

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

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: S4/3/25

A Bill

SENATE BILL 606

By: Senator B. Davis
By: Representative Wooldridge

For An Act To Be Entitled

AN ACT TO AMEND THE USED TIRE RECYCLING AND ACCOUNTABILITY ACT; TO CREATE THE TIRE MANAGEMENT AND RECYCLING ACT; TO REPEAL THE USED TIRE RECYCLING FUND; TO CREATE THE WASTE TIRE ABATEMENT FUND; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE USED TIRE RECYCLING AND ACCOUNTABILITY ACT; TO CREATE THE TIRE MANAGEMENT AND RECYCLING ACT; TO REPEAL THE USED TIRE RECYCLING FUND; AND TO CREATE THE WASTE TIRE ABATEMENT FUND.

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:

Subchapter 4 – ~~Used Tire Recycling and Accountability Act~~ Tire Management and Recycling Act

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”~~ “Tire Management and Recycling Act”.

(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; and

~~(2) Provide accountability and sustainability for used tire programs by requiring use of the electronic uniform used tire manifest system developed by the Division 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~~ this subchapter is to recycle or put to beneficial use as many used tires as possible.

8-9-402. Definitions.

As used in this subchapter:

(1)(A) “Abatement” means proper removal of tires from a waste tire site or from a tire retailer who can show the waste tire district failed to pick up or remove tires from the location of the tire retailer in a reasonable time frame to a permitted tire processor, to a site authorized by the Division of Environmental Quality, or for use in a beneficial use project.

(B) Abated tires are not abandoned or discarded;

(2) “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;

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

(E) For civil engineering purposes; or

(F) For lightweight aggregate fill;

~~(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 Division of Environmental Quality under § 8-9-407 that:~~

~~(A) Primarily 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;~~

~~(B) Secondly may allow submission of used tire data that is manifested using an equivalent paper documentation; and~~

~~(C) 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;~~

~~(4)(A) “Extra large tire” means 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 a tire 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.~~

~~(C) "Extra large tire" includes without limitation a wide-base tire or extra-wide single tire;~~

~~(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 regional solid waste management boards that are parties to the agreement for the administration of one (1) consolidated used tire program;~~

~~(6) "Large tire" means a tire with a load rating of "F" or higher;~~

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

~~(8)(A)(3)(A)~~ "Operator" means a person who performs a function that:

(i) Requires individual judgment; and

(ii) May directly affect the proper operation at one

(1) or more of the following:

(a) A tire collection center;

(b) A tire processing facility;

(c) A tire generator facility; or

(d) A waste tire monofill.

(B) "Operator" includes a person who performs a function at a waste tire site.

(C) "Operator" does not include a person who exclusively exercises general administrative supervision;

~~(9)(4)~~ "Owner" means a person who holds legal title to property where a tire collection center, tire processing facility, tire generator

facility, waste tire monofill, waste tire site, or other waste tire facility exists;

~~(10)~~(5) “Person” means an individual, government entity, or any other entity that is recognized by law with rights and duties;

~~(11)~~ “Qualified entity” means an entity that demonstrates to the division that the entity has the capability, experience, and resources to operate and administer a used tire program in compliance with this subchapter;

~~(12)~~ “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;

(6) “Proceeds from tire retailer fees” means all moneys collected and received by the Department of Finance and Administration under this subchapter for tire retailer fees imposed under this subchapter and interest and penalties on delinquent tire retailer fees;

~~(13)~~(7) “Recycle” means the systematic process of collecting, sorting, decontaminating, and returning waste materials to commerce as commodities for use, other beneficial use, or exchange;

~~(14)~~(A) “Small tire” means a tire that has a load rating lower than “F”.

~~(B) “Small tire” includes a tire from any of the following vehicles:~~

~~(i) An automobile;~~

~~(ii) A motorcycle; or~~

~~(iii) An all-terrain vehicle;~~

~~(15)~~(A)(8)(A) “Tire” means any one (1) or more of the following:

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

(ii) Any other round piece of equipment that is attached or could be attached to a vehicle, tractor, 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;

~~(16)~~(9) “Tire collection center” means a site where tires are

collected from tire generators, tire transporters, or the public before being recycled or disposed of by a used tire program;

~~(17)(A)~~(10)(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;

(iii) Sells new tires; or

(iv) Provides delivery of new tires as part of fleet services.

(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;~~

~~(18)~~(11) “Tire manufacturer” means a manufacturing operation engaged in the final assembly of the basic components of a tire;

~~(19)~~(12) “Tire processing facility” means a site where equipment is used to cut, chip, grind, or otherwise alter used tires;

~~(20)(A)~~(13)(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 tires 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~~ fees imposed under § 8-9-404 ~~or a commercial generator;~~

~~(21)~~(14) “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;

(15) “Uniform used tire manifest system” means an administrative method developed by the division under § 8-9-407 that:

(A) For the 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;

~~(22)~~(A)~~(16)~~(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;

(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;

~~(23)~~(17) “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;

~~(24) “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;~~

~~(25)~~(18) “Vehicle” means any piece of equipment that uses wheels for surface mobility;

~~(26)~~(19) “Waste tire” means a worn, damaged, or defective tire, or a tire remnant destined for disposal ~~that is land disposed~~ because it is no longer repairable, reusable, or suitable for its original intended purpose;

~~(27)~~(A)~~(20)~~(A) “Waste tire site” means a location where unpermitted used tires are accumulated, whether loosely stored, compacted and baled, or a combination 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 division or rules promulgated by the Arkansas Pollution Control and Ecology Commission; and

~~(28)~~(21) “Waste tires originating from a tire manufacturer” means those new tires that originate from a tire assembly process and are determined by the tire manufacturer to be either defective or unfit for use on a vehicle; ~~and~~

~~(29)~~ “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 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) The owner or operator of any waste tire site shall provide the Division of Environmental Quality and the applicable regional solid waste management district with:

(A) Information concerning the waste tire site’s location and size and the approximate number of 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 division, for the removal, disposal, or recycling of the tires.

(2) The owner or operator shall implement a written plan approved by the division according to 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 tires or portions of tires in the state unless the tires or portions of tires are disposed of for processing or collected for processing at a permitted tire processing facility, a tire collection center, or a permitted solid waste disposal facility.

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

~~(B) Unless otherwise provided by law or rule, only small tires that have been processed by cutting, shredding, or splitting into sufficiently small parts to assure proper disposal or 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)~~ 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 division;

(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, owns, or otherwise controls real property may use tires in compliance with procedures approved by and rules promulgated by the Arkansas Pollution Control and Ecology Commission and procedures approved by each district:

(A) For soil erosion abatement and drainage purposes; or

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

(d) A tire processing facility permit or tire collection center permit, or both, is required for:

(1) A tire retreading business where tires are kept on any real property owned, leased, or otherwise controlled by the tire retreading business;

(2) A person that in the ordinary course of business removes

tires from rims and the tires removed from rims are stored for more than ninety (90) calendar days on any real property owned, leased, or otherwise controlled by the person; or

(3) A tire retailer that is serving as a tire collection center if recyclable tires, waste tires, or used tires culled for resale are kept on any real property owned, leased, or otherwise controlled by the tire retailer.

(e)(1) If disposed or recycled in the state, waste tires originating from a tire manufacturer shall be ~~disposed of at~~ transported to a permitted tire collection center or disposed of at a permitted tire processing facility for a fee to be established by the permitted tire collection center or permitted tire processing facility.

(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 division.

8-9-404. ~~Rim removal fees — Import fees — Commercial generator~~ Tire retailer fees — Definitions.

~~(a)(1) There is imposed a rim removal fee upon the transaction of removing a tire from a rim that is related to the sale of a replacement tire by a tire retailer.~~

~~(2) The rim removal fee shall be charged by the tire retailer to a person who:~~

~~(A) Purchases a 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.~~

~~(3)(A) The rim removal fee shall be imposed at the rate of three dollars (\$3.00) 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) Except for the rim removal fees imposed under this section, a tire retailer shall not charge any other fee to a person who~~

~~purchases the service of removal of a tire from a rim.~~

~~(C) For any tires collected by a tire retailer, the tire retailer shall ensure that the tires are transported by a licensed tire transporter to a permitted tire collection center, a solid waste management facility, a tire processing facility, or another tire retailer.~~

~~(D) The tire retailer shall account for each tire removed from a rim in the manner prescribed by the Department of Finance and Administration.~~

~~(E) Each tire retailer shall register with the department and comply with all requirements related to collecting and reporting rim removal fees.~~

~~(4) The rim removal fees imposed under this section shall be added to the total cost charged by the tire retailer to the purchaser 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 rim removal fees imposed under this section shall be paid monthly to the Secretary of the Department of Finance and Administration.~~

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

~~(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 the Arkansas Tax Procedure Act, § 26-18-101 et seq. and the business closure procedures under § 26-18-1001 et seq.~~

~~(B)(i) Each tire retailer shall file a return with the secretary on or before the twentieth of each month.~~

~~(ii) The return shall show the total rim removal fees collected for each tire removed from the rim during the preceding calendar month.~~

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

~~(iv) The secretary shall prescribe the form and contents of the return.~~

~~(b)(1) The department shall deposit the proceeds 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 Division of Environmental Quality Fee Trust Fund.~~

~~(2) As used in this section, "proceeds from rim removal fees" means all moneys collected and received by the department under this section for rim removal fees imposed under subsection (a) of this section and interest and penalties on delinquent rim removal fees.~~

~~(c)(1)(A) 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 be registered with the department and comply with all requirements related to collecting and reporting import fees.~~

~~(2) The import fee imposed under this subsection shall be paid by the person who imports the used tire to the department in accordance with the Arkansas Tax Procedure Act, § 26-18-101 et seq., the business closure procedures under § 26-18-1001 et seq., and any rules promulgated by the department.~~

~~(3)(A) The department shall deposit the proceeds 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 Division of Environmental Quality Fee Trust Fund.~~

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

(a)(1) A person who imports a used tire into this state shall be responsible for legally hauling and disposing of or recycling the waste tires and residuals.

(2) A tire retailer may collect and charge a fee for the cost of legally hauling and disposing of or recycling the waste tires and residuals.

(d)(1)(b)(1) There is imposed a ~~commercial generator~~ tire retailer fee

upon the transaction of a ~~commercial generator~~ tire retailer selling or delivering a new tire as part of fleet services.

(2) The ~~commercial generator~~ tire retailer fee shall be charged by the ~~commercial generator~~ tire retailer 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~~ of a new tire.

(3)(A) The ~~commercial generator~~ tire retailer fee shall be imposed at the rate of ~~three dollars (\$3.00)~~ one dollar and fifty cents (\$1.50) 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)(B)(i)~~ For any used tires collected by a ~~commercial generator~~ tire retailer, the first transportation of the used tire from the end user to the ~~commercial generator's~~ tire retailer's facility does not require a licensed tire transporter.

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

~~(D)(C)~~ Each ~~commercial generator~~ tire retailer shall register with the ~~department~~ Department of Finance and Administration and comply with all requirements related to collecting and reporting ~~commercial generator~~ tire retailer fees.

(4) The ~~commercial generator~~ tire retailer fees imposed under this section shall be added to the total cost charged by the ~~commercial generator~~ tire retailer 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~~ tire retailer fees imposed under this section shall be paid monthly to the ~~secretary~~ department.

(B) However, the ~~commercial generator~~ tire retailer may retain ~~five percent (5%)~~ two percent (2%) of the ~~commercial generator~~ tire retailer fee imposed under subdivision ~~(d)(3)(A)~~ (b)(3)(A) of this section for administrative costs.

(6)(A) The ~~commercial generator~~ tire retailer fees remitted in subdivision ~~(d)(5)(A)~~ (b)(5)(A) of this section shall be collected by the ~~secretary~~ department and shall be subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq., and the business closure procedures under § 26-18-1001 et seq.

(B)(i)(a) Each ~~commercial generator~~ tire retailer shall file a return with the ~~secretary~~ department on or before the twentieth of each month.

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

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

(ii) The ~~secretary~~ department shall prescribe the form and contents of the return.

(7)(A) The department shall deposit the proceeds from ~~commercial generator~~ tire retailer fees collected under this subsection 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 Division of Environmental Quality Fee Trust Fund Waste Tire Abatement Fund.~~

(B) No more than five hundred thousand (\$500,000) annually, with an annual escalator not to exceed two percent (2%), shall be transferred to the Division of Environmental Quality Fee Trust Fund to be used for administration expenses.

~~(8) As used in this section, "proceeds from commercial generator fees" means all moneys collected and received by the department under this section for commercial generator fees imposed under this subsection 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.~~

(c)(1) If the balance of the Waste Tire Abatement Fund exceeds five million dollars (\$5,000,000), the Arkansas Pollution Control and Ecology Commission may reduce the tire retailer fee up to fifty percent (50%).

(2) A decision to reduce the tire retailer fee under subdivision (c)(1) of this section is effective for the fiscal year following the commission's decision.

(d)(1) If the Division of Environmental Quality is unable to locate the person that is responsible for the waste tire site or compel the person responsible for the waste tire site to remove the waste tires, the division may use Waste Tire Abatement Fund moneys for the abatement of the waste tires or offer a waste tire abatement grant to:

(A) A regional solid waste management district;

(B) A city;

(C) A county;

(D) A tire retailer that can prove that the waste tire district failed to pick up or remove tires from the location of the tire retailer in a reasonable time frame; or

(E) A planning and development district.

(2) If a waste tire abatement grant is awarded to a person described in subdivision (d)(1) of this section, the person shall provide manifests demonstrating ultimate disposal or recycling in conformity with § 8-9-403(c)(1).

(3) The division may deny an application for reimbursement of waste tire site removal and delivery costs if the division determines that the cost would result in insufficient moneys in the Waste Tire Abatement Fund.

~~8-9-405. Used tire program reimbursements.~~

~~(a) The Division of Environmental Quality shall establish the Used Tire Recycling and Accountability Program to:~~

~~(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 regional 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 et seq.; 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 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 division with business plan information required under § 8-9-408;~~

~~(8) Provide the division 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:~~

~~(1) Contract with a tire processing facility that is approved by the Director of the Division of Environmental Quality;~~

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

~~(3) Provide incentives for establishing privately operated tire collection centers for the public; and~~

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

~~(d) Moneys disbursed from the Used Tire Recycling Fund by the division for reimbursements under this section shall be:~~

~~(1) Distributed as provided under this section only to the used tire programs that comply with all applicable requirements in this subchapter related to the operation of used tire programs;~~

~~(2) Based on moneys available in the fund, the approved business plan rate, quarterly financial reports, and other documentation submitted by the used tire programs; and~~

~~(3) Made on a quarterly basis to the used tire programs.~~

~~(e)(1) Quarterly disbursements from the fund shall be paid each quarter from all moneys 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 division shall calculate the total remaining funding available 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.~~

~~(3)(A) The Arkansas Pollution Control and Ecology Commission may increase reimbursement rates if the director 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 funding for reimbursement for processing, recycling, or disposing of used tires at the approved business plan rate may be available from the fund for used tire programs that are in compliance with all applicable requirements of this subchapter.~~

~~(g) At the request of a used tire program that needs operational assistance or guidance on compliance with this subchapter, the division shall provide to the used tire program operational assistance or guidance on compliance with this subchapter.~~

~~(h) The division 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~~ Uniform used tire manifest system.

~~(a) The following entities shall use the electronic uniform used tire manifest system to accurately report~~ record 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~~ Tire processors;

(2) Tire generators; and

(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, now the Division 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 division requests a revised business plan.~~

~~(d) A business plan or revised business plan submitted under this subchapter is effective after approval by the division 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 division 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 a tire, including without limitation small tires, large tires, and extra large tires, as a factor for determining the approved business plan rates.~~

~~(f) A business plan or revised business plan that results in a business plan rate increase is subject to review by the Legislative Council.~~

~~8-9-409. Performance and efficiency evaluations.~~

~~(a) The Division 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.~~

~~8-9-410. Used tire programs.~~

~~(a)(1) In order to address efficiency in tire processing, including without limitation transportation, there are created four (4) used tire programs in the state.~~

~~(2) The four (4) used tire programs created under subdivision (a)(1) of this section are composed as follows:~~

~~(A) Used Tire Program 1 consists of the following counties: Benton, Carroll, Boone, Marion, Baxter, Washington, Madison, Newton, Searcy, Crawford, Franklin, Johnson, Pope, Van Buren, Sebastian,~~

~~Logan, Conway, Scott, Yell, and Perry;~~

~~(B) Used Tire Program 2 consists of the following counties: Fulton, Sharp, Randolph, Clay, IZard, Lawrence, Greene, Stone, Independence, Jackson, Craighead, Mississippi, Cleburne, Faulkner, White, Poinsett, Woodruff, Cross, Pulaski, and Crittenden;~~

~~(C) Used Tire Program 3 consists of the following counties: Polk, Montgomery, Sevier, Howard, Pike, Clark, Little River, Hempstead, Nevada, Miller, Lafayette, Saline, Dallas, Ouachita, Union, Garland, Hot Spring, and Columbia; and~~

~~(D) Used Tire Program 4 consists of the following counties: Grant, Jefferson, Arkansas, Phillips, Cleveland, Lincoln, Desha, Calhoun, Bradley, Drew, Ashley, Lonoke, Prairie, Monroe, St. Francis, Lee, and Chicot.~~

~~(b)(1) Each new used tire program is governed by a tire accountability board that is composed of eleven (11) members:~~

~~(A) Five (5) county judges, elected by the county judges of the used tire program;~~

~~(B) Two (2) county judges, appointed from the two (2) most populous counties in the used tire program according to the most recent federal census; and~~

~~(C) Four (4) mayors, elected by the mayors of all of the cities in the used tire program.~~

~~(2) Each member of the tire accountability board shall serve for a term of three (3) years.~~

~~(3) The members of the tire accountability board shall draw lots for staggered terms at the first organizational meeting.~~

~~(4) A vacancy on the tire accountability board shall be filled through the process described in the bylaws of the tire accountability board.~~

~~(c)(1) A tire accountability board shall:~~

~~(A) Elect a chair and a vice chair at an organizational meeting;~~

~~(B) Develop bylaws to govern the tire accountability board, including without limitation rules related to the replacement of members of the tire accountability board in the event of a vacancy; and~~

~~(C) Submit a business plan to the Division of Environmental Quality for approval on or before September 1, 2023.~~

~~(2) The division shall approve or seek additional information regarding the business plan submitted under subdivision (c)(1)(C) of this section within sixty (60) days.~~

~~(d) The tire accountability board in each of the used tire programs may enter into an interlocal agreement to determine the highest level of efficiency regarding tire processing in the respective used tire program.~~

~~(e) Arkansas Legislative Audit shall audit the four (4) used tire programs on the following schedule:~~

~~(1) Used Tire Program 1 and Used Tire Program 3 every odd-numbered year; and~~

~~(2) Used Tire Program 2 and Used Tire Program 4 every even-numbered year.~~

8-9-411. Tire transporters – Licenses.

(a) A tire transporter shall meet the following requirements to ~~perform or be compensated~~ be licensed 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 Division 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)~~(6) Pay a fee of fifty dollars (\$50.00) for each vehicle that is licensed.

(b) For each tire transporter licensed under this section, the division 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 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 rules to carry out the intent and purposes of this subchapter.

(b) The rules 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~~ tire generators, and any other person or entity that collects, receives, processes, recycles, or disposes of ~~used~~ waste tires regulated under this subchapter with ~~the maximum permit fee not to exceed two hundred fifty dollars (\$250) annually~~ fees calculated to generate revenues not to exceed the reasonable administrative costs of licensing, evaluating, and taking action on permit applications and

costs of implementing and enforcing the terms and conditions of permits and licenses.

(B) The maximum permit fee under this subdivision (b)(1) shall not apply to tire transporters but shall provide for the administration of licensing for tire transports;

(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)~~(3) 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 this title; and

~~(5)~~(4) Establish procedures for administering the electronic uniform used tire manifest system; and

~~(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 rules 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)(c)(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)~~(d) The commission shall ~~not~~ prohibit the disposal of whole waste tires in landfills ~~or monofills for three (3) years from August 1, 2017 and~~ new or expanded tire monofill permits.

~~(f) The commission shall waive the imposition of any permit fee imposed under this subchapter on any used tire program created by § 8-9-410.~~

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

~~(a) A person who receives funding under this subchapter, tire~~ 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 § 8-1-101 et seq., § 8-1-201 et seq., § 8-1-301 et seq., § 8-4-101 et seq., and § 8-4-201 et seq., concerning permits, licensing, inspections, and procedures;

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

(3) All applicable rules promulgated by the Arkansas Pollution Control and Ecology Commission;

(4)(A) Tire retailers and tire wholesalers who sell used tires as a commodity shall do so only from stock that has been sorted, marked, classified, and arranged in an organized manner for sale to a consumer.

(B)(i) Tires stored outside shall be monitored for vectors.

(ii) Appropriate vector control measures shall be utilized at least once every two (2) weeks; and

(5) Tire processors shall maintain received or generated uniform used tire manifests for a period of three (3) years to be available upon request by the division.

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

~~(1) Failure to use the electronic uniform used tire manifest system;~~

~~(2) Failure to submit accurate information to the electronic uniform used tire manifest system;~~

~~(3) Failure to submit an approved business plan on or before July 1, 2018;~~

~~(4) Failure to submit a revised business plan as required under § 8-9-408(c);~~

~~(5) Failure to submit an approved revised business plan within three (3) months after submission; or~~

~~(6) Failure to provide documentation or reports required to be filed with the Division 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 or the division 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 division 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 fund.~~

~~(d)(b)~~ In addition to any other penalty provided by law, a tire processing facility permit or a tire collection center permit ~~shall~~ may be suspended or revoked by the Division of Environmental Quality for

noncompliance with this subchapter.

SECTION 2. Arkansas Code Title 8, Chapter 9, Subchapter 4, is amended to add an additional section to read as follows:

8-9-416. Cost recovery – Liability for costs – Immunity from liability.

(a) Any of the following shall be liable to the state for all costs of waste tire abatement under this subchapter:

(1) The owner or operator of a waste tire site;

(2) Any person that, at the time of disposal of any waste tires, owns or operates a waste tire site;

(3) Any generator of tires that creates a waste tire site;

(4) Any tire transporter that creates or adds to a waste tire site; or

(5) Any tire processor or landfill that creates or adds to a waste tire site.

(b)(1) A person shall not be liable under this subchapter for damages as a result of actions taken or omitted in the course of rendering care, assistance, or advice at the direction of the Department of Energy and Environment, the Secretary of the Department of Energy and Environment, or the Division of Environmental Quality with respect to an incident creating a danger to public health, safety, or welfare or the environment as a result of a waste tire site.

(2)(A) This subsection shall not preclude liability for damages as a result of gross negligence or intentional misconduct on the part of the person, nor shall this subsection preclude liability for damages and costs of waste tire abatement of any person liable for such damages and costs under subsection (a) of this section.

(B) For the purposes of subdivision (b)(2)(A) of this section, reckless, willful, or wanton misconduct shall constitute gross negligence.

(c)(1) A person performing waste tire abatement under this subchapter as a contractor for the division shall not be liable under this subchapter or under any other state law to any person for injuries, costs, damages, expenses, or other liability, including without limitation claims for indemnification or contribution and claims by third parties for death,

personal injury, illness, loss of or damage to property, or economic loss resulting from the abatement.

(2) However, this subsection shall not apply in an action that is caused by the conduct of the person performing abatement that is negligent or grossly negligent or which constitutes intentional misconduct.

(d)(1) A state employee or an employee of a political subdivision who provides services relating to abatement while acting within the scope of his or her authority as a governmental employee shall not be liable, subject to the other provisions of this section, to any person for injuries, costs, damages, expenses, or other liability, including without limitation claims for indemnification or contribution and claims by third parties for death, personal injury, illness, loss of or damage to property, or economic loss resulting from the abatement.

(2) However, this subsection shall not apply in an action that is caused by the conduct of the person performing abatement that is negligent or grossly negligent or which constitutes intentional misconduct.

(e)(1) Subsection (c) or subsection (d) of this section does not affect the liability of any person under warranty law.

(2) The section does not affect the liability of an employer performing abatement to any employee of any such employer under any provision of law, including any provision of any law relating to workers' compensation.

SECTION 3. Arkansas Code § 8-6-1002(b)(3), concerning the Landfill Post-Closure Trust Fund, is amended to read as follows:

(3) The fund shall be administered by the division and may be used by the division to complete all activities necessary for the closure of a permitted waste tire processing or disposal site that is owned or operated by a regional solid waste management district or formerly owned and operated by a used tire program if the division determines that the district lacks sufficient funds to complete closure of the permitted waste tire processing or disposal site.

SECTION 4. Effective July 1, 2026, Arkansas Code § 19-5-1148 is repealed.

~~19-5-1148. 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, and any other revenues as may be authorized by law;~~

~~(C) Any United States 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 Division 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 Division 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 Division 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 5. Effective January 1, 2026, Arkansas Code Title 19, Chapter 5, Subchapter 11, is amended to add an additional section to read as follows:

19-5-1161. Waste Tire Abatement 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 "Waste Tire Abatement Fund".

(b)(1) The Department of Finance and Administration shall deposit into the State Treasury the moneys collected under § 8-9-404 to the credit of the Waste Tire Abatement Fund.

(2) No more than five hundred thousand dollars (\$500,000) annually, with an annual escalator not to exceed two percent (2%), shall be transferred from the Waste Tire Abatement Fund to the Division of Environmental Quality Fee Trust Fund to be used for administration expenses.

(3) The Waste Tire Abatement Fund shall consist of:

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

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

(C) Any United States Government moneys designated for deposit into the Waste Tire Abatement Fund;

(D) Any gift or donation to the Waste Tire Abatement Fund;

and

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

(4) The Waste Tire Abatement Fund shall not include:

(A) Two percent (2%) of the fees retained for administrative costs by tire retailers under § 8-9-404(b)(5)(B); or

(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.

(c) The Waste Tire Abatement Fund moneys shall be used:

(A) For the administration of the Tire Management Recycling Program by the Division of Environmental Quality;

(B) For waste tire site abatement grants to entities eligible under § 8-9-404(d)(1);

(C) To provide equipment grants and to promote economic stimulus incentives;

(D) For funding of beneficial use projects and other waste tire-related projects; and

(E) To ensure that waste tires handled under the Tire Management Recycling Program that are collected by or sent through a tire collection center or a tire processing facility for beneficial use are not abandoned or discarded.

SECTION 6. DO NOT CODIFY. TEMPORARY LANGUAGE. Distribution of funds from Used Tire Recycling Fund.

(a)(1) The chief fiscal officer of the Department of Energy and Environment shall determine the total moneys available on February 28, 2026, at 11:59 p.m. that were collected under § 8-9-404(a)(1) rim removal fees.

(2) Until January 1, 2026, the rim removal fee under § 8-9-404 shall remain at three dollars (\$3.00) 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.

(3) On January 1, 2026, the rim removal fee under § 8-9-404 shall expire and the tire retailer fee shall be imposed at the rate of one dollar and fifty cents (\$1.50) for each new tire.

(b) The moneys available under subdivision (a)(1) of this section shall be used to reimburse used tire programs for used tire recycling and disposal costs at the approved business rate through the second quarter of fiscal year 2026.

(c) Any moneys remaining after all used tire programs have been reimbursed, including any interest earnings or investment earnings on the moneys available under subdivision (a)(1) of this section shall be transferred to the Waste Tire Abatement Fund.

(d) This section expires after all used tire programs have received reimbursement for the fourth quarter of fiscal year 2025 under subdivision (a)(2) of this section.

SECTION 7. EFFECTIVE DATE.

(a) Section 4 concerning the repeal of the Used Tire Recycling Fund shall be effective on July 1, 2026.

(b) Section 5 concerning the creation of the Waste Tire Abatement Fund shall be effective on January 1, 2026.

(c) The fee that may be collected and charged by a tire retailer for the cost of legally hauling and disposing of or recycling the waste tires and residuals shall be effective on the effective date of this act.

/s/B. Davis