



**House Economic Development and Tourism Reported  
Substitute for HB250**

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A BILL  
TO BE ENTITLED  
AN ACT

Relating to recyclable materials; to authorize the Alabama Department of Environmental Management to establish a recycle credit program for the issuance, sale, or transfer of recycle credits; and to establish civil penalties for violation of certain provisions of this act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) As used in this section, the following terms have the following meanings:

(1) DEPARTMENT. The Alabama Department of Environmental Management.

(2) RECYCLABLE MATERIALS. Materials that are capable of being recycled, whether or not the materials have been diverted or removed from the solid waste stream, including, but not limited to, used cooking oil, trap grease, brown grease, and other similar wastes from restaurants, commercial food production facilities, or similar generators of such wastes.

(3) RECYCLE CREDIT. A transferable credit initially issued by the department to a recycler for every ton of recyclable materials used by a recycler to produce a new



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29 product or an energy source.

30 (4) RECYCLE CREDIT CERTIFICATE. A certificate  
31 evidencing the owner, quantity, and acquisition date of a  
32 specified number of recycle credits.

33 (5) RECYCLE CREDIT MARKET. An open market for the  
34 transfer of recycle credits.

35 (6) RECYCLER. The initial owner of a recycle credit  
36 issued by the department.

37 (7) TRANSFER. The change of ownership of a recycle  
38 credit from one person to another, whether in exchange for  
39 money or otherwise.

40 (b) The department shall issue recycle credits  
41 following receipt of an application on a form established by  
42 the department evidencing that an applicant used at least one  
43 ton of recyclable materials to create a new product or an  
44 energy source.

45 (c) A recycle credit expires on either the third  
46 anniversary of the date it was issued or the date it is  
47 transferred to the department by the operator of a public or  
48 private solid waste disposal facility in the state, whichever  
49 occurs first.

50 (d) (1) The price of a recycle credit shall be  
51 determined by a written agreement between the transferor and  
52 transferee. The department shall establish the form of  
53 agreement.

54 (2) A recycle credit may be transferred to any person  
55 who desires to acquire the credit.

56 (3) The owner of a recycle credit may transfer a



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57 recycle credit on the recycle credit market, or use the  
58 recycle credit as payment to an operator of a public or  
59 private solid waste disposal facility located in the state to  
60 offset its solid waste disposal fees.

61 (e) (1) The department shall adopt rules and administer  
62 all recycle credit transactions.

63 (2) The department may not issue recycle credits and  
64 corresponding recycle credit certificates of more than 50  
65 million credits or certificates per calendar year.

66 (3) A transfer of a recycle credit is not valid unless,  
67 within 30 days following the transaction, the transferee has  
68 registered the transaction with the department by filing a  
69 registration form accompanied by a registration fee. The  
70 registration form and the registration fee shall be  
71 established by the department.

72 (f) A person may not falsify a recycle credit  
73 certificate or fraudulently transfer a recycle credit or a  
74 recycle credit certificate. The department may impose a civil  
75 penalty not to exceed one thousand dollars (\$1,000) for each  
76 violation of this subsection.

77 (g) The department shall transfer all funds collected  
78 from registration fees and civil penalties under this section  
79 each month as follows:

80 (1) Forty percent shall be paid to the Solid Waste  
81 Program.

82 (2) Forty percent shall be paid to the Recycle Credits  
83 Program.

84 (3) Twenty percent shall be paid to the Recycling Fund.



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85           Section 2. This act shall become effective on October  
86   1, 2024.