapter 360, 2020 General Session

**19-13-111 Annual report.**

- (1) A county or municipality designated as a recycling market development zone shall report by no later than July 31 of each year to the department regarding the economic activity that has occurred in the zone following the designation.
- (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make rules providing for the form and content of the annual reports.

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