1	State of Arkansas As Engrossed: \$3/29/23 H4/5/23	
2	94th General Assembly A Bill	
3	Regular Session, 2023 SENATE BILL 50	8
4		
5	By: Senator J. Payton	
6	By: Representative Gonzales	
7		
8	For An Act To Be Entitled	
9	AN ACT TO AMEND THE USED TIRE RECYCLING AND	
10	ACCOUNTABILITY ACT; TO REPEAL RIM REMOVAL FEES; TO	
11	IMPOSE A TIRE RECYCLING FEE; TO ESTABLISH TIRE	
12	ACCOUNTABILITY ZONES; TO TRANSFER REIMBURSEMENT	
13	AUTHORITY TO THE DEPARTMENT OF FINANCE AND	
14	ADMINISTRATION; TO DECLARE AN EMERGENCY; AND FOR	
15	OTHER PURPOSES.	
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18	Subtitle	
19	TO AMEND THE USED TIRE RECYCLING AND	
20	ACCOUNTABILITY ACT; TO REPEAL RIM REMOVAL	
21	FEES AND IMPOSE A TIRE RECYCLING FEE; TO	
22	ESTABLISH TIRE ACCOUNTABILITY ZONES; TO	
23	TRANSFER REIMBURSEMENT AUTHORITY; AND TO	
24	DECLARE AN EMERGENCY.	
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27	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
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29	SECTION 1. DO NOT CODIFY. Transfer of certain duties from the	
30	Division of Environmental Quality to the Department of Finance and	
31	Administration.	
32	(a)(1) The administration of the Used Tire Recycling Fund is	
33	transferred from the Division of Environmental Quality to the Department of	
34	Finance and Administration.	
35	(2) All budget-related functions, records, contracts, property,	
36	and unexpended balances of appropriations, allocations, and other funds,	

- 1 including the functions of budgeting or purchasing of the Division of 2 Environmental Quality related to the Used Tire Recycling Fund, are 3 transferred to the Department of Finance and Administration. 4 (b) The Division of Environmental Quality's budget-related statutory 5 powers, duties, and functions under administration of the Used Tire Recycling 6 Fund, including the functions of budgeting or purchasing, records, contracts, 7 property, and unexpended balances of appropriations, allocations, and other 8 funds are transferred to the Department of Finance and Administration. 9 (c) Upon the effective date of this act, reimbursements from the Used 10 Tire Recycling Fund shall be made by the Department of Finance and 11 Administration in accordance with a business plan previously approved by the 12 Division of Environmental Quality until a new business plan is approved. 13 14 SECTION 2. Arkansas Code § 8-6-206(b)(1)(D), concerning the 15 authorization for filing a verified complaint in circuit court under the 16 Arkansas Solid Waste Management Act, is amended to read as follows: 17 (D) Any other environmental violation concerning the 18 illegal dumping of solid waste in violation of this chapter or the Used Waste 19 Tire Recycling and Accountability Act, § 8-9-401 et seq. 20 21 SECTION 3. Arkansas Code § 8-6-207(a)(11), concerning the powers and 22 duties of the Division of Environmental Quality and the Arkansas Pollution 23 Control and Ecology Commission under the Arkansas Solid Waste Management Act, 24 is amended to read as follows: 25 (11) To make periodic inspections of all solid waste facilities 26 or locations permitted under this subchapter or the Used Waste Tire Recycling 27 and Accountability Act, § 8-9-401 et seq., to ensure compliance with all
- and Accountability Act, § 8-9-401 et seq., to ensure compliance with all requirements of this subchapter and the rules promulgated under this subchapter and to make a final inspection of closed or abandoned solid waste disposal sites to determine compliance with rules for proper closure and
- 31 proper filling and drainage of the site;

SECTION 4. Arkansas Code § 8-6-2004 is amended to read as follows: 8-6-2004. Applicability.

This subchapter applies to violations of this chapter, violations of Chapter 6 of Arkansas Pollution Control and Ecology Commission Rule 18, and violations of the $\frac{\text{Waste}}{\text{Vaste}}$ Tire Recycling and Accountability Act, § 8-9-401 et seq.

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- SECTION 5. Arkansas Code § 8-9-105(a), concerning penalties and enforcement provisions, is amended to read as follows:
- (a) Any person who violates any provision of § 8-9-301 et seq. or the Used Waste Tire Recycling and Accountability Act, § 8-9-401 et seq., or of any rule or order issued pursuant to this chapter, shall be subject to the same penalty and enforcement provisions as are contained in § 8-6-204.

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- SECTION 6. Arkansas Code § 8-9-401 is amended to read as follows: 8-9-401. Title — Legislative intent — Findings.
- 13 (a) This subchapter shall be known and may be cited as the "Used Waste 14 Tire Recycling and Accountability Act".
- 15 (b) The purpose of this subchapter is to:
- (1) Protect the public health and the state's environmental quality by setting and implementing standards to be followed in the hauling, collection, storage, and recycling or disposal of recyclable tires, waste tires, and used tires culled for resale;
- 20 (2) Provide accountability and sustainability for used waste
 21 tire programs by requiring use of the electronic uniform used tire manifest
 22 system developed by the Division of Environmental Quality and business plans
 23 for used waste tire programs;
- 24 (3) Equalize the application of fees for all tires removed from 25 rims Apply tire recycling fees to tires based on size, configuration, and 26 weight; and
- 27 (4) Ensure that reimbursements for used <u>waste</u> tire programs are 28 related to the overall used <u>waste</u> tire program goals.
 - (c) The General Assembly finds that:
- 30 (1) If not properly managed, <u>used waste</u> tires pose a potential threat to human health and safety and the environment because <u>used waste</u> 32 tires:
- 33 (A) Are a known breeding habitat for mosquitoes and other 34 disease-transmitting vectors; and
- 35 (B) Pose substantial fire hazards;
- 36 (2) The state must have a used tire <u>recycling accountability</u>

1 program for recyclable tires, waste tires, and used tires culled for resale 2 that is accountable, effective, and efficient; and 3 (3) The primary goal of the used tire recycling accountability 4 program is to recycle or put to beneficial use as many used waste tires as 5 possible. 6 7 SECTION 7. Arkansas Code § 8-9-402(3), concerning the definition of 8 "electronic uniform used tire manifest system", is amended to read as 9 follows: 10 (3) "Electronic uniform Uniform used tire manifest system" means 11 an administrative method developed by the Division of Environmental Quality 12 under § 8-9-407 that: 13 (A) Primarily uses an electronic application for the 14 submission and management of information related to the generation, 15 collection, transportation, distribution, and recycling, disposal, or resale of each recyclable tire, waste tire, and used tire culled for resale 16 17 regulated under this subchapter; 18 (B) Secondarily may allow submission of used waste tire 19 data that is manifested using an equivalent paper documentation; and 20 (C) Records the origin, date of collection, date of 21 transfer, quantity, type, transporter, and destination for each recyclable 22 tire, waste tire, and used tire culled for resale regulated under this 23 subchapter; 25 SECTION 8. Arkansas Code § 8-9-402(5), concerning the definition of 26 "inter-district used tire program", is amended to read as follows: 27 (5) "Inter-district used waste tire program" means a program

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formed by agreement of two (2) or more regional solid waste management boards to pool resources of all regional solid waste management boards that are parties to the agreement for the administration of one (1) consolidated used waste tire program;

- 33 SECTION 9. Arkansas Code § 8-9-402(11), concerning the definition of 34 "qualified entity", is amended to read as follows:
- 35 "Qualified entity" means an entity that demonstrates to the 36 division that the entity has the capability, experience, and resources to

1	operate and administer a used <u>waste</u> tire program in compliance with this
2	subchapter;
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4	SECTION 10. Arkansas Code § 8-9-402(14)(B), concerning the definition
5	of "small tire", is amended to read as follows:
6	(B) "Small tire" includes a tire from any of the following
7	vehicles:
8	(i) An automobile;
9	(ii) A motorcycle; or
10	(iii) An all-terrain vehicle;
11	(iv) A low-profile vehicle;
12	(v) A standard pick-up truck;
13	(vi) A light-duty truck;
14	(vii) A lawn mower;
15	(viii) A golf cart; or
16	(ix) A trailer;
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18	SECTION 11. Arkansas Code § 8-9-402(16), concerning the definition of
19	"tire collection center", is amended to read as follows:
20	(16) "Tire collection center" means a site where tires are
21	collected from tire generators, tire transporters, or the public before being
22	recycled or disposed of by a used waste tire program;
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24	SECTION 12. Arkansas Code \S 8-9-402(17)(B)(iii), concerning the
25	definition of "tire generator", is repealed.
26	(iii) A tire transporter;
27	
28	SECTION 13. Arkansas Code § 8-9-402(21), concerning the definition of
29	"tire transporter", is repealed.
30	(21) "Tire transporter" means a person who is in the business of
31	or receives compensation for transferring used tires from one (1) location to
32	another location for collection, storage, processing, recycling, disposal,
33	reuse, or resale;
34	
35	SECTION 14. Arkansas Code § 8-9-402(22)(B), concerning the definition
36	of "used tire", is amended to read as follows:

1	(B) "Used tire" includes without limitation a recyclable
2	tire, waste tire, and used tire culled for resale.
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4	SECTION 15. Arkansas Code § 8-9-402(23) and (24), concerning the
5	definitions of "used tire culled for resale" and of "used tire program", are
6	amended to read as follows:
7	(23) "Used tire culled for resale" means a tire that is removed
8	from the rim but is diverted from a tire collection center, \underline{or} tire
9	processing facility, or tire transporter with the intention of selling for
10	reuse;
11	(24) "Used Waste tire program" means a program that receives
12	funding under this subchapter and is operated by:
13	(A) A regional solid waste management board; or
14	(B) An inter-district used waste tire program;
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16	SECTION 16. Arkansas Code \S 8-9-402(27)(A), concerning the definition
17	of "waste tire site", is amended to read as follows:
18	(27)(A) "Waste tire site" means a location where unpermitted
19	used waste tires are accumulated, whether loosely stored, compacted and
20	baled, or a combination of both loosely stored and compacted and baled.
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22	SECTION 17. Arkansas Code § 8-9-404 is amended to read as follows:
23	8-9-404. Rim removal Tire recycling fees — Import fees — Commercial
24	generator fees - Definitions.
25	(a)(1) There is imposed a rim removal fee upon the transaction of
26	removing a tire from a rim that is related to the sale of a replacement tire
27	by a tire retailer.
28	(2) The rim removal fee shall be charged by the tire retailer to
29	a person who:
30	(A) Purchases a replacement tire for a rim that
31	necessitates the removal of a different tire from the same rim; or
32	(B) Purchases the service of removal of a tire from a rim
33	and replacement with a tire that was not purchased from the tire retailer if
34	the person requesting the rim removal cannot show proof of payment of the rim
35	removal fee under this section for the replacement tire.
36	(3)(A) The rim removal fee shall be imposed at the rate of three

1 dollars (\$3.00) for each new tire that replaces a tire removed from a rim and 2 one dollar (\$1.00) for each used tire that replaces the tire removed from the 3 4 (B) Except for the rim removal fees imposed under this 5 section, a tire retailer shall not charge any other fee to a person who 6 purchases the service of removal of a tire from a rim. 7 (C) For any tires collected by a tire retailer, the tire 8 retailer shall ensure that the tires are transported by a licensed tire 9 transporter to a permitted tire collection center, a solid waste management 10 facility, a tire processing facility, or another tire retailer. 11 (D) The tire retailer shall account for each tire removed 12 from a rim in the manner prescribed by the Department of Finance and 13 Administration. 14 (E) Each tire retailer shall register with the department 15 and comply with all requirements related to collecting and reporting rim 16 removal fees. 17 (4) The rim removal fees imposed under this section shall be 18 added to the total cost charged by the tire retailer to the purchaser after 19 all applicable gross receipts or compensating use taxes on the tires have 20 been computed and shall be separately stated on the invoice or bill of sale. 21 (5)(A) The rim removal fees imposed under this section shall be 22 paid monthly to the Secretary of the Department of Finance and 23 Administration. (B) However, the tire retailer may retain five percent 24 25 (5%) of the rim removal fee imposed under subdivision (a)(3)(A) of this 26 section for administrative costs. 27 (6)(A) The rim removal fees remitted under subdivision (a)(5)(A) of this section shall be collected by the secretary and shall be subject to 28 the Arkansas Tax Procedure Act, § 26-18-101 et seq. 29 30 (B)(i) Each tire retailer shall file a return with the secretary on or before the twentieth of each month. 31 32 (ii) The return shall show the total rim removal fees 33 collected for each tire removed from the rim during the preceding calendar 34 month. 35 (iii) The tire retailer shall remit the rim removal 36 fees with the return.

1	(iv) The secretary shall prescribe the form and
2	contents of the return (A)(i) A tire recycling fee of three dollars (\$3.00)
3	is imposed for each new small tire sold by a tire retailer in Arkansas,
4	including without limitation new small tires sold as part of fleet services.
5	(ii) A tire retailer may retain a fee of up to five
6	percent (5%) of the tire recycling fee for each new small tire sold by the
7	tire retailer to cover administrative costs of the tire retailer.
8	(B) A tire retailer shall obtain a tire recycling account
9	number from the Department of Finance and Administration and remit the tire
10	recycling fees collected by the tire retailer to the department on a monthly
11	basis.
12	(C) A tire retailer shall:
13	(i) Track all new small tires sold by the tire
14	wholesaler; and
15	(ii) Provide an accounting to the department that
16	includes the number and category of new small tires sold in Arkansas.
17	(D) A tire retailer is subject to field audits by the
18	department.
19	(E)(i) If a person or entity brings a new small tire
20	purchased from an entity other than the tire retailer to the tire retailer to
21	be placed on a motor vehicle, the tire retailer shall require the person or
22	entity to pay the tire recycling fee under subdivision (a)(1)(A) of this
23	section unless the person or entity can show that the tire recycling fee was
24	already paid.
25	(ii) The tire retailer shall not collect the tire
26	recycling fee or require proof of payment of the tire recycling fee unless
27	the small tire has eighty percent (80%) or more of the small tire's vent
28	spews remaining.
29	(F) No later than the tenth business day of each month, a
30	tire retailer shall submit a report to the department that reflects all new
31	small tires sold by the tire retailer for the previous month and the
32	corresponding tire recycling fees remitted to the department.
33	(2)(A) A tire recycling fee is imposed for each new small tire
34	equipped in or on a new motor vehicle or trailer sold to a purchaser.
35	(B) The tire recycling fee under subdivision (a)(2)(A) of
36	this section shall be three dollars (\$3.00) for each new small tire equipped

- in or on the new motor vehicle or trailer, including a new small tire used as a spare on the new motor vehicle or trailer.
- (C) Tire recycling fees under subdivision (a)(2)(B) of
 this section shall be collected by the department at the same time as the new
 motor vehicle or trailer is registered by the purchaser with the department.
- 6 (b)(1) The department shall deposit the proceeds from rim removal tire
 7 recycling fees collected under subsection (a) of this section into the State
 8 Treasury as special revenues to the credit of the following funds in the
 9 following percentages:
- 10 (A) Ninety-three percent (93%) to be deposited into the 11 Used Tire Recycling Fund; and
- 12 (B) Seven percent (7%), not to exceed the amount deposited
 13 in fiscal year 2023, to be deposited into the Division of Environmental
 14 Quality Fee Trust Fund.
- 15 (2) As used in this section, "proceeds from rim removal tire
 16 recycling fees" means all moneys collected and received by the department
 17 under this section for rim removal tire recycling fees imposed under
 18 subsection (a) of this section and interest and penalties on delinquent rim
 19 removal tire recycling fees.
- 20 (c)(1)(A) There is imposed an import fee of one dollar (\$1.00) on each
 21 used tire that is imported into Arkansas A tire recycling fee may be imposed
 22 by a tire retailer on a large tire or an extra-large tire.
- 23 (2)(A) The amount of the tire recycling fee on a large tire or extra-large tire may not exceed per tire:
- 25 <u>(1) For a large tire, seven dollars and fifty cents</u> 26 <u>(\$7.50); and</u>
- 27 <u>(ii) For an extra-large tire, thirty dollars</u>

(\$30.00).

- (B) A tire retailer may charge a fee of up to ten percent
 (10%) over the tire recycling fee for new large tire or new extra-large tire
 sold by the tire retailer and retain the excess over the tire recycling fee
 to cover administrative costs of the tire retailer.
- 33 (3) The tire recycling fee for a large tire or an extra-large
 34 tire may be changed by a tire accountability board only one (1) time per year
 35 at the time the business plan for the tire accountability zone is submitted
 36 for the fiscal year.

1	(4)(A) The tire accountability board shall report the proposed
2	tire recycling fee for a large tire or extra-large tire authorized under this
3	subsection to the department by September 30.
4	(B) The department shall:
5	(i) Average the tire recycling fees proposed by the
6	four (4) tire accountability boards; and
7	(ii) Set a statewide tire recycling fee for a large
8	tire or an extra-large tire that may be charged by the tire retailer under
9	this subsection.
10	(B) A person who imports a used tire shall be registered
11	with the department and comply with all requirements related to collecting
12	and reporting import fees.
13	(2) The import fee imposed under this subsection shall be paid
14	by the person who imports the used tire to the department in accordance with
15	the Arkansas Tax Procedure Act, § 26-18-101 et seq., and any rules
16	promulgated by the department.
17	(3)(A) The department shall deposit the proceeds from import
18	fees imposed under this subsection into the State Treasury as special
19	revenues to the credit of the following funds in the following percentages:
20	(i) Ninety-three percent (93%) to be deposited into
21	the Used Tire Recycling Fund; and
22	(ii) Seven percent (7%) to be deposited into the
23	Division of Environmental Quality Fee Trust Fund.
24	(B) As used in this section, "proceeds from import fees"
25	means all moneys collected and received by the department under this
26	subsection and interest and penalties on delinquent import fees.
27	(d)(1) There is imposed a commercial generator fee upon the
28	transaction of a commercial generator selling or delivering a new tire as
29	part of fleet services The department has authority and responsibility to
30	audit tire retailers for compliance with this subchapter.
31	(2) The commercial generator fee shall be charged by the
32	commercial generator to a person who in the ordinary course of business is an
33	end user that removes used tires from the rim and replaces them with a new
34	tire.
35	(3)(A) The commercial generator fee shall be imposed at the rate
36	of three dollars (\$3.00) for each new tire that is sold or delivered to an

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    tire.
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                       (B) Except for the commercial generator fees imposed under
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    this section, the commercial generator shall not charge any other fee to the
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    end user.
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                       (C)(i) For any used tires collected by a commercial
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    generator, the first transportation of the used tire from the end user to the
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    commercial generator's facility does not require a licensed tire transporter.
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                             (ii) Any subsequent transportation of the used tire
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    by the commercial generator for recycling or disposal requires a licensed
    tire transporter and shall be accounted for using the electronic uniform used
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    tire manifest system.
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                       (D) Each commercial generator shall register with the
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    department and comply with all requirements related to collecting and
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    reporting commercial generator fees.
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                (4) The commercial generator fees imposed under this section
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    shall be added to the total cost charged by the commercial generator to the
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    end user after all applicable gross receipts or compensating use taxes on the
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    tires have been computed and shall be separately stated on the invoice or
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    bill of sale.
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                 (5)(A) The commercial generator fees imposed under this section
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    shall be paid monthly to the secretary.
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                       (B) However, the commercial generator may retain five
    percent (5%) of the commercial generator fee imposed under subdivision
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     (d)(3)(A) of this section for administrative costs.
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                 (6)(A) The commercial generator fees remitted in subdivision
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    (d)(5)(A) of this section shall be collected by the secretary and shall be
    subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq.
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                       (B)(i)(a) Each commercial generator shall file a return
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    with the secretary on or before the twentieth of each month.
                                   (b) The return shall show the total commercial
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    generator fees collected for each tire sold or delivered to the end user
    during the preceding calendar month.
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                                   (c) The commercial generator shall remit the
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    commercial generator fees with the return.
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                             (ii) The secretary shall prescribe the form and
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end user that removes used tires from the rim and replaces them with a new

1	contents of the return.
2	(7) The department shall deposit the proceeds from commercial
3	generator fees collected under this subsection into the State Treasury as
4	special revenues to the credit of the following funds in the following
5	percentages:
6	(A) Ninety-three percent (93%) to be deposited into the
7	Used Tire Recycling Fund; and
8	(B) Seven percent (7%) to be deposited into the Division
9	of Environmental Quality Fee Trust Fund.
10	(8) As used in this section, "proceeds from commercial generator
11	fees" means all moneys collected and received by the department under this
12	section for commercial generator fees imposed under this subsection and
13	interest and penalties on delinquent commercial generator fees.
14	(e)(1) It is the purpose and intent of this section that only one (1)
15	of the following fees imposed under this section be charged for the
16	transaction of removing a tire from a rim that is related to the sale of a
17	replacement tire:
18	(A) The rim removal fee; or
19	(B) The commercial generator fee.
20	(2) If a person establishes that he or she has paid one (1) of
21	the fees for a tire, the tire retailer or tire generator shall not charge an
22	additional fee for that tire This section applies to in-state and out-of-
23	state tire retailers that sell tires within the state.
24	(2) The department shall enforce this section under the Arkansas
25	Tax Procedure Act, § 26-18-101 et seq. and the business closure procedures
26	<u>under § 26-18-1001 et seq.</u>
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28	SECTION $18.$ Arkansas Code \S 8-9-405 is amended to read as follows:
29	8-9-405. Used Waste tire program reimbursements.
30	(a) The Division of Environmental Quality <u>Department of Finance and</u>
31	Administration shall establish the Used Waste Tire Recycling and
32	Accountability Program to:
33	(1) Reimburse used <u>waste</u> tire programs for used <u>waste</u> tire
34	recycling and disposal costs;
35	(0) 7 1 1 1 1 1 1
	(2) Incentivize recycling used <u>waste</u> tires collected under this

- 1 (3) Provide accountability for the disbursement of moneys to
- 2 used waste tire programs; and
- 3 (4) Otherwise improve the sustainability of used waste tire
- 4 programs;
- 5 (5) Provide remedial assistance, if funds are available, for
- 6 abandoned waste tire sites; and
- 7 (6) Provide equipment funds for increased capacity for
- 8 processing waste tires.
- 9 (b) To be eligible for reimbursements under this subchapter, a used
- 10 <u>waste</u> tire program shall:
- 11 (1) Be included in the solid waste management system under § 8-
- 12 9-101 et seq. for each regional solid waste management district that the used
- 13 <u>waste</u> tire program serves;
- 14 (2) Have a used waste tire management plan for each regional
- 15 solid waste management district that the used waste tire program serves to
- 16 include without limitation a schedule for identification and cleanup of waste
- 17 tire sites that is updated until abatement of each identified waste tire site
- 18 is completed;
- 19 (3) Be included in each regional solid waste management
- 20 district's recycling program under § 8-9-203 that the used waste tire program
- 21 serves;
- 22 (4) If operated by a political subdivision of the state or other
- 23 public entity:
- 24 (A) Use the financial management system under § 14-21-101
- 25 et seq.;
- 26 (B) Comply with the county purchasing procedures under §
- 27 14-22-101 et seq.;
- 28 (C) Comply with the Arkansas County Accounting Law of
- 29 1973, § 14-25-101 et seq.; and
- 30 (D) Comply with the Local Fiscal Management Responsibility
- 31 Act, § 14-77-101 et seq.;
- 32 (5) Be operated in compliance with this subchapter and all other
- 33 laws and rules related to the administration of solid waste management
- 34 systems and recycling programs in Arkansas;
- 35 (6) Encourage the voluntary establishment of tire collection
- 36 centers at tire retailers, tire processing facilities, and solid waste

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1 disposal facilities for the deposit of tires generated in the state; 2 (7) Provide the division Department of Finance and 3 Administration with business plan information required under § 8-9-408; 4 (8) Provide the division Department of Finance and 5 Administration with all quarterly financial information and progress reports 6 related to § 8-9-409; 7 (9)(A) Establish Be responsible for determining tire collection 8 centers within each county served by the used waste tire program that accepts 9 tires from tire retailers at no charge if the tire retailer commercial 10 generator or tire generator establishes that it: 11 (i) Collects the rim removal fee imposed under § 8-12 9-404(a); and 13 (ii) Complies complies with the electronic uniform 14 used tire manifest system under § 8-9-407. 15 (B) The tire collection centers under this subdivision 16 (b)(9) may be at any one (1) or more of the following: 17 (i) A solid waste disposal facility; (ii) A tire processing facility; or 18 19 (iii) A tire retailer facility set up by a tire 20 generator; and 21 (10) Establish at least one (1) tire collection center within 22 each county served by the used waste tire program. 23 (c) A used waste tire program that receives reimbursements under this section may: 24 25 Contract with a tire processing facility that is approved by (1) 26 the Director of the Division of Environmental Quality; 27 (2) Remove or contract for the removal of tires from waste tire 28 sites within the regional solid waste management district; 29 (3) Provide incentives for establishing privately operated tire 30 collection centers for the public; and 31 (4) Form an inter-district used waste tire program. 32 Moneys disbursed from the Used Tire Recycling Fund by the division 33 department for reimbursements under this section shall be: 34 (1) Distributed as provided under this section only to the used

waste tire programs that comply with all applicable requirements in this

subchapter related to the operation of used waste tire programs;

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- 1 (2) Based on moneys available in the fund, the approved business 2 plan rate, quarterly financial reports, and other documentation submitted by 3 the used waste tire programs; and
 - (3) Made on a quarterly basis to the used <u>waste</u> tire programs.
- (e)(1) Quarterly disbursements from the fund shall be paid each quarter from all available moneys collected and available for disbursement in that quarter.
 - (2) If there are insufficient moneys available in a quarter to make reimbursements for all submitted requests under subsection (f) of this section, the <u>division department</u> shall calculate the total remaining funding available and allocate the moneys available for reimbursement to each <u>used waste</u> tire program based on a pro rata share of each <u>used waste</u> tire program's reimbursement request compared to the total moneys available.
- 14 (3)(A) The Arkansas Pollution Control and Ecology Commission may 15 increase reimbursement rates if the director recommends an increase because 16 of one (1) or more of the following:
- 17 (i) The relevant consumer price index for the
 18 preceding calendar year exceeded the consumer price index for calendar year
 19 2018; or
- 20 (ii) The $\frac{\text{waste}}{\text{used}}$ tire programs have established an 21 increase in operation costs.
- 22 (B) An increase to any reimbursement rate under subsection 23 (f) of this section shall not exceed ten percent (10%) each calendar year.
 - (f) Based on data received from the electronic uniform used tire manifest system and quarterly reports, the funding for reimbursement for processing, recycling, or disposing of used waste tires at the approved business plan rate may be available from the fund for used waste tire programs that are in compliance with all applicable requirements of this subchapter.
- 30 (g) At the request of a <u>used waste</u> tire program that needs operational 31 assistance or guidance on compliance with this subchapter, the <u>division</u> 32 <u>Division of Environmental Quality</u> shall provide to the <u>used waste</u> tire 33 program operational assistance or guidance on compliance with this 34 subchapter.
- 35 (h) The division shall:
 - (1) Develop market opportunities for beneficial use of used

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    waste tire material; and
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                 (2) Educate the public on the Used Waste Tire Recycling and
 3
     Accountability Program.
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           SECTION 19. Arkansas Code § 8-9-407 is amended to read as follows:
 6
           8-9-407. Electronic uniform used Uniform tire manifest system.
 7
               The following entities shall use the electronic uniform used tire
8
     manifest system to accurately report all information related to the
9
     collection, transportation, distribution, and recycling or disposal of
10
     recyclable tires, waste tires, and used tires culled for resale:
11
                 (1) Used Waste tire programs;
12
                 (2) Tire generators;
13
                 (3) Tire collection centers;
14
                 (4) Any person who:
15
                       (A) Removes a tire from the used waste tire program after
16
     it is collected; or
17
                       (B) Imports a tire under § 8-9-404(c); and
18
                 (5)
                      Commercial generators.
19
           (b) If any of the persons or entities listed in subsection (a) of this
20
     section cannot use the electronic uniform used tire manifest system, the
21
     person or entity may submit to the used waste tire program an equivalent
22
     paper version which shall be entered into the electronic uniform used tire
23
     manifest system.
24
25
           SECTION 20. Arkansas Code § 8-9-408 is amended to read as follows:
26
           8-9-408. Accountability requirements for used waste tire programs -
27
     Business plans.
28
           (a) On or before December 31, 2017, a used waste tire program that
29
     receives funding under this subchapter shall provide the Arkansas Department
     of Environmental Quality, now the Division of Environmental Quality, Finance
30
31
     and Administration with a business plan that establishes its current
32
     operating plan and a proposed operating plan for calendar year 2018 and
     approved by its board.
33
34
               The minimum required information for the business plan is:
```

(A) An explanation of debt and debt repayment obligations,

(1) Current operation information to include:

- including scheduled payments;
- 2 (B) A description of equipment used, including type, year
- 3 manufactured, debt obligations related to the equipment, and whether it is
- 4 leased or owned;
- 5 (C) An explanation of contract obligations including the
- 6 amount, length, and scope of the contract;
- 7 (D) A description of how tires are managed, to include
- 8 without limitation collection, transportation, and disposal or recycling;
- 9 (E) An explanation of costs, including the cost of tire
- 10 collection centers, other collection facilities, trailers, transfer stations,
- 11 processing, mileage, fuel, and personnel; and
- 12 (F) The number of tires currently on any property owned,
- 13 leased, or otherwise controlled by each regional solid waste management
- 14 district included in the used waste tire program; and
- 15 (2) Proposed operation costs for calendar year 2018, to include:
- 16 (A) A description of how tires will be managed, to include
- 17 without limitation collection, storage, transportation, and disposal or
- 18 recycling;
- 19 (B) Estimated cost of utilities, personnel, equipment,
- 20 fees, leases, facilities, and any other costs related to the primary
- 21 operation of the used waste tire program;
- 22 (C) The capital improvement and maintenance plan with
- 23 estimated expenditures and costs;
- 24 (D) The estimated transportation cost including mileage,
- 25 fuel, equipment, personnel, utilities, insurance, bonds, and fees;
- 26 (E) The locations of all tire collection centers; and
- 27 (F) The types of tires managed, to include recyclable
- 28 tires, waste tires, and used tires culled for resale.
- 29 (c) A <u>used waste</u> tire program shall submit a revised business plan if
- 30 there is a substantial change in the used waste tire program operations or if
- 31 the division department requests a revised business plan.
- 32 (d) A business plan or revised business plan submitted under this
- 33 subchapter is effective after approval by the division department or its
- 34 designee.
- 35 (e)(1) The approved business plan or approved revised business plan
- 36 shall include the approved business plan rates for each used waste tire

```
1
     program.
 2
                 (2)(A)
                         The division department shall cooperate with the used
 3
    waste tire programs and other entities to develop each used waste tire
 4
     program's approved business plan rates for recyclable tires and waste tires.
 5
                       (B) The approved business plan rates shall also use the
 6
     size of a tire, including without limitation small tires, large tires, and
 7
     extra-large tires, as a factor for determining the approved business plan
 8
     rates.
9
10
           SECTION 21. Arkansas Code § 8-9-409 is amended to read as follows:
11
           8-9-409. Performance and efficiency evaluations.
12
           (a) The Division of Environmental Quality shall develop a system to
13
     evaluate and report the performance and efficiency of used waste tire
14
     programs and the Used Waste Tire Recycling and Accountability Program.
15
           (b) The evaluation and reporting system shall use the following
16
     performance indicators for each used waste tire program:
17
                     The number of:
                 (1)
18
                       (A) Recyclable tires;
19
                       (B) Waste tires disposed in a landfill; and
20
                       (C) Waste tires disposed in a monofill;
21
                      The number of reported waste tire sites located in the
22
     regional solid waste management districts that are included in the used waste
23
     tire program;
                      Electronic uniform used Uniform tire manifest system
24
                 (3)
25
     compliance;
26
                 (4) Administrative expenses;
27
                 (5)
                     Transportation expenses;
28
                 (6)
                      Building, warehouse, and other facilities expenses;
29
                 (7)
                      Revenue sources and the amount of revenue received from each
30
     source;
31
                 (8) The number, location, and type of tire collection centers;
32
                 (9) Any identified operational issues;
33
                 (10) The number of enforcement actions against the used waste
34
     tire program; and
35
                 (11) Any other performance indicators that are determined to be
36
     useful to evaluate performance and efficiency.
```

1	(c) The evaluations under this section shall be completed on a
2	biennial basis for each used <u>waste</u> tire program.
3	
4	SECTION 22. Arkansas Code § 8-9-410 is amended to read as follows:
5	8-9-410. Consolidation of used tire programs Tire accountability zones.
6	The General Assembly finds:
7	(1) The smaller the population and geographical area that a used
8	tire program serves, the more unsustainable the used tire program is;
9	(2) In contrast, it has been noted nationally and within the
10	state that used tire programs that serve a larger population and greater
11	geographical area collect and process a large number of tires, are
12	sustainable, and optimize the use of economies of scale;
13	(3) Before January 1, 2017, there were eleven (11) waste tire
14	districts in the state; and
15	(4) It is in the best interest of the state for the used tire
16	programs to combine to form inter-district used tire programs to operate in
17	an efficient and financially sustainable manner (a)(1) In order to address
18	efficiency in tire processing, including without limitation transportation,
19	there is created four (4) tire accountability zones in the state.
20	(2) The four (4) tire accountability zones created under
21	subdivision (a)(1) of this section are composed as follows:
22	(A) Tire Accountability Zone 1 consists of the following
23	counties: Benton, Carroll, Boone, Marion, Baxter, Washington, Madison,
24	Newton, Searcy, Crawford, Franklin, Johnson, Pope, Van Buren, Sebastian,
25	Logan, Conway, Scott, Yell, and Perry;
26	(B) Tire Accountability Zone 2 consists of the following
27	counties: Fulton, Sharp, Randolph, Clay, Izard, Lawrence, Greene, Stone,
28	Independence, Jackson, Craighead, Mississippi, Cleburne, Faulkner, White,
29	Poinsett, Woodruff, Cross, and Crittenden;
30	(C) Tire Accountability Zone 3 consists of the following
31	counties: Polk, Montgomery, Sevier, Howard, Pike, Clark, Little River,
32	Hempstead, Nevada, Miller, Lafayette, Saline, Dallas, Ouachita, Union,
33	Garland, Hot Spring, and Columbia; and
34	(D) Tire Accountability Zone 4 consists of the following
35	counties: Grant, Jefferson, Arkansas, Phillips, Cleveland, Lincoln, Desha,
36	Calhoun, Bradley, Drew, Ashley, Pulaski, Lonoke, Prairie, Monroe, St.

1	Francis, Lee, and Chicot.
2	(b)(l) Each new tire accountability zone is governed by a board that
3	is composed of eleven (11) members:
4	(A) Five (5) county judges, elected by the county judges
5	of the tire accountability zone;
6	(B) Two (2) county judges, appointed from the two (2) most
7	populous counties in the tire accountability zone according to the most
8	recent federal census; and
9	(C) Four (4) mayors, elected by the mayors of all of the
10	cities in the tire accountability zone.
11	(2) Each board member of the tire accountability zone shall
12	serve for a term of three (3) years.
13	(3) The members shall draw lots for staggered terms at the first
14	organizational meeting.
15	(4) A vacancy on the board shall be filled through the process
16	described in the bylaws of the board.
17	(c)(l) A tire accountability board shall:
18	(A) Elect a chair and a vice-chair at an organizational
19	meeting;
20	(B) Develop bylaws to govern the tire accountability
21	board, including without limitation rules related to the replacement of
22	members in the event of a vacancy; and
23	(C) Submit a business plan to the Department of Finance
24	and Administration for approval on or before September 1, 2023.
25	(2) The department shall approve or seek additional information
26	regarding the business plan submitted under subdivision (c)(1)(C) of this
27	section within sixty (60) days.
28	(d) The tire accountability board in each of the tire accountability
29	zones shall enter into an interlocal agreement to determine the highest level
30	of efficiency regarding tire processing in the respective tire accountability
31	zone.
32	(e) Arkansas Legislative Audit shall audit the four (4) tire
33	accountability zones on the following schedule:
34	(1) Zone 1 and Zone 3 every odd-numbered year; and
35	(2) Zone 2 and Zone 4 every even-numbered year.

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1
           SECTION 23. Arkansas Code § 8-9-411 is repealed.
 2
          8-9-411. Tire transporters - Licenses.
 3
          (a) A tire transporter shall meet the following requirements to
 4
    perform or be compensated for any duties under this subchapter related to the
 5
     administration and operation of a used tire program:
 6
                 (1) Obtain for each vehicle a license;
                (2) Obtain for each vehicle a tire transporter number provided
 7
8
    by the Division of Environmental Quality used for the electronic uniform used
9
    tire manifest system;
10
                (3) Provide proof that each vehicle has passed an annual safety
11
    inspection;
12
                (4) Provide proof of financial responsibility for each vehicle
13
    and authorized driver;
14
                 (5) Provide a bond in the amount of ten thousand dollars
15
    ($10,000);
16
                (6) Establish that each authorized driver has completed training
17
    for the electronic uniform used tire manifest system; and
18
                 (7) Pay a fee of fifty dollars ($50.00) for each vehicle that is
19
    licensed.
20
           (b) For each tire transporter licensed under this section, the
21
    division shall assign a tire transporter number and include the tire
22
    transporter information in the electronic uniform used tire manifest system.
23
          (c)(1) If a tire transporter is found to have not complied with this
    subchapter, the tire transporter's license shall be suspended for three (3)
24
25
    months.
26
                 (2) If the license of a tire transporter is suspended more than
27
    one (1) time in three (3) years, the tire transporter's license shall be
    revoked and the tire transporter is ineligible for a tire transporter license
28
29
    for three (3) years.
30
31
           SECTION 24. Arkansas Code § 8-9-412 is repealed.
32
          8-9-412. Additional fees.
33
          (a) A used tire program may charge an additional fee for the
34
    collection and recycling of extra large tires from sources other than
    registered tire retailers and for any tires in excess of the maximum under §
35
36
    8-9-414(b)(7).
```

1	(b) If a used tire program charges an additional fee under this
2	section, the fee shall be collected and retained by the used tire program for
3	costs related to the processing of extra-large tires.
4	
5	SECTION 25 . Arkansas Code § 8-9-413 is amended to read as follows:
6	8-9-413. Applicability.
7	The fees imposed by this subchapter shall not apply to+
8	(1) Large retreaded tires;
9	(2) Tires included as part of the equipment of a new vehicle; or
10	(3) Tires tires included as part of the equipment of a used
11	vehicle if included on the used vehicle at the time of sale and in the sales
12	price of the used vehicle.
13	
14	SECTION 26. Arkansas Code § 8-9-414(b)(1) through (3), concerning the
15	powers and duties of the Arkansas Pollution Control and Ecology Commission,
16	are amended to read as follows:
17	(1) (A) Except as provided under subdivision (b)(1)(B) of this
18	section, provide Provide for the administration of permits for tire
19	processing facilities, tire collection centers, commercial generators, and
20	any other person or entity that collects, receives, processes, recycles, or
21	disposes of used <u>waste</u> tires regulated under this subchapter with the maximum
22	permit fee not to exceed two hundred fifty dollars (\$250) annually.
23	(B) The maximum permit fee under this subdivision (b)(1)
24	shall not apply to tire transporters;
25	(2) Establish standards for tire processing facilities, tire
26	collection centers, tire transporters, and beneficial use projects;
27	(3) Establish procedures for administering reimbursements to
28	used tire programs under § 8-9-405;
29	
30	SECTION 27. Arkansas Code § 8-9-414(b)(5) and (6), concerning rules
31	for the electronic uniform used tire manifest system and accountability
32	procedures, are amended to read as follows:
33	(5) Establish procedures for administering the electronic
34	uniform used tire manifest system;
35	(6) Establish accountability procedures for the sustainability
36	of used waste tire programs operated under this subchapter; and

1	
2	SECTION 28 . Arkansas Code § 8-9-414(c), concerning duties of the
3	Arkansas Pollution Control and Ecology Commission, is amended to read as
4	follows:
5	(c) The commission may:
6	(1) Develop an alternative tire transporter licensing program t
7	be administered by used tire programs, regional solid waste management
8	boards, or both;
9	(2) Promulgate rules that are necessary to administer the fees
10	and reimbursement rates for services provided under this subchapter by the
11	used waste tire programs; and
12	$\frac{(3)}{(2)}$ Clarify and add definitions for sizes of tires using
13	technical information and specifications.
14	
15	SECTION 29. The introductory language of Arkansas Code § 8-9-415(a),
16	concerning requirements on a person receiving funding under the Used Tire
17	Recycling and Accountability Act, is amended to read as follows:
18	(a) A person who receives funding under this subchapter, tire
19	collection centers, tire retailers, tire processing facilities, tire
20	transporters, tire generators, commercial generators, used tires regulated
21	under this subchapter, and waste tire sites are subject to:
22	
23	SECTION 30. Arkansas Code § 8-9-415(b) and (c), concerning
24	noncompliance by a used tire program, are amended to read as follows:
25	(b) A used <u>waste</u> tire program is subject to penalties and enforcement
26	under this subchapter for noncompliance with this subchapter to include
27	without limitation:
28	(1) Failure to use the electronic uniform used tire manifest
29	system;
30	(2) Failure to submit accurate information to the electronic
31	uniform used tire manifest system;
32	(3) Failure to submit an approved business plan on or before
33	July 1, 2018;
34	(4) Failure to submit a revised business plan as required under
35	§ 8-9-408(c);

(5) Failure to submit an approved revised business plan within

- 1 three (3) months after submission; or
- 2 (6) Failure to provide documentation or reports required to be 3 filed with the Division of Environmental Quality under this subchapter.
- 4 (c)(1) If a used waste tire program fails to submit a business plan
- 5 that is approved by the Arkansas Department of Environmental Quality or the
- 6 division Department of Finance and Administration on or before July 1, 2018,
- 7 the used waste tire program and all regional solid waste management boards
- 8 included in the used waste tire program on July 1, 2018, are:
- 9 (A) Ineligible to receive funding under this subchapter
- 10 and from the Used Tire Recycling Fund;
- 11 (B) Prohibited from administering and operating a used
- 12 <u>waste</u> tire program; and
- 13 (C) Prohibited from imposing any fees to support the
- 14 administration and operation of a used waste tire program.
- 15 (2)(A) The division may designate a qualified entity to perform
- 16 the duties related to the operation and administration of a $\frac{waste}{waste}$ tire
- 17 program deemed ineligible under subdivision (c)(1) of this section.
- 18 (B) A qualified entity that is designated to perform the
- 19 duties related to the operation and administration of a used waste tire
- 20 program under this subsection shall operate the used waste tire program in
- 21 compliance with this subchapter.

33

- 22 (C) If the qualified entity performs the duties related to
- 23 the operation and administration of the used waste tire program in compliance
- 24 with this subchapter, the qualified entity is eligible to receive funding
- 25 under this subchapter and from the fund.

27 SECTION 31. Arkansas Code Title 8, Chapter 9, Subchapter 4, is amended

- 28 to add an additional section to read as follows:
- 8-9-416. Online tire sales.
- To the extent practicable, the tire recycling fees under this
- 31 <u>subchapter shall be levied and collected on all online tire sales that</u>
- 32 otherwise would be subject to tire recycling fees under this subchapter.
- SECTION 32. Arkansas Code $\S 19-5-1148(b)(2)(A)$, concerning the
- 35 penalties assessed and collected under the Used Tire Recycling and
- 36 Accountability Act within the Used Tire Recycling Fund, is amended to read as

1	follows:
2	(A) Penalties assessed and collected under the Used <u>Waste</u>
3	Tire Recycling and Accountability Act, § 8-9-401 et seq.;
4	
5	SECTION 33. Arkansas Code § 19-5-1148(c), concerning the use of the
6	moneys within the Used Tire Recycling Fund, is amended to read as follows:
7	(c)(l) At least ninety percent (90%) of the moneys available in the
8	Used Tire Recycling Fund each fiscal year shall be used by the Division of
9	Environmental Quality Department of Finance and Administration to:
10	(A) provide Provide reimbursements to used waste tire
11	programs;
12	(B) to administer Administer the Used Waste Tire Recycling
13	and Accountability Program,; and
14	(C) to perform Perform other duties under the Used Waste
15	Tire Recycling and Accountability Act, § 8-9-401 et seq.
16	(2)(A) The department may provide the Director of the Division
17	of Environmental Quality $\frac{1}{1}$ was not more than ten percent (10%) of $\frac{1}{1}$ funding
18	<pre>from the moneys available in the Used Tire Recycling Fund each fiscal year:</pre>
19	(A) (i) For waste tire site abatement aid;
20	(B) For the development, implementation, and maintenance
21	of the electronic uniform used tire manifest system; and
22	(C) To provide market and economic stimulus incentives
23	(ii) For capital improvements related to tire processing equipment.
24	(B) After the first full year of implementation and each
25	fiscal year after, the department shall report to Legislative Council, or to
26	the Joint Budget Committee if the General Assembly is in session, on the
27	funds to be provided to the division under this subdivision $(c)(2)$.
28	
29	SECTION 34. Arkansas Code § 19-6-301(104), concerning enumerated
30	special revenues collected as Division of Environmental Quality fees, is
31	amended to read as follows:
32	(104) All Division of Environmental Quality fees, unless
33	otherwise provided by law, \S 8-1-105, landfill operator license fees, \S 8-6-
34	909, and that portion of $\frac{1}{1}$ new tire waste tire $\frac{1}{1}$ recycling fees, § 8-9-404;
35	

SECTION 35. Arkansas Code \S 19-6-301(165), concerning the enumeration

36

1 of special revenues related to rim removal fees and import fees, is amended 2 to read as follows: 3 (165) That portion of rim removal tire recycling fees and import 4 fees, § 8-9-404; 5 6 SECTION 36. DO NOT CODIFY. TEMPORARY LANGUAGE. (a) A current tire district shall not enter into a new contract or 7 8 extend an existing contract unless approved by the new tire accountability 9 zones created under this act. 10 (b)(1) The County Judges Association of Arkansas and the Arkansas Municipal League shall assist the tire accountability zones by facilitating 11 12 an election for the tire accountability board required under Section 20 of 13 this act. 14 (2) The County Judges Association of Arkansas and the Arkansas 15 Municipal League shall facilitate the first election process within thirty 16 (30) days of the effective date of this act. 17 (3)(A) The County Judges Association of Arkansas and the 18 Arkansas Municipal League shall report the outcome of the tire accountability 19 board member elections of each tire accountability zone to the Arkansas 20 Pollution Control and Ecology Commission. 21 (B) The tire accountability board shall hold an 22 organizational meeting within thirty (30) days of the notification to the 23 commission required under subdivision (b)(3)(A) of this section. 24 25 SECTION 37. Effective date. 26 Sections 1 through 21 of the act and Sections 23 through 35 of the act 27 are effective on and after October 1, 2023. 28 SECTION 38. EMERGENCY CLAUSE. It is found and determined by the 29 30 General Assembly of the State of Arkansas that the State of Arkansas is responsible for the appropriate disposal of waste tires and for protecting 31 32 the public health and our shared environment; that discarded, uncollected, 33 and unprocessed waste tires are breeding habitats for disease-carrying 34 vectors and pose toxic-fume fire hazards; that it is more appropriate to

monofills; that the tire processing capacity within the State of Arkansas is

process waste tires rather than continue to exhaust our landfills and

1	at capacity and is not sufficient to address our waste tire responsibility;
2	that transportation of the waste tires to neighboring states is too costly to
3	pursue; and that without increasing the capacity for processing tires within
4	the State of Arkansas, a public health and safety emergency exists.
5	Therefore, an emergency is declared to exist, and Section 22 and Section 36
6	of this act being immediately necessary for the preservation of the public
7	peace, health, and safety shall become effective on:
8	(1) The date of its approval by the Governor;
9	(2) If the bill is neither approved nor vetoed by the Governor,
10	the expiration of the period of time during which the Governor may veto the
11	bill; or
12	(3) If the bill is vetoed by the Governor and the veto is
13	overridden, the date the last house overrides the veto.
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16	/s/J. Payton
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