

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
91st General Assembly  
Regular Session, 2017

As Engrossed: H2/3/17 H2/8/17  
**A Bill**

HOUSE BILL 1267

By: Representative L. Fite

### **For An Act To Be Entitled**

AN ACT TO TRANSFER THE CURRENT WASTE TIRE PROGRAM TO THE USED TIRE RECYCLING AND ACCOUNTABILITY PROGRAM; TO IMPLEMENT ACCOUNTABILITY MEASURES TO INCLUDE AN ELECTRONIC UNIFORM USED TIRE MANIFEST SYSTEM AND BUSINESS PLAN REQUIREMENTS; TO INCENTIVIZE USED TIRE RECYCLING; TO EQUALIZE THE APPLICATION OF FEES FOR ALL TIRES REMOVED FROM RIMS; TO PROVIDE REIMBURSEMENT FUNDING TO USED TIRE PROGRAMS THAT MANAGE RECYCLABLE TIRES AND WASTE TIRES; TO CREATE THE USED TIRE RECYCLING FUND; AND FOR OTHER PURPOSES.

### **Subtitle**

TO CREATE THE USED TIRE RECYCLING AND ACCOUNTABILITY PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 8, Chapter 9, Subchapter 4, is amended to read as follows:

8-9-401. Title--Legislative intent--Findings.

(a) This subchapter shall be known and may be cited as the "Used Tire Recycling and Accountability Act".

(b) The purpose of this subchapter is to:

(1) ~~protect~~ 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, and or disposal of recyclable tires, waste tires, and used tires culled for resale;



(2) Provide accountability and sustainability for used tire programs by requiring use of the electronic uniform used tire manifest system developed by the Arkansas Department of Environmental Quality and business plans for used tire programs;

(3) Equalize the application of fees for all tires removed from rims; and

(4) Ensure that reimbursements for used tire programs are related to the overall used tire program goals.

(c) The General Assembly finds that:

(1) If not properly managed, used tires pose a potential threat to human health and safety and the environment because used tires:

(A) Are a known breeding habitat for mosquitoes and other disease-transmitting vectors; and

(B) Pose substantial fire hazards;

(2) The state must have a used tire program for recyclable tires, waste tires, and used tires culled for resale that is accountable, effective, and efficient; and

(3) The primary goal of the used tire program is to recycle or put to beneficial use as many used tires as possible.

8-9-402. Definitions.

As used in this subchapter:

(1) "Beneficial use" means using a tire or part of a tire:

(A) To make another product;

(B) To make a component material of another product;

(C) As a substitute for a commercial product or material;

or

(D) As a component to produce an alternative fuel for commercial purposes;

~~(2) "Compacted and baled tires" means tires that have been mechanically compressed and tied with interlocking wrappings that have been approved by the Arkansas Department of Environmental Quality;~~

(2)(A) "Commercial generator" means a person who sells new tires or provides delivery of new tires as part of fleet services to any one (1) or more of the following:

(i) A municipality;

(ii) A county;

(iii) A state agency;

(iv) A federal agency;

(v) A school district;

(vi) A political subdivision of the state; or

(vii) A person who in the ordinary course of business buys tires in bulk for use on commercial vehicles.

(B) "Commercial generator" does not include a tire retailer;

(3) "Electronic uniform used tire manifest system" means an administrative method developed by the Arkansas Department of Environmental Quality that:

(A) Uses an electronic application for the submission and management of information related to the generation, collection, transportation, distribution, and recycling, disposal, or resale of each recyclable tire, waste tire, and used tire culled for resale regulated under this subchapter; and

(B) Records the origin, date of collection, date of transfer, quantity, type, transporter, and destination for each recyclable tire, waste tire, and used tire culled for resale regulated under this subchapter;

~~(5)(4)(A)~~ "Specialty Extra-large tire" means any tire not specifically covered by any other definition in this section including without limitation traction engines, road rollers, vehicles that run only on a track, bicycles, and farm tractors and trailers a tire that due to its size or construction is more difficult to process for recycling or disposal than a large tire and costs substantially more to process than a large tire.

(B) "Extra-large tire" includes without limitation tires used, capable of being used, or designed to be used on any of the following vehicles or equipment:

(i) A skid steer loader;

(ii) Excavation equipment;

(iii) A farm implement, including without limitation, a tractor;

(iv) A backhoe;

(v) A road grader;

(vi) Industrial equipment;

(vii) A skidder; or

(viii) A heavy duty truck used off-road for mining;

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

~~(8)(6)~~ "Truck Large tire" means ~~any motor vehicle~~ a tire with a rim size greater than nineteen inches (19") and a load rating of "F" or higher including without limitation a wide-base or extra-wide single tire;

~~(3)(7)~~ "Load rating" means the system of trade designations that identifies the weight carrying capacity range of a tire;

~~(4) "Motor vehicle" means an automobile, motorcycle, truck, trailer, semitrailer, truck tractor and semitrailer combination, or any other vehicle operated primarily on the roads of this state;~~

~~(A) Used to transport persons or property; and~~

~~(B) Propelled by power other than muscular power;~~

(8) "Person" means an individual, government entity, or any other entity that is recognized by law with rights and duties;

(9) "Qualified entity" means an entity that demonstrates to the Arkansas Department of Environmental Quality that the entity has the capability, experience, and resources to operate and administer a used tire program in compliance with this subchapter;

(10) "Recyclable tire" means a worn, damaged, or defective tire that is recycled because it is no longer repairable, reusable, or suitable for its original intended purpose;

(11) "Recycle" means the systematic process of collecting, sorting, decontaminating, and returning waste materials to commerce as commodities for use, other beneficial use, or exchange;

~~(1)(12)(A)~~ "Automobile Small tire" means ~~any motor vehicle~~ a tire ~~that with~~ has a load rating of "F" or lower and a rim size of nineteen inches (19") or smaller.

(B) "Small tire" includes a tire from any of the following vehicles:

(i) An automobile;

(ii) A motorcycle; or

(iii) An all-terrain vehicle;

~~(6)~~(13)(A) "Tire" means any one (1) or more of the following:

(i) a A continuous, ring-shaped, removable cover made of solid rubber, ~~or~~ pneumatic rubber, or semipneumatic rubber covering that is used for encircling installed around a wheel rim; or

(ii) Any other round piece of equipment that is attached or could be attached to a vehicle or aircraft and has a primary function of enabling surface mobility.

(B) "Tire" does not include a solid wheel rim with an integral rubber covering or a tire used on a nonmotorized *bicycle, golf cart, or lawn mower*;

~~(11)~~(14) "~~Waste tire~~ Tire collection center" means a site where ~~used or waste~~ tires are collected from tire generators, tire transporters, or the public prior to before being offered for ~~recycling~~ recycled or disposed of by a used tire program and where fewer than three thousand (3,000) loosely stored tires are kept on the site on any given day or up to a maximum of ten thousand (10,000) tires which have been compacted or baled;

(15)(A) "Tire generator" means a person who:

(i) Removes tires from rims for disposal or resale;

or

(ii) Stores used tires on or in property owned, leased, or otherwise controlled by that person.

(B) "Tire generator" includes without limitation:

(i) A tire retailer;

(ii) A tire wholesaler;

(iii) A tire transporter;

(iv) A tire manufacturer;

(v) A manufacturer of retreaded tires;

(vi) A new car dealer;

(vii) A used car dealer;

(viii) An auto repair shop; or

(ix) A salvage yard.

(C) "Tire generator" does not include a commercial generator;

~~(7)~~(16) "Tire manufacturer" means a manufacturing operation engaged in the final assembly of the basic components of a tire;

~~(12)~~(17) "~~Waste tire~~ Tire processing facility" means a site where equipment is used to cut, chip, grind, or otherwise alter used ~~or waste~~

tires;

(18)(A) "Tire retailer" means any one (1) or more of the following:

(i) A person who is in the business of selling new tires, used tires, or both new and used tires to the end consumer; or

(ii) A person who is in the business of or receives compensation for removing tires from rims.

(B) "Tire retailer" does not include a person who sells tires to another person exclusively for the purpose of resale if the subsequent retail sale is subject to the fee imposed under 8-9-404 or a commercial generator;

(19) "Tire transporter" means a person who is in the business of or receives compensation for transferring used tires from one (1) location to another location for collection, storage, processing, recycling, disposal, reuse, or resale;

~~(9)~~(20)(A) "Used tire" means a tire that meets one (1) or more of the following criteria:

(i) Is repairable or retreadable for its original intended purpose, but shall not include a tire being held for ninety (90) days or less for the purpose of retreading or repairing the tire;

(ii) Is reusable;

(iii) Is recyclable; or

(iv) Has been collected by a tire retailer or at a tire collection center operated under this subchapter.

(B) "Used tire" includes without limitation a recyclable tire, waste tire, and used tire culled for resale.

(C) "Used tire" does not include a tire being held for ninety (90) days or less for the purpose of retreading or repairing the tire;

(21) "Used tire culled for resale" means a tire that is removed from the rim but is diverted from a tire collection center, tire processing facility, or tire transporter with the intention of selling for reuse;

(22) "Used tire program" means a program that receives funding under this subchapter and is operated by:

(A) A regional solid waste management board; or

(B) An inter-district used tire program;

(23) "Vehicle" means any piece of equipment that uses wheels for

surface mobility;

~~(10)(A)(24)~~ "Waste tire" means a worn, damaged, or defective tire that is land disposed because it is no longer repairable, ~~or retreadable reusable,~~ or ~~no longer~~ suitable for its original intended purpose ~~because of wear, damage, or defect.;~~

~~(B)~~ ~~"Waste tire" does not include the portion of a tire that has been processed into an article of beneficial use by a waste tire processing facility;~~

~~(13)(25)(A)~~ "Waste tire site" means a ~~site at which~~ location where ~~one thousand (1,000) or more~~ unpermitted used ~~or waste~~ tires are accumulated, whether loosely stored, ~~or~~ compacted and baled, or a combination thereof of both loosely stored and compacted and baled.

(B) "Waste tire site" does not include:

(i) A location where only new tires are stored; or

(ii) A location that is authorized to store tires by the Arkansas Department of Environmental Quality or regulations promulgated by the Arkansas Pollution Control and Ecology Commission;

~~(14)(26)~~ "Waste tires originating from a tire manufacturer" means those new tires ~~which~~ that originate from a tire assembly process and are determined by the tire manufacturer to be either defective or unfit for use on a ~~motor~~ vehicle; and

~~(15)(27)~~ "Wide-base tire" or "extra-wide single tire" means a tire approximately four hundred fifty-five millimeters (455 mm) wide that is used on a ~~motor~~ vehicle in which the front axle load exceeds the load capacity of a truck tire.

8-9-403. Operation of waste tire sites -- Requirements and prohibited activities.

(a)(1) ~~Within six (6) months after July 15, 1991, the~~ The owner or operator of any waste tire site shall provide the Arkansas Department of Environmental Quality and the applicable solid waste management district with:

(A) Information concerning the waste tire site's location and size and the approximate number of ~~waste~~ tires that are accumulated at the waste tire site; and

(B) A written plan specifying a method and time schedule,

subject to approval by the department, for the removal, disposal, or recycling of the tires.

(2) The owner or operator shall implement ~~the approved~~ a written plan approved by the department according to ~~its~~ the written plan's schedule.

(b) A person shall not cause or permit the open burning of tires in the state.

(c)(1) A person shall not maintain a waste tire site.

(2) It is illegal for any person to dispose of ~~used or waste~~ tires or portions of ~~used or waste~~ tires in the state unless the tires or portions of tires are disposed of for processing or collected for processing at a permitted ~~waste~~ tire processing facility, a ~~waste~~ tire collection center, or a permitted solid waste disposal facility.

(3)(A) ~~Whole~~ Unless otherwise provided by law or regulation, whole tires shall not be deposited into a landfill or a waste tire monofill as a method of ~~ultimate~~ final disposal unless shredded or split into sufficiently small parts to assure their proper disposal.

(B) ~~Only~~ Unless otherwise provided by law or regulation, only automobile small tires that have been processed by cutting, shredding, or splitting into sufficiently small parts to assure proper disposal or ~~automobile small~~ tires processed by baling may be disposed of at a disposal site that has a permit issued for a landfill designed and operated as a waste tire monofill.

~~(C) Whole truck tires may be placed in a waste tire monofill in accordance with the facility's permit without cutting, shredding, splitting, or baling.~~

~~(D)~~(C) Suitable processed-tire materials may be used in the construction of daily and intermediate cover systems for all landfills if the use is:

- (i) Authorized by the department;
- (ii) Shown to not present a threat to human health and the environment; and
- (iii) Shown to control disease, vectors, fires, odors, blowing litter, or scavenging.

(4) A person who leases, ~~or owns,~~ or otherwise controls real property may use ~~waste~~ tires in compliance with procedures approved by and regulations promulgated by the Arkansas Pollution Control and Ecology

Commission and procedures approved by each solid waste management district:

~~(A) For~~ For soil erosion abatement and drainage purposes in accordance with procedures approved by the Arkansas Pollution Control and Ecology Commission and each solid waste management district; or

~~(B) to~~ To secure covers over silage, hay, straw, or agricultural products.

~~(d)(1) The commission shall adopt regulations to carry out the provisions of this section.~~

~~(2) The regulations shall:~~

~~(A) Provide for the administration of waste tire processing facility permits and a fee for each permit which shall not exceed two hundred fifty dollars (\$250) annually;~~

~~(B) Provide for the administration of waste tire transporter licenses, waste tire collection center permits, and a fee for each permit which shall not exceed two hundred fifty dollars (\$250) annually;~~

~~(C) Set standards for waste tire processing facilities, waste tire collection centers, and waste tire transporters;~~

~~(D)(i) Establish procedures for administering the waste tire grant program and issuing grants.~~

~~(ii)(a) The procedures established under subdivision (d)(2)(D)(i) of this section shall provide that a solid waste management district shall apply only one (1) time for a waste tire grant under this subchapter.~~

~~(b) The application authorized under subdivision (d)(2)(D)(ii)(a) of this section shall suffice for each grant required under § 8-9-405(c)(3); and~~

~~(E) Authorize the final disposition of waste tires at a permitted solid waste disposal facility, provided the tires have been cut into sufficiently small parts to assure their proper disposal.~~

~~(e)(d)~~ A waste tire processing facility permit or a tire collection center permit, or both, is ~~not~~ required for:

(1) A tire retreading business where ~~fewer than one thousand (1,000)~~ waste tires are kept on the any real property owned, leased, or otherwise controlled by the tire retreading business business premises;

(2) A person business that in the ordinary course of business removes tires from motor vehicles if fewer than one thousand (1,000) of those

rims and the tires removed from rims are kept stored on the any real property owned, leased, or otherwise controlled by the person business premises; or

(3) ~~A retail tire selling business~~ tire retailer that is serving as a waste tire collection center if ~~fewer than one thousand (1,000)~~ recyclable tires, waste tires, or used tires culled for resale are kept on the any real property owned, leased, or otherwise controlled by the tire retailer. ~~business premises; or~~

~~(4) A site designated by a regional solid waste management district serving as a waste tire collection center where fewer than one thousand (1,000) tires are kept on the premises.~~

~~(f) The commission and each solid waste management district shall encourage the voluntary establishment of waste tire collection centers at retail tire selling businesses, waste tire processing facilities, and solid waste disposal facilities, for the deposit of used and waste tires generated in the State of Arkansas, except those generated by a tire manufacturer.~~

~~(g)(1)(e)(1)~~ Waste If disposed in the state, waste tires originating from a tire manufacturer shall be disposed of at either a permitted waste tire collection center or a permitted waste tire processing facility for a fee to be established by ~~either of those facilities~~ the permitted tire collection center or permitted tire processing facility if disposed of in the State of Arkansas.

(2) Records of the disposition of the waste tires originating from a tire manufacturer shall be maintained by that tire manufacturer for a period of at least three (3) years and shall be available for review by the department.

~~(h) The commission shall establish guidelines and adopt regulations for a tire manifest system to monitor the sale and distribution of tires among tire dealers, waste tire collectors, waste tire processing facilities, and waste tire disposal facilities.~~

8-9-404. ~~Waste tire fees~~ Rim removal fees - Import fees.

(a)(1) ~~There~~ Beginning on January 1, 2018, there shall be imposed a rim removal fee upon the ~~sale of each new automobile tire and truck tire sold at retail~~ transaction of removing a tire from a rim that is related to the sale of a replacement tire by a tire retailer.

(2)(A) The rim removal fee shall be charged by the tire retailer

to a person who:

(A) the person who purchases Purchases a new automobile tire or truck replacement tire for a rim that necessitates the removal of a different tire from the same rim; or

(B) Purchases the service of removal of a tire from a rim and replacement with a tire that was not purchased from the tire retailer if the person requesting the rim removal cannot show proof of payment of the rim removal fee under this section for the replacement tire.

~~(B) No fee shall be collected on any motor vehicle tire sold by a tire retailer for resale under subdivision (a)(8) of this section.~~

(3)(A) The rim removal fee shall be imposed at the rate of two dollars (\$2.00) three dollars (\$3.00) per automobile tire or truck for each new tire that replaces a tire removed from a rim and one dollar (\$1.00) for each used tire that replaces the tire removed from the rim.

~~(B) An additional fee shall be imposed at the rate of three dollars (\$3.00) per truck tire.~~

~~(C) Solid waste management districts may charge a fee for the collection and disposal of specialty tires.~~

~~(D)(B) It shall be the responsibility of the Except for the rim removal fees imposed under this section, a tire retailer to accept at no additional cost to the customer other than the fees imposed under this section any or all used or waste tires for which a new replacement tire was purchased shall not charge any other fee to a person who purchases the service of removal of a tire from a rim.~~

~~(E)(C) For any used or waste tires collected through by a tire retailer's business retailer, the tire retailer shall ensure that the tires are transported by a licensed hauler tire transporter to a permitted waste tire collection center, a solid waste management facility, a waste tire processing facility, or a registered used another tire dealer retailer.~~

(D) The tire retailer shall account for each tire removed from a rim using the electronic uniform used tire manifest system.

(E) Each tire retailer who was not registered with the Department of Finance and Administration on the effective date of this act shall be registered with the Department of Finance and Administration on or before December 1, 2017, and shall comply with all requirements related to collecting and reporting rim removal fees.

(4) ~~Except for the fees for the collection and disposal of specialty tires, the~~ The rim removal fees imposed under this section shall be added to the total cost charged by the tire retailer to the purchaser ~~at retail~~ after all applicable ~~sales gross receipts or compensating use~~ taxes on the tires have been computed and shall be separately stated on the invoice or bill of sale.

(5)(A) ~~Except for the fees for the collection and disposal of specialty tires, the~~ The rim removal fees imposed under this section shall be paid monthly to the Director of the Department of Finance and Administration.

(B) However, the tire retailer may retain five percent (5%) of the rim removal fee levied by subdivisions imposed under subdivision (a)(3)(A) and (B) of this section ~~as an~~ for administrative cost costs.

(6)(A) The rim removal fees remitted in under subdivision (a)(5)(A) of this section shall be collected by the director and shall be subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(B)(i) Each tire retailer shall file a return with the director ~~and with the applicable solid waste management district~~ on or before the twentieth of each month.

(ii) The return shall show showing the total rim removal fees collected for both automobile and truck tires for each tire removed from the rim during the preceding calendar month.

(iii) The tire retailer and shall remit the rim removal fees with the return.

~~(ii)-(iv)~~ (iv) The director shall prescribe the form and contents of the return. ~~At a minimum, the form must:~~

~~(a) Indicate separately the number of automobile tires and the number of truck tires sold for which a fee was collected; and~~

~~(b) Indicate which solid waste management district the tires were sold in.~~

~~(7) The fees imposed by this section do not apply to recapped tires or tires included as part of the equipment of a new motor vehicle.~~

~~(8) The terms "sold at retail" and "retail sales" do not include the sale of new tires to a person solely for the purpose of resale, provided the subsequent retail sale in this state is subject to the fee.~~

(b)(1) The Department of Finance and Administration shall deposit the

~~proceeds of the waste tire fee~~ from rim removal fees collected under subsection (a) of this section into the State Treasury as special revenues to the credit of the following funds in the following percentages:

(A) Ninety-three percent (93%) to be deposited into the Used Tire Recycling Fund; and

(B) Seven percent (7%) to be deposited into the Arkansas Department of Environmental Quality Fee Trust Fund.

~~and shall credit the proceeds to the following special funds created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State in the following proportions:~~

~~(1) A total of ninety-two percent (92%) of the proceeds to be deposited into the Waste Tire Grant Fund; and~~

~~(2) A total of eight percent (8%) of the proceeds to be deposited into the Arkansas Department of Environmental Quality Fee Trust Fund as created in § 8-1-105.~~

~~(c) In addition to all moneys appropriated by the General Assembly to the Waste Tire Grant Fund, there shall be deposited in the Waste Tire Grant Fund any federal government moneys designated to enter the Waste Tire Grant Fund, any moneys received by the state as a gift or donation to the Waste Tire Grant Fund, and all interest upon money deposited in the Waste Tire Grant Fund.~~

~~(d)(1) Except as provided in subdivision (d)(2) of this section, the Waste Tire Grant Fund shall be administered by the Arkansas Department of Environmental Quality, which shall authorize grants from the Waste Tire Grant Fund according to the provisions of this subchapter.~~

~~(2)(A) The fees collected under subdivision (a)(3)(B) of this section shall be remitted to the solid waste management district in which the truck tires were disposed.~~

~~(B) The distribution of fees collected under subdivision (a)(3)(B) of this section shall be based on the number of truck tires disposed in the prior calendar year.~~

~~(e)(2) For the purposes of~~ As used in this section, "proceeds of the fee from rim removal fees" means all ~~funds~~ moneys collected and received by the Department of Finance and Administration under this section for rim removal fees imposed under subsection (a) of this section and interest and penalties on delinquent ~~waste tire~~ rim removal fees.

~~(f)(1)(c)(1)(A)~~ Beginning on January 1, 2018, there is imposed an import fee of one dollar (\$1.00) on each used tire that is imported into Arkansas.

~~(B) A person who imports a used tire shall comply with the electronic uniform used tire manifest system. In addition to the fee imposed on new tires, a fee shall be imposed at the rate of one dollar (\$1.00) on all waste automobile and truck tires that are imported into Arkansas.~~

(2) The import fee imposed under this subsection shall be paid by the ~~importer~~ person who imports the used tire to the Department of Finance and Administration in accordance with the Arkansas Tax Procedure Act, § 26-18-101 et seq., and any ~~regulations~~ rules promulgated by the Department of Finance and Administration.

(3)(A) The Department of Finance and Administration shall deposit the proceeds ~~of this~~ from import fees imposed under this subsection into the State Treasury as special revenues to the credit of the following funds in the following percentages:

(i) Ninety-three percent (93%) to be deposited into the Used Tire Recycling Fund; and

(ii) Seven percent (7%) to be deposited into the Arkansas Department of Environmental Quality Fee Trust Fund and shall credit the proceeds to the special fund created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State to be known as the "Waste Tire Grant Fund", as described in subsection (b) of this section.

(B) As used in this section, "proceeds from import fees" means all moneys collected and received by the Department of Finance and Administration under this subsection and interest and penalties on delinquent import fees.

~~(g) The Arkansas Department of Environmental Quality is authorized to promulgate such rules and regulations as are necessary to administer the fees, rates, tolls, or charges for services established by this section and is directed to prescribe and collect such fees, rates, tolls, or charges for the services delivered by the Arkansas Department of Environmental Quality in such manner as may be necessary to support the programs of the Arkansas Department of Environmental Quality as directed by the Governor and the General Assembly.~~

(d)(1) Beginning on January 1, 2018, there shall be imposed a commercial generator fee upon the transaction of a commercial generator selling or delivering a new tire as part of fleet services.

(2) The commercial generator fee shall be charged by the commercial generator to a person who in the ordinary course of business is an end user that removes used tires from the rim and replaces them with a new tire.

(3)(A) The commercial generator fee shall be imposed at the rate of three dollars (\$3.00) for each new tire that is sold or delivered to an end user that removes used tires from the rim and replaces them with a new tire.

(B) Except for the commercial generator fees imposed under this section, the commercial generator shall not charge any other fee to the end user.

(C)(i) For any used tires collected by a commercial generator, the first transportation of the used tire from the end user to the commercial generator's facility does not require a licensed tire transporter.

(ii) Any subsequent transportation of the used tire by the commercial generator for recycling or disposal requires a licensed tire transporter and shall be accounted for using the electronic uniform used tire manifest system.

(D) Each commercial generator who was not registered with the Department of Finance and Administration on the effective date of this act shall be registered with the Department of Finance and Administration on or before December 1, 2017, and shall comply with all requirements related to collecting and reporting commercial generator fees.

(4) The commercial generator fees imposed under this section shall be added to the total cost charged by the commercial generator to the end user after all applicable gross receipts or compensating use taxes on the tires have been computed and shall be separately stated on the invoice or bill of sale.

(5)(A) The commercial generator fees imposed under this section shall be paid monthly to the Director of the Department of Finance and Administration.

(B) However, the commercial generator may retain five percent (5%) of the commercial generator fee imposed under subdivision

(d)(3)(A) of this section for administrative costs.

(6)(A) The commercial generator fees remitted in subdivision (d)(5)(A) of this section shall be collected by the director and shall be subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(B)(i)(a) Each commercial generator shall file a return with the Director of the Department of Finance and Administration on or before the twentieth of each month.

(b) The return shall show the total commercial generator fees collected for each tire sold or delivered to the end user during the preceding calendar month.

(c) The commercial generator shall remit the commercial generator fees with the return.

(ii) The Director of the Department of Finance and Administration shall prescribe the form and contents of the return.

(7) The Department of Finance and Administration shall deposit the proceeds from commercial generator fees collected under subsection (d) of this section into the State Treasury as special revenues to the credit of the following funds in the following percentages:

(A) Ninety-three percent (93%) to be deposited into the Used Tire Recycling Fund; and

(B) Seven percent (7%) to be deposited into the Arkansas Department of Environmental Quality Fee Trust Fund.

(8) As used in this section, "proceeds from commercial generator fees" means all moneys collected and received by the Department of Finance and Administration under this section for commercial generator fees imposed under subsection (d) of this section and interest and penalties on delinquent commercial generator fees.

(e)(1) It is the purpose and intent of this section that only one (1) of the following fees imposed under this section be charged for the transaction of removing a tire from a rim that is related to the sale of a replacement tire:

(A) The rim removal fee; or

(B) The commercial generator fee.

(2) If a person establishes that he or she has paid one (1) of the fees for a tire, the tire retailer or tire generator shall not charge an additional fee for that tire.

8-9-405. Waste Used tire grants program reimbursements.

(a) The By January 1, 2018, the Arkansas Department of Environmental Quality shall, by July 1, 1992, establish a program the Used Tire Recycling and Accountability Program to: make waste tire grants to regional solid waste management boards

(1) Reimburse used tire programs for used tire recycling and disposal costs;

(2) Incentivize recycling used tires collected under this subchapter;

(3) Provide accountability for the disbursement of moneys to used tire programs; and

(4) Otherwise improve the sustainability of used tire programs.

(b) To be eligible for reimbursements under this subchapter, a used tire program shall:

(1) Be included in the solid waste management system under § 8-9-101 et seq. for each regional solid waste management district that the used tire program serves;

(2) Have a used tire management plan for each regional solid waste management district that the used tire program serves to include without limitation a schedule for identification and cleanup of waste tire sites that is updated until abatement of each identified waste tire site is completed;

(3) Be included in each solid waste management district's recycling program under § 8-9-203 that the used tire program serves;

(4) If operated by a political subdivision of the state or other public entity:

(A) Use the financial management system under § 14-21-101 et seq.;

(B) Comply with the county purchasing procedures under § 14-22-101 et seq.;

(C) Comply with the Arkansas County Accounting Law of 1973, § 14-25-101; and

(D) Comply with the Local Fiscal Management Responsibility Act, § 14-77-101 et seq.;

(5) Be operated in compliance with this subchapter and all other laws, regulations, and rules related to the administration of solid waste

management systems and recycling programs in Arkansas;

(6) Encourage the voluntary establishment of tire collection centers at tire retailers, tire processing facilities, and solid waste disposal facilities for the deposit of tires generated in the state;

(7) Provide the Arkansas Department of Environmental Quality with business plan information required under § 8-9-408;

(8) Provide the Arkansas Department of Environmental Quality with all quarterly financial information and progress reports related to § 8-9-409;

(9)(A) Establish tire collection centers within each county served by the used tire program that accepts tires from tire retailers at no charge if the tire retailer establishes that it:

(i) Collects the rim removal fee imposed under § 8-9-404(a); and

(ii) Complies with the electronic uniform used tire manifest system under § 8-9-407.

(B) The tire collection centers under this subdivision (b)(9) may be at any one (1) or more of the following:

(i) A solid waste disposal facility;

(ii) A tire processing facility; or

(iii) A tire retailer; and

(10) Establish at least one (1) tire collection center within each county served by the used tire program.

(c) A used tire program that receives reimbursements under this section may ~~which desire, individually or collectively, to:~~

~~(1) Construct or operate or contract for the construction or operation of a waste tire processing facility and equipment purchases therefor;~~

~~(2)(1) Contract for a waste with a tire processing facility service within or outside the regional solid waste management district that is approved by the Director of the Arkansas Department of Environmental Quality;~~

~~(3)(2) Remove or contract for the removal of waste tires from illegal waste tire sites within the regional solid waste management district;~~

~~(4) Perform or contract for the performance of research designed to facilitate waste tire recycling;~~

~~(5) Establish waste tire collection centers at solid waste disposal facilities, waste tire processing facilities, or waste tire generators, that shall accept automobile and truck or specialty tires from registered tire dealers at no charge, provided the waste tires had a waste tire management fee collected at the time of retail sale;~~

~~(6) Establish at least one (1) waste tire collection center within the district that may accept all tires for which a management fee was not previously collected, including, but not limited to, mining, farming, or off the road vehicle tires. Any fee charged for the tires must not be in excess of the costs of properly removing and disposing of the tires;~~

~~(7)(3) Provide incentives for establishing privately operated waste tire collection centers for the public. This provision does not pertain to off the road tires that are exempt from the tire management fee;~~  
and

~~(8) Establish educational programs designed to inform the public of available recycling options and programs;~~

~~(9) Fund additional transportation costs incurred as a result of using waste tire disposal alternatives as a preference over landfill disposal; or~~

~~(10) Use moneys for other purposes approved by the department;~~

(4) Form an inter-district used tire program.

~~(b) Regional solid waste management boards may join together, pooling their financial resources, when utilizing their funds for the purposes described in this section.~~

~~(c)(1)(d) Grant funds for waste tire management programs~~ Moneys disbursed from the Used Tire Recycling Fund by the Arkansas Department of Environmental Quality for reimbursements under this section shall be:

(1) distributed Distributed as provided under this section only to the regional solid waste management boards, used tire programs that comply with all applicable requirements in this subchapter related to the operation of used tire programs;

~~(2) To be eligible to receive waste tire management grant funds, regional solid waste management boards shall provide the department with quarterly financial and progress reports, as determined by the department.~~

~~(3)(A)(2) Distribution of grant funds shall be based upon~~ Based on moneys available in the fund, funding levels under subsection (e) of this

section, the approved business plan rate, and, funding priorities under subsection (f) of this section, and upon submitted quarterly financial reports, and other documentation submitted by the used tire programs; and

~~(B) The reports shall show funds expended on waste tire projects during the previous quarter.~~

~~(C)(3) Quarterly Made on a quarterly basis distributions shall be made to the boards used tire programs.~~

~~(4) Any formula for distribution of grant funds that takes into account population data shall use data from the latest available federal decennial census.~~

(e)(1) The following funding levels for quarterly disbursements from the Used Tire Recycling Fund are established:

(A) Level One Funding shall be paid first each quarter from all available moneys collected and available for disbursement in that quarter;

(B) Level Two Funding shall be paid each quarter only if any moneys are available after all Level One Funding obligations are paid in full for that quarter; and

(C) Level Three Funding shall be paid each quarter only if any moneys are available after all Level One Funding and Level Two Funding obligations are paid in full for that quarter;

(2) If there are insufficient moneys available in a quarter to make reimbursements for all submitted requests under any funding level under subdivision (f)(1) of this section, the Arkansas Department of Environmental Quality shall calculate the total remaining funding available for the funding level and allocate the moneys available for reimbursement to each used tire program based on a pro rata share of each used tire program's reimbursement request compared to the total moneys available for that funding level.

(3)(A) The Arkansas Pollution Control and Ecology Commission may increase reimbursement rates if the Director of the Arkansas Department of Environmental Quality recommends an increase because of one (1) or more of the following:

(i) The relevant Consumer Price Index for the preceding calendar year exceeded the Consumer Price Index for calendar year 2018; or

(ii) The used tire programs have established an

increase in operation costs.

(B) An increase to any reimbursement rate under subsection (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 following funding may be available from the Used Tire Recycling Fund for used tire programs that are in compliance with all applicable requirements of this subchapter:

(1) Level One Funding for reimbursement for disposing of used tires at the approved business plan rate;

(2) Level Two Funding to an eligible inter-district used tire program under § 8-9-410(b) for assistance with funding an illegal dumps control officer position; and

(3) Level Three Funding to an eligible used tire program that is in compliance with § 8-9-408 for equipment purchases, repairs, or maintenance that are scheduled or planned at least six (6) months before and included in the business plan or revised business plan of the used tire program.

~~(d)(g) The~~ At the request of a used tire program that needs operational assistance or guidance on compliance with this subchapter, the Arkansas Department of Environmental Quality ~~department~~ shall provide technical to the used tire program operational assistance, upon request, to a regional solid waste management board desiring assistance in applying for waste tire grants or choosing a method of waste tire management which would be an eligible use of the grant funds or guidance on compliance with this subchapter.

~~(e) The department shall expand the waste tire grant program by setting aside a portion, not to exceed ten percent (10%) of the Waste Tire Grant Fund available, other than those fees established in § 8-9-404(a)(2)(B), to regional solid waste management districts, in order to provide supplemental aid wherever needed.~~

(h) The Arkansas Department of Environmental Quality shall:

(1) Develop market opportunities for beneficial use of used tire material; and

(2) Educate the public on the Used Tire Recycling and Accountability Program.

8-9-406. [Repealed.]

8-9-407. Electronic uniform used tire manifest system.

(a) Beginning on January 1, 2018, the following entities shall use the electronic uniform used tire manifest system to accurately report all information related to the collection, transportation, distribution, and recycling or disposal of recyclable tires, waste tires, and used tires culled for resale:

- (1) Used tire programs;
- (2) Tire generators;
- (3) Tire collection centers;
- (4) Any person who:

(A) Removes a tire from the used tire program after it is collected; or

(B) Imports a tire under § 8-9-404(c); and

(5) Commercial generators;

(b) If any of the persons or entities listed in subsection (a) of this section cannot use the electronic uniform used tire manifest system, the person or entity may submit to the used tire program an equivalent paper version which shall be entered into the electronic uniform used tire manifest system.

8-9-408. Accountability requirements for used tire programs – Business plans.

(a) On or before December 31, 2017, a used tire program that receives funding under this subchapter shall provide the Arkansas Department of Environmental Quality with a business plan that establishes its current operating plan and a proposed operating plan for calendar year 2018 and approved by its board.

(b) The minimum required information for the business plan is:

(1) Current operation information to include:

(A) An explanation of debt and debt repayment obligations, including scheduled payments;

(B) A description of equipment used, including type, year manufactured, debt obligations related to the equipment, and whether it is leased or owned;

(C) An explanation of contract obligations including the

amount, length, and scope of the contract;

(D) A description of how tires are managed to include without limitation collection, transportation, and disposal or recycling;

(E) An explanation of costs including the cost of tire collection centers, other collection facilities, trailers, transfer stations, processing, mileage, fuel, and personnel; and

(F) The number of tires currently on any property owned, leased, or otherwise controlled by each regional solid waste management district included in the used tire program; and

(2) Proposed operation costs for calendar year 2018 to include:

(A) A description of how tires will be managed to include without limitation collection, storage, transportation, and disposal or recycling;

(B) Estimated cost of utilities, personnel, equipment, fees, leases, facilities, and any other costs related to the primary operation of the used tire program;

(C) The capital improvement and maintenance plan with estimated expenditures and costs;

(D) The estimated transportation cost including mileage, fuel, equipment, personnel, utilities, insurance, bonds, and fees;

(E) The locations of all tire collection centers; and

(F) The types of tires managed to include recyclable tires, waste tires, and used tires culled for resale.

(c) A used tire program shall submit a revised business plan if there is a substantial change in the used tire program operations or if the Arkansas Department of Environmental Quality requests a revised business plan.

(d) A business plan or revised business plan submitted under this subchapter is effective after approval by the Arkansas Department of Environmental Quality or its designee.

(e)(1) The approved business plan or approved revised business plan shall include the approved business plan rates for each used tire program.

(2)(A) The Arkansas Department of Environmental Quality shall cooperate with the used tire programs and other entities to develop each used tire program's approved business plan rates for recyclable tires and waste tires.

(B) The approved business plan rates shall also use the size of tire, including without limitation small tires, large tires, and extra-large tires, as a factor for determining the approved business plan rates.

8-9-409. Performance and efficiency evaluations.

(a) The Arkansas Department of Environmental Quality shall develop a system to evaluate and report the performance and efficiency of used tire programs and the Used Tire Recycling and Accountability Program.

(b) The evaluation and reporting system shall use the following performance indicators for each used tire program:

(1) The number of:

(A) Recyclable tires;

(B) Waste tires disposed in a landfill; and

(C) Waste tires disposed in a monofill;

(2) The number of reported waste tire sites located in the regional solid waste management districts that are included in the used tire program;

(3) Electronic uniform used tire manifest system compliance;

(4) Administrative expenses;

(5) Transportation expenses;

(6) Building, warehouse, and other facilities expenses;

(7) Revenue sources and the amount of revenue received from each source;

(8) The number, location, and type of tire collection centers;

(9) Any identified operational issues;

(10) The number of enforcement actions against the used tire program; and

(11) Any other performance indicators that are determined to be useful to evaluate performance and efficiency.

(c) The evaluations under this section shall be completed on a biennial basis for each used tire program with the first evaluations to be completed on or before December 31, 2018.

8-9-410. Incentives to consolidate used tire programs.

(a) The General Assembly finds:

(1) The smaller the population and geographical area that a used tire program serves, the more unsustainable the used tire program is;

(2) In contrast, it has been noted nationally and within the state that used tire programs that serve a larger population and greater geographical area collect and process a large number of tires, are sustainable, and optimize the use of economies of scale;

(3) Before January 1, 2017, there were eleven (11) waste tire districts in the state; and

(4) It is in the best interest of the state for the used tire programs to combine to form inter-district used tire programs to operate in an efficient and financially sustainable manner.

(b)(1) If a used tire program joins with other used tire programs to create an inter-district used tire program that serves a population of four hundred thousand (400,000) or more based on the most recent federal decennial census, the inter-district used tire program may receive a reimbursement of not more than twenty-five thousand dollars (\$25,000) each calendar year to assist with funding one (1) illegal dumps control officer position.

(2) The reimbursement under subdivision (b)(1) of this section shall be paid quarterly to the used tire program subject to:

(A) The availability and appropriation of funding; and

(B) The employment of at least one (1) illegal dumps control officer by an eligible inter-district used tire program during the quarter for which reimbursement is requested.

#### 8-9-411. Tire transporters – Licenses.

(a) For all tire transporters licensed on or after January 1, 2018, a tire transporter shall meet the following requirements to perform or be compensated for any duties under this subchapter related to the administration and operation of a used tire program:

(1) Obtain for each vehicle a license;

(2) Obtain for each vehicle a tire transporter number provided by the Arkansas Department of Environmental Quality used for the electronic uniform used tire manifest system;

(3) Provide proof that each vehicle has passed an annual safety inspection;

(4) Provide proof of financial responsibility for each vehicle

and authorized driver;

(5) Provide a bond in the amount of ten thousand dollars (\$10,000);

(6) Establish that each authorized driver has completed training for the electronic uniform used tire manifest system; and

(7) Pay a fee of fifty dollars (\$50.00) for each vehicle that is licensed.

(b) For each tire transporter licensed under this section, the Arkansas Department of Environmental Quality shall assign a tire transporter number and include the tire transporter information in the electronic uniform used tire manifest system.

(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) months.

(2) If the license of a tire transporter is suspended more than 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 for three (3) years.

#### 8-9-412. Additional fees.

(a) A used tire program may charge an additional fee for the collection and recycling of extra-large tires from sources other than registered tire retailers and for any tires in excess of the maximum under § 8-9-414(b)(7).

(b) If a used tire program charges an additional fee under this section, the fee shall be collected and retained by the used tire program for costs related to the processing of extra-large tires.

#### 8-9-413. Applicability.

The fees imposed by this subchapter shall not apply to:

- (1) Large retreaded tires;
- (2) Tires included as part of the equipment of a new vehicle; or
- (3) Tires included as part of the equipment of a used vehicle if included on the used vehicle at the time of sale and in the sales price of the used vehicle.

8-9-414. Powers and duties of the Arkansas Pollution Control and Ecology Commission.

(a) The Arkansas Pollution Control and Ecology Commission shall promulgate regulations to carry out the intent and purposes of this subchapter.

(b) The regulations shall:

(1)(A) Except as provided under subdivision (b)(1)(B) of this section, provide for the administration of permits for tire processing facilities, tire collection centers, commercial generators, and any other person or entity that collects, receives, processes, recycles, or disposes of used tires regulated under this subchapter with the maximum permit fee not to exceed two hundred fifty dollars (\$250) annually.

(B) The maximum permit fee under subdivision (b)(1) of this section shall not apply to tire transporters;

(2) Establish standards for tire processing facilities, tire collection centers, tire transporters, and beneficial use projects;

(3) Establish procedures for administering reimbursements to used tire programs under § 8-9-405;

(4) Unless otherwise provided by law, authorize the final disposition of waste tires at a permitted solid waste disposal facility if the waste tires have been cut into sufficiently small parts for proper disposal and in compliance with this subchapter and all other applicable provisions in Title 8;

(5) Establish procedures for administering the electronic uniform used tire manifest system;

(6) Establish accountability procedures for the sustainability of used tire programs operated under this subchapter; and

(7)(A) Establish the number of tires that each individual who is a resident of a regional solid waste management district may discard monthly without a fee.

(B) The maximum number of tires under this subdivision (b)(7) shall not be more than four (4) tires per month.

(c) The commission may:

(1) Develop an alternative tire transporter licensing program to be administered by used tire programs, regional solid waste management boards, or both;

(2) Promulgate regulations that are necessary to administer the fees and reimbursement rates for services provided under this subchapter by the used tire programs; and

(3) Clarify and add definitions for sizes of tires using technical information and specifications.

(d)(1) The commission shall encourage the establishment of voluntary tire collection centers where used tires generated in Arkansas can be deposited.

(2) The voluntary tire collection centers shall include without limitation tire retailers, tire processing facilities, and solid waste disposal facilities.

(3) The voluntary tire collection centers shall not include the collection of tires generated by a tire manufacturer.

(e) The commission shall not prohibit the disposal of waste tires in landfills or monofills for three (3) years from the effective date of this act.

8-9-415. Permitting, licensing, inspections, procedures, enforcement, and penalties.

(a) A person who receives funding under this subchapter, tire collection centers, tire retailers, tire processing facilities, tire transporters, tire generators, commercial generators, used tires regulated under this subchapter, and waste tire sites are subject to:

(1) All provisions in Title 8, Chapter 1 and Title 8, Chapter 4, Subchapters 1 and 2 concerning permits, licensing, inspections, and procedures;

(2) Sections 8-9-105, 8-6-204, 8-6-205, and 8-6-207(a)(6) concerning penalties and enforcement; and

(3) All applicable regulations promulgated by the Arkansas Pollution Control and Ecology Commission.

(b)(1) A used tire program is subject to penalties and enforcement under this subchapter for noncompliance with this subchapter to include without limitation:

(A) Failure to use the electronic uniform used tire manifest system;

(B) Failure to submit accurate information to the

electronic uniform used tire manifest system;

(C) Failure to submit an approved business plan on or before July 1, 2018;

(D) Failure to submit a revised business plan as required under § 8-9-408(c);

(E) Failure to submit an approved revised business plan within three (3) months after submission; or

(F) Failure to provide documentation or reports required to be filed with the Arkansas Department of Environmental Quality under this subchapter.

(c)(1) If a used tire program fails to submit a business plan that is approved by the Arkansas Department of Environmental Quality on or before July 1, 2018, the used tire program and all regional solid waste management boards included in the used tire program on July 1, 2018, are:

(A) Ineligible to receive funding under this subchapter and from the Used Tire Recycling Fund;

(B) Prohibited from administering and operating a used tire program; and

(C) Prohibited from imposing any fees to support the administration and operation of a used tire program.

(2)(A) The Arkansas Department of Environmental Quality may designate a qualified entity to perform the duties related to the operation and administration of a used tire program deemed ineligible under subdivision (c)(1) of this section.

(B) A qualified entity that is designated to perform the duties related to the operation and administration of a used tire program under this subsection shall operate the used tire program in compliance with this subchapter.

(C) If the qualified entity performs the duties related to the operation and administration of the used tire program in compliance with this subchapter, the qualified entity is eligible to receive funding under this subchapter and from the Used Tire Recycling Fund.

(d) In addition to any other penalty provided by law, a tire processing facility permit or a tire collection center permit shall be suspended or revoked for noncompliance with this subchapter.

SECTION 2. Arkansas Code § 19-5-980 is repealed.

~~19-5-980. Waste Tire Grant Fund.~~

~~(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the "Waste Tire Grant Fund".~~

~~(b) The fund shall consist of those special revenues specified in § 19-6-301(165), any designated federal funds, gifts, donations, and earned interest, there to be used for grants and administrative expenses of the waste tire program as administered by the Arkansas Department of Environmental Quality as set out in § 8-9-401 et seq.~~

SECTION 3. Arkansas Code Title 19, Chapter 5, Subchapter 11 is amended to add an additional section to read as follows:

19-5-1147. Used Tire Recycling Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Used Tire Recycling Fund".

(b)(1) The Department of Finance and Administration shall deposit into the State Treasury ninety-three percent (93%) of the moneys collected under § 8-9-404 to the credit of the Used Tire Recycling Fund.

(2) The Used Tire Recycling Fund shall consist of:

(A) Penalties assessed and collected under the Used Tire Recycling and Accountability Act, § 8-9-401 et seq.;

(B) Interest, earnings, any other revenues as may be authorized by law;

(C) Any federal government moneys designated for deposit into the Used Tire Recycling Fund;

(D) Any gift or donation to the Used Tire Recycling Fund and

(E) Those special revenues specified in §§ 8-9-404 and 19-6-301(165).

(3) The Used Tire Recycling Fund shall not include:

(A) Five percent (5%) of the rim removal fee retained for administrative costs by tire retailers under 8-9-404(a)(5)(B) and commercial generators under § 8-9-404(d)(5)(B);

(B) The percentage of net special revenue deducted and

deposited to the credit of the Special Revenue Fund Account of the State Apportionment Fund under § 19-5-203; or

(C) Seven percent (7%) deducted from the proceeds of fees imposed under § 8-9-404 and deposited into the Arkansas Department of Environmental Quality Fee Trust Fund under § 8-9-404(b)(1)(B), § 8-9-404(c)(3)(A)(ii), and § 8-9-404(d)(7)(B).

(c)(1) At least ninety percent (90%) of the moneys available in the Used Tire Recycling Fund each fiscal year shall be used by the Arkansas Department of Environmental Quality to provide reimbursements to used tire programs, to administer the Used Tire Recycling and Accountability Program, and to perform other duties under the Used Tire Recycling and Accountability Act, § 8-9-401 et seq.

(2) The Director of the Arkansas Department of Environmental Quality may use not more than ten percent (10%) of the moneys available in the Used Tire Recycling Fund each fiscal year:

(A) For waste tire site abatement aid;

(B) For the development, implementation, and maintenance of the electronic uniform used tire manifest system; and

(C) To provide market and economic stimulus incentives.

SECTION 4. Arkansas Code § 19-6-301(165), concerning enumerated special revenues collected for waste tires, is amended to read as follows:

(165) ~~Imported waste tire fees and that~~ That portion of ~~new tire waste tire rim removal fees and import fees,~~ § 8-9-404;

SECTION 5. TEMPORARY LANGUAGE. DO NOT CODIFY.

(a) All moneys in the Waste Tire Grant Fund at 11:59 p.m. on the day before the effective date of this act shall be transferred to the Used Tire Recycling Fund at 12:00 a.m. on the effective date of this act.

(b)(1) After the effective date of this act and until 11:59 p.m. on December 31, 2017, the following fees under § 8-9-404 as it existed on January 1, 2017, shall continue to be imposed and collected in the same manner, at the same rate, using the definitions under § 8-9-402, and as otherwise provided under Title 8, Chapter 9, Subchapter 4, as the law existed on January 1, 2017:

(A) Fees imposed upon the sale of each new automobile tire

and truck tire sold at retail; and

(B) In addition to the fee imposed on new tires, the fee imposed on all waste automobile and truck tires imported into Arkansas.

(2) The fees imposed and collected under subdivision (b)(1) of this section shall be deposited into the Used Tire Recycling Fund.

(c) After the effective date of this act, the waste tire management grant distribution program under Title 8, Chapter 9, Subchapter 4, and Arkansas Pollution Control and Ecology Commission Regulation No. 14 that existed on January 1, 2017, and is administered by the Arkansas Department of Environmental Quality shall:

(1) Continue until the final quarterly disbursements for the last calendar year quarter of 2017 are processed; and

(2) Be funded based on the moneys allocated and available at the end of each calendar quarter from the Used Tire Recycling Fund under § 19-5-1147(c)(1) using the distribution formula in effect on January 1, 2017, until the final quarterly distribution is made based on moneys allocated and available in the Used Tire Recycling Fund under § 19-5-1147(c)(1) on December 31, 2017.

(d) After the effective date of this act and until June 30, 2018, the moneys allocated and available at the end of each calendar quarter from the Used Tire Recycling Fund under § 19-5-1147(c)(2) may also be used at the discretion of the Arkansas Department of Environmental Quality:

(1) To fund the waste tire support grant program that existed before the effective date of this act; and

(2) For used tire program transitional funding.

(e)(1) The first reimbursements to used tire programs under the Used Tire Recycling and Accountability Act, § 8-9-401 et seq., shall be from the moneys allocated and available from the Used Tire Recycling Fund under § 19-5-1147(c)(1) for reimbursement requests for processing used tires in compliance with this act from January 1, 2018, through March 31, 2018.

(2) All subsequent reimbursements to used tire programs under the Used Tire Recycling and Accountability Act, § 8-9-401 et seq., shall be on a calendar quarterly basis for reimbursement for the processing of used tires in compliance with the Used Tire Recycling and Accountability Act.

(f) Permits and licenses issued or renewed on and after January 1, 2018, to a person or entity that collects, stores, transports, processes,

recycles, or disposes of used tires regulated under this subchapter shall be issued under the Used Tire Recycling and Accountability Act, § 8-9-401 et seq., and applicable regulations promulgated by the Arkansas Pollution Control and Ecology Commission.

*/s/L. Fite*