1 2	State of Arkansas 94th General Assembly	A Bill	SENATE BILL 508
3	Regular Session, 2023		SENATE DILL JUO
4 5	By: Senator J. Payton		
6	By. Senator J. Payton		
7		For An Act To Be Entitled	
, 8	AN ACT T	O AMEND THE USED TIRE RECYCLING AND	
9		BILITY ACT; TO REPEAL RIM REMOVAL FEES;	то
10		TIRE RECYCLING FEE; TO ESTABLISH TIRE	
11		BILITY ZONES; TO TRANSFER REIMBURSEMENT	
12	AUTHORIT	Y TO THE DEPARTMENT OF FINANCE AND	
13	ADMINIST	RATION; TO DECLARE AN EMERGENCY; AND FOR	
14	OTHER PU	RPOSES.	
15			
16			
17		Subtitle	
18	то	AMEND THE USED TIRE RECYCLING AND	
19	ACO	COUNTABILITY ACT; TO REPEAL RIM REMOVAL	
20	FEI	ES AND IMPOSE A TIRE RECYCLING FEE; TO	
21	EST	TABLISH TIRE ACCOUNTABILITY ZONES; TO	
22	TRA	ANSFER REIMBURSEMENT AUTHORITY; AND TO	
23	DEC	CLARE AN EMERGENCY.	
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25			
26	BE IT ENACTED BY THE	C GENERAL ASSEMBLY OF THE STATE OF ARKANS	AS:
27			
28	SECTION 1. DC		
29		nental Quality to the Department of Finan	<u>ce and</u>
30	Administration.		D
31		ministration of the Used Tire Recycling	
32 33		e Division of Environmental Quality to th	<u>e Department of</u>
34	Finance and Administ (2) All	budget-related functions, records, cont	racts property
35		ices of appropriations, allocations, and	
36		ons of budgeting or purchasing of the Di	



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1 Environmental Quality related to the Used Tire Recycling Fund, are 2 transferred to the Department of Finance and Administration. 3 (b) The Division of Environmental Quality's budget-related statutory 4 powers, duties, and functions under administration of the Used Tire Recycling 5 Fund, including the functions of budgeting or purchasing, records, contracts, 6 property, and unexpended balances of appropriations, allocations, and other 7 funds are transferred to the Department of Finance and Administration. 8 (c) Upon the effective date of this act, reimbursements from the Used 9 Tire Recycling Fund shall be made by the Department of Finance and 10 Administration in accordance with a business plan previously approved by the 11 Division of Environmental Quality until a new business plan is approved. 12 13 SECTION 2. Arkansas Code § 8-6-206(b)(1)(D), concerning the 14 authorization for filing a verified complaint in circuit court under the 15 Arkansas Solid Waste Management Act, is amended to read as follows: 16 (D) Any other environmental violation concerning the 17 illegal dumping of solid waste in violation of this chapter or the Used Waste 18 Tire Recycling and Accountability Act, § 8-9-401 et seq. 19 20 SECTION 3. Arkansas Code § 8-6-207(a)(11), concerning the powers and 21 duties of the Division of Environmental Quality and the Arkansas Pollution 22 Control and Ecology Commission under the Arkansas Solid Waste Management Act, 23 is amended to read as follows: 24 (11) To make periodic inspections of all solid waste facilities 25 or locations permitted under this subchapter or the Used Waste Tire Recycling and Accountability Act, § 8-9-401 et seq., to ensure compliance with all 26 27 requirements of this subchapter and the rules promulgated under this 28 subchapter and to make a final inspection of closed or abandoned solid waste 29 disposal sites to determine compliance with rules for proper closure and 30 proper filling and drainage of the site; 31 32 SECTION 4. Arkansas Code § 8-6-2004 is amended to read as follows: 8-6-2004. Applicability. 33 This subchapter applies to violations of this chapter, violations of 34 35 Chapter 6 of Arkansas Pollution Control and Ecology Commission Rule 18, and 36 violations of the Used Waste Tire Recycling and Accountability Act, § 8-9-401

1 et seq. 2 SECTION 5. Arkansas Code § 8-9-105(a), concerning penalties and 3 4 enforcement provisions, is amended to read as follows: 5 (a) Any person who violates any provision of \$ 8-9-301 et seq. or the 6 Used Waste Tire Recycling and Accountability Act, § 8-9-401 et seq., or of 7 any rule or order issued pursuant to this chapter, shall be subject to the 8 same penalty and enforcement provisions as are contained in § 8-6-204. 9 SECTION 6. Arkansas Code § 8-9-401 is amended to read as follows: 10 11 8-9-401. Title - Legislative intent - Findings. 12 (a) This subchapter shall be known and may be cited as the "Used Waste 13 Tire Recycling and Accountability Act". 14 (b) The purpose of this subchapter is to: 15 (1) Protect the public health and the state's environmental 16 quality by setting and implementing standards to be followed in the hauling, 17 collection, storage, and recycling or disposal of recyclable tires, waste 18 tires, and used tires culled for resale; 19 (2) Provide accountability and sustainability for used waste 20 tire programs by requiring use of the electronic uniform used tire manifest system developed by the Division of Environmental Quality and business plans 21 22 for used waste tire programs; 23 (3) Equalize the application of fees for all tires removed from 24 rims Apply tire recycling fees to tires based on size, configuration, and 25 weight; and 26 (4) Ensure that reimbursements for used waste tire programs are 27 related to the overall used waste tire program goals. 28 (c) The General Assembly finds that: 29 (1) If not properly managed, used waste tires pose a potential threat to human health and safety and the environment because used waste 30 31 tires: 32 (A) Are a known breeding habitat for mosquitoes and other disease-transmitting vectors; and 33 (B) Pose substantial fire hazards; 34 35 (2) The state must have a used tire recycling accountability 36 program for recyclable tires, waste tires, and used tires culled for resale

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1 that is accountable, effective, and efficient; and 2 (3) The primary goal of the used tire recycling accountability 3 program is to recycle or put to beneficial use as many used waste tires as 4 possible. 5 6 SECTION 7. Arkansas Code § 8-9-402(3), concerning the definition of 7 "electronic uniform used tire manifest system", is amended to read as 8 follows: 9 (3) "Electronic uniform Uniform used tire manifest system" means 10 an administrative method developed by the Division of Environmental Quality 11 under § 8-9-407 that: 12 (A) Primarily uses an electronic application for the 13 submission and management of information related to the generation, 14 collection, transportation, distribution, and recycling, disposal, or resale 15 of each recyclable tire, waste tire, and used tire culled for resale 16 regulated under this subchapter; 17 (B) Secondarily may allow submission of used waste tire 18 data that is manifested using an equivalent paper documentation; and 19 (C) Records the origin, date of collection, date of 20 transfer, quantity, type, transporter, and destination for each recyclable 21 tire, waste tire, and used tire culled for resale regulated under this 22 subchapter; 23 24 SECTION 8. Arkansas Code § 8-9-402(5), concerning the definition of 25 "inter-district used tire program", is amended to read as follows: 26 (5) "Inter-district used waste tire program" means a program 27 formed by agreement of two (2) or more regional solid waste management boards 28 to pool resources of all regional solid waste management boards that are 29 parties to the agreement for the administration of one (1) consolidated used 30 waste tire program; 31 32 SECTION 9. Arkansas Code § 8-9-402(11), concerning the definition of "qualified entity", is amended to read as follows: 33 34 (11) "Qualified entity" means an entity that demonstrates to the 35 division that the entity has the capability, experience, and resources to 36 operate and administer a used waste tire program in compliance with this

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1 subchapter; 2 3 SECTION 10. Arkansas Code § 8-9-402(14)(B), concerning the definition 4 of "small tire", is amended to read as follows: 5 "Small tire" includes a tire from any of the following (B) 6 vehicles: 7 (i) An automobile; 8 (ii) A motorcycle; or 9 (iii) An all-terrain vehicle; 10 (iv) A low-profile vehicle; 11 (v) A standard pick-up truck; 12 (vi) A light-duty truck; 13 (vii) A lawn mower; 14 (viii) A golf cart; or 15 (ix) A trailer; 16 17 SECTION 11. Arkansas Code § 8-9-402(16), concerning the definition of 18 "tire collection center", is amended to read as follows: 19 (16) "Tire collection center" means a site where tires are 20 collected from tire generators, tire transporters, or the public before being 21 recycled or disposed of by a used waste tire program; 22 23 SECTION 12. Arkansas Code § 8-9-402(22)(B), concerning the definition 24 of "used tire", is amended to read as follows: 25 (B) "Used tire" includes without limitation a recyclable 26 tire, waste tire, and used tire culled for resale. 27 SECTION 13. Arkansas Code § 8-9-402(24), concerning the definition of 28 "used tire program", is amended to read as follows: 29 30 (24) "Used Waste tire program" means a program that receives 31 funding under this subchapter and is operated by: 32 (A) A regional solid waste management board; or 33 (B) An inter-district used waste tire program; 34 35 SECTION 14. Arkansas Code § 8-9-402(27)(A), concerning the definition 36 of "waste tire site", is amended to read as follows:

1 (27)(A) "Waste tire site" means a location where unpermitted 2 used waste tires are accumulated, whether loosely stored, compacted and baled, or a combination of both loosely stored and compacted and baled. 3 4 5 SECTION 15. Arkansas Code § 8-9-404 is amended to read as follows: 6 8-9-404. Rim removal Tire recycling fees - Import fees - Commercial 7 generator fees - Definitions. 8 (a)(1) There is imposed a rim removal fee upon the transaction of 9 removing a tire from a rim that is related to the sale of a replacement tire 10 by a tire retailer. 11 (2) The rim removal fee shall be charged by the tire retailer to 12 a person who: 13 (A) Purchases a replacement tire for a rim that 14 necessitates the removal of a different tire from the same rim; or 15 (B) Purchases the service of removal of a tire from a rim 16 and replacement with a tire that was not purchased from the tire retailer if 17 the person requesting the rim removal cannot show proof of payment of the rim 18 removal fee under this section for the replacement tire. 19 (3)(A) The rim removal fee shall be imposed at the rate of three 20 dollars (\$3.00) for each new tire that replaces a tire removed from a rim and 21 one dollar (\$1.00) for each used tire that replaces the tire removed from the 22 rim. 23 (B) Except for the rim removal fees imposed under this 24 section, a tire retailer shall not charge any other fee to a person who 25 purchases the service of removal of a tire from a rim. 26 (C) For any tires collected by a tire retailer, the tire 27 retailer shall ensure that the tires are transported by a licensed tire 28 transporter to a permitted tire collection center, a solid waste management 29 facility, a tire processing facility, or another tire retailer. 30 (D) The tire retailer shall account for each tire removed 31 from a rim in the manner prescribed by the Department of Finance and 32 Administration. 33 (E) Each tire retailer shall register with the department 34 and comply with all requirements related to collecting and reporting rim 35 removal fees. 36 (4) The rim removal fees imposed under this section shall be

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1	added to the total cost charged by the tire retailer to the purchaser after
2	all applicable gross receipts or compensating use taxes on the tires have
3	been computed and shall be separately stated on the invoice or bill of sale.
4	(5)(A) The rim removal fees imposed under this section shall be
5	paid monthly to the Secretary of the Department of Finance and
6	Administration.
7	(B) However, the tire retailer may retain five percent
8	(5%) of the rim removal fee imposed under subdivision (a)(3)(A) of this
9	section for administrative costs.
10	(6)(A) The rim removal fees remitted under subdivision (a)(5)(A)
11	of this section shall be collected by the secretary and shall be subject to
12	the Arkansas Tax Procedure Act, § 26-18-101 ct seq.
13	(B)(i) Each tire retailer shall file a return with the
14	secretary on or before the twentieth of each month.
15	(ii) The return shall show the total rim removal fees
16	collected for each tire removed from the rim during the preceding calendar
17	month.
18	(iii) The tire retailer shall remit the rim removal
19	fees with the return.
20	(iv) The secretary shall prescribe the form and
21	contents of the return (A)(i) A tire recycling fee of three dollars (\$3.00)
22	is imposed for each new small tire sold by a tire retailer in Arkansas,
23	including without limitation new small tires sold as part of fleet services.
24	(ii) A tire retailer may charge a fee of up to ten
25	percent (10%) over the tire recycling fee for each new small tire sold by the
26	tire retailer and retain the excess over the tire recycling fee to cover
27	administrative costs of the tire retailer.
28	
29	(B) A tire retailer shall obtain a tire recycling account
	(B) A tire retailer shall obtain a tire recycling account number from the Department of Finance and Administration and remit the tire
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30 31	number from the Department of Finance and Administration and remit the tire
	number from the Department of Finance and Administration and remit the tire recycling fees collected by the tire retailer to the department on a monthly
31	number from the Department of Finance and Administration and remit the tire recycling fees collected by the tire retailer to the department on a monthly basis.
31 32	number from the Department of Finance and Administration and remit the tire recycling fees collected by the tire retailer to the department on a monthly basis. (C) A tire retailer shall:
31 32 33	number from the Department of Finance and Administration and remit the tire recycling fees collected by the tire retailer to the department on a monthly basis. (C) A tire retailer shall: (i) Track all new small tires sold by the tire

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1	whom the new small tires were sold.
2	(D) A tire retailer is subject to field audits by the
3	department.
4	(E)(i) If a person or entity brings a new small tire
5	purchased from an entity other than the tire retailer to the tire retailer to
6	be placed on a motor vehicle, the tire retailer shall require the person or
7	entity to pay the tire recycling fee under subdivision (a)(l)(A) of this
8	section unless the person or entity can show that the tire recycling fee was
9	already paid.
10	(ii) The tire retailer shall not collect the tire
11	recycling fee or require proof of payment of the tire recycling fee unless
12	the small tire has eighty percent (80%) or more of the small tire's vent
13	spews remaining.
14	(F) No later than the tenth business day of each month, a
15	tire retailer shall submit a report to the department that reflects all new
16	small tires sold by the tire retailer for the previous month and the
17	corresponding tire recycling fees remitted to the department.
18	(2)(A) A tire recycling fee is imposed for each new small tire
19	equipped in or on a new motor vehicle or trailer sold to a purchaser.
20	(B) The tire recycling fee under subdivision (a)(2)(A) of
21	this section shall be three dollars (\$3.00) for each new small tire equipped
22	in or on the new motor vehicle or trailer, including a new small tire used as
23	a spare on the new motor vehicle or trailer.
24	(C) Tire recycling fees under subdivision (a)(2)(B) of
25	this section shall be collected by the department at the same time as the new
26	motor vehicle or trailer is registered by the purchaser with the department.
27	(b)(1) The department shall deposit the proceeds from rim removal <u>tire</u>
28	recycling fees collected under subsection (a) of this section into the State
29	Treasury as special revenues to the credit of the following funds in the
30	following percentages:
31	(A) Ninety-three percent (93%) to be deposited into the
32	Used Tire Recycling Fund; and
33	(B) Seven percent (7%), not to exceed the amount deposited
34	in fiscal year 2023, to be deposited into the Division of Environmental
35	Quality Fee Trust Fund.
36	(2) As used in this section, "proceeds from rim removal <u>tire</u>

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1 recycling fees" means all moneys collected and received by the department 2 under this section for rim removal tire recycling fees imposed under subsection (a) of this section and interest and penalties on delinquent rim 3 4 removal tire recycling fees. 5 (c)(1)(A) There is imposed an import fee of one dollar (\$1.00) on each 6 used tire that is imported into Arkansas A tire recycling fee may be imposed 7 by a tire retailer on a large tire or an extra-large tire. 8 (2)(A) The amount of the tire recycling fee on a large tire or 9 extra-large tire may not exceed per tire: 10 (1) For a large tire, seven dollars and fifty cents 11 (\$7.50); and 12 (ii) For an extra-large tire, thirty dollars 13 (\$30.00). 14 (B) A tire retailer may charge a fee of up to ten percent 15 (10%) over the tire recycling fee for new large tire or new extra-large tire sold by the tire retailer and retain the excess over the tire recycling fee 16 17 to cover administrative costs of the tire retailer. 18 (3) The tire recycling fee for a large tire or an extra-large 19 tire may be changed by a tire accountability board only one (1) time per year 20 at the time the business plan for the tire accountability zone is submitted for the fiscal year. 21 22 (4)(A) The tire accountability board shall report the proposed 23 tire recycling fee for a large tire or extra-large tire authorized under this 24 subsection to the department by September 30. 25 (B) The department shall: 26 (i) Average the tire recycling fees proposed by the 27 four (4) tire accountability boards; and 28 (ii) Set a statewide tire recycling fee for a large 29 tire or an extra-large tire that may be charged by the tire retailer under 30 this subsection. 31 (B) A person who imports a used tire shall be registered 32 with the department and comply with all requirements related to collecting 33 and reporting import fees. 34 (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 35 the Arkansas Tax Procedure Act, § 26-18-101 et seq., and any rules 36

1 promulgated by the department. 2 (3)(A) The department shall deposit the proceeds from import 3 fees imposed under this subsection into the State Treasury as special 4 revenues to the credit of the following funds in the following percentages: 5 (i) Ninety-three percent (93%) to be deposited into 6 the Used Tire Recycling Fund; and 7 (ii) Seven percent (7%) to be deposited into the 8 Division of Environmental Quality Fee Trust Fund. 9 (B) As used in this section, "proceeds from import fees" 10 means all moneys collected and received by the department under this 11 subsection and interest and penalties on delinquent import fees. 12 (d)(1) There is imposed a commercial generator fee upon the 13 transaction of a commercial generator selling or delivering a new tire as 14 part of fleet services The department has exclusive authority and 15 responsibility to audit tire retailers for compliance with this subchapter. 16 (2) The commercial generator fee shall be charged by the 17 commercial generator to a person who in the ordinary course of business is an 18 end user that removes used tires from the rim and replaces them with a new 19 tire. 20 (3)(A) The commercial generator fee shall be imposed at the rate 21 of three dollars (\$3.00) for each new tire that is sold or delivered to an 22 end user that removes used tires from the rim and replaces them with a new 23 tire. (B) Except for the commercial generator fees imposed under 24 25 this section, the commercial generator shall not charge any other fee to the 26 end user. 27 (C)(i) For any used tires collected by a commercial generator, the first transportation of the used tire from the end user to the 28 29 commercial generator's facility does not require a licensed tire transporter. 30 (ii) Any subsequent transportation of the used tire by the commercial generator for recycling or disposal requires a licensed 31 32 tire transporter and shall be accounted for using the electronic uniform used 33 tire manifest system. 34 (D) Each commercial generator shall register with the department and comply with all requirements related to collecting and 35 36 reporting commercial generator fees.

1	(4) The commercial generator fees imposed under this section
2	shall be added to the total cost charged by the commercial generator to the
3	end user after all applicable gross receipts or compensating use taxes on the
4	tires have been computed and shall be separately stated on the invoice or
5	bill of sale.
6	(5)(A) The commercial generator fees imposed under this section
7	shall be paid monthly to the secretary.
8	(B) However, the commercial generator may retain five
9	percent (5%) of the commercial generator fee imposed under subdivision
10	(d)(3)(A) of this section for administrative costs.
11	(6)(A) The commercial generator fees remitted in subdivision
12	(d)(5)(A) of this section shall be collected by the secretary and shall be
13	subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq.
14	(B)(i)(a) Each commercial generator shall file a return
15	with the secretary on or before the twentieth of each month.
16	(b) The return shall show the total commercial
17	generator fees collected for each tire sold or delivered to the end user
18	during the preceding calendar month.
19	(c) The commercial generator shall remit the
20	commercial generator fees with the return.
21	(ii) The secretary shall prescribe the form and
22	contents of the return.
23	(7) The department shall deposit the proceeds from commercial
24	generator fees collected under this subsection into the State Treasury as
25	special revenues to the credit of the following funds in the following
26	percentages:
27	(A) Ninety-three percent (93%) to be deposited into the
28	Used Tire Recycling Fund; and
29	(B) Seven percent (7%) to be deposited into the Division
30	of Environmental Quality Fee Trust Fund.
31	(8) As used in this section, "proceeds from commercial generator
32	fees" means all moneys collected and received by the department under this
33	section for commercial generator fees imposed under this subsection and
34	interest and penalties on delinquent commercial generator fees.
35	(e)(l) It is the purpose and intent of this section that only one (l)
36	of the following fees imposed under this section be charged for the

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     transaction of removing a tire from a rim that is related to the sale of a
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     replacement tire:
 3
                       (A) The rim removal fee; or
 4
                       (B) The commercial generator fee.
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                 (2) If a person establishes that he or she has paid one (1) of
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     the fees for a tire, the tire retailer or tire generator shall not charge an
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     additional fee for that tire This section applies to in-state and out-of-
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     state tire retailers that sell tires within the state.
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                 (2) The department shall enforce this section under the Arkansas
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     Tax Procedure Act, § 26-18-101 et seq. and the business closure procedures
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     under § 26-18-1001 et seq.
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           SECTION 16. Arkansas Code § 8-9-405 is amended to read as follows:
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           8-9-405. Used <u>Waste</u> tire program reimbursements.
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                The Division of Environmental Quality Department of Finance and
           (a)
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     Administration shall establish the Used Waste Tire Recycling and
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     Accountability Program to:
                 (1) Reimburse used waste tire programs for used waste tire
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     recycling and disposal costs;
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                      Incentivize recycling used waste tires collected under this
                 (2)
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     subchapter;
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                 (3) Provide accountability for the disbursement of moneys to
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     used waste tire programs; and
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                 (4) Otherwise improve the sustainability of used waste tire
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     programs<u>;</u>
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                 (5) Provide remedial assistance, if funds are available, for
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     abandoned waste tire sites; and
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                 (6) Provide equipment funds for increased capacity for
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     processing waste tires.
                To be eligible for reimbursements under this subchapter, a used
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           (b)
     waste tire program shall:
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                 (1) Be included in the solid waste management system under § 8-
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     9-101 et seq. for each regional solid waste management district that the used
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    waste tire program serves;
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                 (2) Have a used waste tire management plan for each regional
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     solid waste management district that the used waste tire program serves to
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1 include without limitation a schedule for identification and cleanup of waste 2 tire sites that is updated until abatement of each identified waste tire site 3 is completed; 4 (3) Be included in each regional solid waste management 5 district's recycling program under § 8-9-203 that the used waste tire program 6 serves; 7 (4) If operated by a political subdivision of the state or other 8 public entity: 9 (A) Use the financial management system under § 14-21-101 10 et seq.; 11 (B) Comply with the county purchasing procedures under § 12 14-22-101 et seq.; 13 (C) Comply with the Arkansas County Accounting Law of 14 1973, § 14-25-101 et seq.; and 15 (D) Comply with the Local Fiscal Management Responsibility 16 Act, § 14-77-101 et seq.; 17 Be operated in compliance with this subchapter and all other (5) 18 laws and rules related to the administration of solid waste management 19 systems and recycling programs in Arkansas; 20 (6) Encourage the voluntary establishment of tire collection 21 centers at tire retailers, tire processing facilities, and solid waste 22 disposal facilities for the deposit of tires generated in the state; 23 (7) Provide the division Department of Finance and 24 Administration with business plan information required under § 8-9-408; 25 (8) Provide the division Department of Finance and 26 Administration with all quarterly financial information and progress reports 27 related to § 8-9-409; 28 (9)(A) Establish Be responsible for determining tire collection 29 centers within each county served by the used waste tire program that accepts tires from tire retailers at no charge if the tire retailer commercial 30 31 generator, tire generator, or tire wholesaler establishes that it+ 32 (i) Collects the rim removal fee imposed under § 8-33 9-404(a); and 34 (ii) Complies complies with the electronic uniform 35 used tire manifest system under § 8-9-407. 36 The tire collection centers under this subdivision (B)

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1 (b)(9) may be at any one (1) or more of the following: 2 (i) A solid waste disposal facility; 3 (ii) A tire processing facility; or 4 (iii) A tire retailer facility set up by a tire 5 generator; and 6 (10) Establish at least one (1) tire collection center within 7 each county served by the used waste tire program. 8 (c) A used waste tire program that receives reimbursements under this 9 section may: 10 (1) Contract with a tire processing facility that is approved by 11 the Director of the Division of Environmental Quality; 12 (2) Remove or contract for the removal of tires from waste tire 13 sites within the regional solid waste management district; 14 (3) Provide incentives for establishing privately operated tire 15 collection centers for the public; and 16 (4) Form an inter-district used waste tire program. 17 Moneys disbursed from the Used Tire Recycling Fund by the division (d) 18 department for reimbursements under this section shall be: 19 (1) Distributed as provided under this section only to the used 20 waste tire programs that comply with all applicable requirements in this 21 subchapter related to the operation of used waste tire programs; 22 (2) Based on moneys available in the fund, the approved business 23 plan rate, quarterly financial reports, and other documentation submitted by 24 the used waste tire programs; and 25 (3) Made on a quarterly basis to the used waste tire programs. 26 (e)(1) Quarterly disbursements from the fund shall be paid each 27 quarter from all available moneys collected and available for disbursement in 28 that quarter. 29 (2) If there are insufficient moneys available in a quarter to 30 make reimbursements for all submitted requests under subsection (f) of this 31 section, the division department shall calculate the total remaining funding 32 available and allocate the moneys available for reimbursement to each used 33 waste tire program based on a pro rata share of each used waste tire 34 program's reimbursement request compared to the total moneys available. 35 (3)(A) The Arkansas Pollution Control and Ecology Commission may 36 increase reimbursement rates if the director recommends an increase because

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1 of one (1) or more of the following: 2 (i) The relevant consumer price index for the 3 preceding calendar year exceeded the consumer price index for calendar year 4 2018; or 5 (ii) The used waste tire programs have established an 6 increase in operation costs. 7 (B) An increase to any reimbursement rate under subsection 8 (f) of this section shall not exceed ten percent (10%) each calendar year. 9 (f) Based on data received from the electronic uniform used tire 10 manifest system and quarterly reports, the funding for reimbursement for 11 processing, recycling, or disposing of used waste tires at the approved 12 business plan rate may be available from the fund for used waste tire 13 programs that are in compliance with all applicable requirements of this 14 subchapter. 15 (g) At the request of a used waste tire program that needs operational 16 assistance or guidance on compliance with this subchapter, the division 17 Division of Environmental Quality shall provide to the used waste tire 18 program operational assistance or guidance on compliance with this 19 subchapter. 20 (h) The division shall: 21 (1) Develop market opportunities for beneficial use of used 22 waste tire material; and 23 (2) Educate the public on the Used Waste Tire Recycling and 24 Accountability Program. 25 26 SECTION 17. Arkansas Code § 8-9-407 is amended to read as follows: 27 8-9-407. Electronic uniform used Uniform tire manifest system. 28 The following entities shall use the electronic uniform used tire (a) 29 manifest system to accurately report all information related to the 30 collection, transportation, distribution, and recycling or disposal of 31 recyclable tires, waste tires, and used tires culled for resale: 32 (1) Used Waste tire programs; 33 (2) Tire generators; 34 (3) Tire collection centers; 35 (4) Any person who: 36 (A) Removes a tire from the used waste tire program after

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(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 waste tire program an equivalent paper version which shall be entered into the electronic uniform used tire SECTION 18. Arkansas Code § 8-9-408 is amended to read as follows: 8-9-408. Accountability requirements for used waste tire programs -(a) On or before December 31, 2017, a used waste 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. The minimum required information for the business plan is:

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it is collected; or

manifest system.

Business plans.

(b)

(1) Current operation information to include:

20 (A) An explanation of debt and debt repayment obligations, 21 including scheduled payments;

22 (B) A description of equipment used, including type, year 23 manufactured, debt obligations related to the equipment, and whether it is 24 leased or owned;

25 (C) An explanation of contract obligations including the 26 amount, length, and scope of the contract;

27 (D) A description of how tires are managed, to include 28 without limitation collection, transportation, and disposal or recycling;

29 (E) An explanation of costs, including the cost of tire 30 collection centers, other collection facilities, trailers, transfer stations, 31 processing, mileage, fuel, and personnel; and

32 (F) The number of tires currently on any property owned, 33 leased, or otherwise controlled by each regional solid waste management 34 district included in the used waste tire program; and

35 (2) Proposed operation costs for calendar year 2018, to include: 36 (A) A description of how tires will be managed, to include

1 without limitation collection, storage, transportation, and disposal or 2 recycling; 3 (B) Estimated cost of utilities, personnel, equipment, fees, leases, facilities, and any other costs related to the primary 4 5 operation of the used waste tire program; 6 (C) The capital improvement and maintenance plan with 7 estimated expenditures and costs; 8 (D) The estimated transportation cost including mileage, 9 fuel, equipment, personnel, utilities, insurance, bonds, and fees; 10 (E) The locations of all tire collection centers; and 11 The types of tires managed, to include recyclable (F) 12 tires, waste tires, and used tires culled for resale. 13 (c) A used waste tire program shall submit a revised business plan if 14 there is a substantial change in the used waste tire program operations or if 15 the division requests a revised business plan. 16 (d) A business plan or revised business plan submitted under this 17 subchapter is effective after approval by the division or its designee. 18 (e)(1) The approved business plan or approved revised business plan 19 shall include the approved business plan rates for each used waste tire 20 program. 21 (2)(A) The division shall cooperate with the used waste tire 22 programs and other entities to develop each used waste tire program's 23 approved business plan rates for recyclable tires and waste tires. 24 (B) The approved business plan rates shall also use the 25 size of a tire, including without limitation small tires, large tires, and 26 extra-large tires, as a factor for determining the approved business plan 27 rates. 28 29 SECTION 19. Arkansas Code § 8-9-409 is amended to read as follows: 8-9-409. Performance and efficiency evaluations. 30 31 The Division of Environmental Quality shall develop a system to (a) 32 evaluate and report the performance and efficiency of used waste tire programs and the Used Waste Tire Recycling and Accountability Program. 33 34 The evaluation and reporting system shall use the following (b) 35 performance indicators for each used waste tire program: 36 (1) The number of:

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1 (A) Recyclable tires; 2 (B) Waste tires disposed in a landfill; and 3 (C) Waste tires disposed in a monofill; 4 The number of reported waste tire sites located in the (2) 5 regional solid waste management districts that are included in the used waste 6 tire program; 7 (3) Electronic uniform used Uniform waste tire manifest system 8 compliance; 9 (4) Administrative expenses; 10 (5) Transportation expenses; 11 (6) Building, warehouse, and other facilities expenses; 12 (7) Revenue sources and the amount of revenue received from each 13 source; 14 The number, location, and type of tire collection centers; (8) 15 (9) Any identified operational issues; 16 (10) The number of enforcement actions against the used waste 17 tire program; and 18 (11) Any other performance indicators that are determined to be 19 useful to evaluate performance and efficiency. 20 The evaluations under this section shall be completed on a (c) 21 biennial basis for each used waste tire program. 22 23 SECTION 20. Arkansas Code § 8-9-410 is amended to read as follows: 8-9-410. Consolidation of used tire programs Tire accountability zones. 24 25 The General Assembly finds: 26 (1) The smaller the population and geographical area that a used 27 tire program serves, the more unsustainable the used tire program is; 28 (2) In contrast, it has been noted nationally and within the 29 state that used tire programs that serve a larger population and greater 30 geographical area collect and process a large number of tires, are sustainable, and optimize the use of economies of scale; 31 32 (3) Before January 1, 2017, there were eleven (11) waste tire 33 districts in the state; and (4) It is in the best interest of the state for the used tire 34 programs to combine to form inter-district used tire programs to operate in 35 36 an efficient and financially sustainable manner (a)(1) In order to address

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1	efficiency in tire processing, including without limitation transportation,
2	there is created four (4) tire accountability zones in the state.
3	(2) The four (4) tire accountability zones created under
4	subdivision (a)(l) of this section are composed as follows:
5	(A) Tire Accountability Zone 1 consists of the following
6	counties: Benton, Carroll, Boone, Marion, Baxter, Washington, Madison,
7	Newton, Searcy, Crawford, Franklin, Johnson, Pope, Van Buren, Sebastian,
8	Logan, Conway, Scott, Yell, and Perry;
9	(B) Tire Accountability Zone 2 consists of the following
10	counties: Fulton, Sharp, Randolph, Clay, Izard, Lawrence, Greene, Stone,
11	Independence, Jackson, Craighead, Mississippi, Cleburne, Faulkner, White,
12	Poinsett, Woodruff, Cross, Crittenden, Garland, and Hot Springs;
13	(C) Tire Accountability Zone 3 consists of the following
14	counties: Polk, Montgomery, Sevier, Howard, Pike, Clark, Little River,
15	Hempstead, Nevada, Miller, Lafayette, Saline, Dallas, Ouachita, Union, and
16	Columbia; and
17	(D) Tire Accountability Zone 4 consists of the following
18	counties: Grant, Jefferson, Arkansas, Phillips, Cleveland, Lincoln, Desha,
19	<u>Calhoun, Bradley, Drew, Ashley, Pulaski, Lonoke, Prairie, Monroe, St.</u>
20	Francis, Lee, and Chicot.
21	(b)(1) Each new tire accountability zone is governed by a board that
22	is composed of eleven (11) members:
23	(A) Seven (7) county judges, elected by the county judges
24	of the tire accountability zone;
25	(B) Two (2) county judges, appointed from the two (2) most
26	populous counties in the tire accountability zone according to the most
27	recent federal census; and
28	(C) Four (4) mayors, elected by the mayors of all of the
29	cities in the tire accountability zone.
30	(2) Each board member of the tire accountability zone shall
31	serve for a term of three (3) years.
32	(3) The members shall draw lots for staggered terms at the first
33	organizational meeting.
34	(4) A vacancy on the board shall be filled through the process
35	described in the bylaws of the board.
36	(c)(l) A tire accountability board shall:

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1	(A) Elect a chair and a vice-chair at an organizational
2	meeting;
3	(B) Develop bylaws to govern the tire accountability
4	board, including without limitation rules related to the replacement of
5	members in the event of a vacancy; and
6	(C) Submit a business plan to the Division of
7	Environmental Quality for approval on or before September 1, 2023.
8	(2) The division shall approve or seek additional information
9	regarding the business plan submitted under subdivision (c)(l)(C) of this
10	section within sixty (60) days.
11	(d) The tire accountability board in each of the tire accountability
12	zones shall enter into an interlocal agreement to determine the highest level
13	of efficiency regarding tire processing in the respective tire accountability
14	zone.
15	(e) Arkansas Legislative Audit shall audit the four (4) tire
16	accountability zones on the following schedule:
17	(1) Zone 1 and Zone 3 every odd-numbered year; and
18	(2) Zone 2 and Zone 4 every even-numbered year.
19	
20	SECTION 21. Arkansas Code § 8-9-411(a) and (b), concerning
21	requirements for a tire transporter, are amended to read as follows:
22	(a) A tire transporter shall meet the following requirements to
23	perform or be compensated for any duties under this subchapter related to the
24	administration and operation of a used waste tire program:
25	(1) Obtain for each vehicle a license;
26	(2) Obtain for each vehicle a tire transporter number provided
27	by the Division of Environmental Quality used for the electronic uniform used
28	tire manifest system;
29	(3) Provide proof that each vehicle has passed an annual safety
30	inspection;
31	(4) Provide proof of financial responsibility for each vehicle
32	and authorized driver;
33	(5) Provide a bond in the amount of ten thousand dollars
34	(\$10,000);
35	(6) Establish that each authorized driver has completed training
36	for the electronic uniform used tire manifest system; and

1 (7) Pay a fee of fifty dollars (\$50.00) for each vehicle that is 2 licensed. 3 (b) For each tire transporter licensed under this section, the 4 division shall assign a tire transporter number and include the tire 5 transporter information in the electronic uniform used tire manifest system. 6 7 SECTION 22. Arkansas Code § 8-9-412 is repealed. 8 8-9-412. Additional fees. 9 (a) A used tire program may charge an additional fee for the 10 collection and recycling of extra-large tires from sources other than 11 registered tire retailers and for any tires in excess of the maximum under § 12 8-9-414(b)(7). 13 (b) If a used tire program charges an additional fee under this 14 section, the fee shall be collected and retained by the used tire program for 15 costs related to the processing of extra-large tires. 16 17 SECTION 23. Arkansas Code § 8-9-413 is amended to read as follows: 18 8-9-413. Applicability. 19 The fees imposed by this subchapter shall not apply to+ 20 (1) Large retreaded tires; 21 (2) Tires included as part of the equipment of a new vehicle; or 22 (3) Tires tires included as part of the equipment of a used 23 vehicle if included on the used vehicle at the time of sale and in the sales 24 price of the used vehicle. 25 26 SECTION 24. Arkansas Code § 8-9-414(b)(3), concerning rules for the 27 administering reimbursements to used tire programs, is repealed. 28 (3) Establish procedures for administering reimbursements to used tire 29 programs under § 8-9-405; 30 31 SECTION 25. Arkansas Code § 8-9-414(b)(5) and (6), concerning rules 32 for the electronic uniform used tire manifest system and accountability 33 procedures, are amended to read as follows: 34 (5) Establish procedures for administering the electronic 35 uniform used tire manifest system; 36 (6) Establish accountability procedures for the sustainability

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of used waste tire programs operated under this subchapter; and SECTION 26. Arkansas Code § 8-9-414(c), concerning duties of the Arkansas Pollution Control and Ecology Commission, is amended to read as (c) The commission may: (1) Develop an alternative tire transporter licensing program to be administered by used waste tire programs, regional solid waste management (2) Promulgate rules that are necessary to administer the fees and reimbursement rates for services provided under this subchapter by the used waste tire programs; and (3) Clarify and add definitions for sizes of tires using technical information and specifications. SECTION 27. Arkansas Code § 8-9-415(b) and (c), concerning noncompliance by a used tire program, are amended to read as follows: (b) A used waste tire program is subject to penalties and enforcement under this subchapter for noncompliance with this subchapter to include without limitation: Failure to use the electronic uniform used tire manifest (2) Failure to submit accurate information to the electronic

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24 uniform used tire manifest system;

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system;

follows:

boards, or both;

25 (3) Failure to submit an approved business plan on or before July 1, 2018; 26

27 (4) Failure to submit a revised business plan as required under 28 § 8-9-408(c);

29 (5) Failure to submit an approved revised business plan within 30 three (3) months after submission; or

31 (6) Failure to provide documentation or reports required to be 32 filed with the Division of Environmental Quality under this subchapter.

33 (c)(l) If a <u>used waste</u> tire program fails to submit a business plan 34 that is approved by the Arkansas Department of Environmental Quality or the 35 division on or before July 1, 2018, the used waste tire program and all 36 regional solid waste management boards included in the used waste tire

1 program on July 1, 2018, are: 2 (A) Ineligible to receive funding under this subchapter 3 and from the Used Tire Recycling Fund; 4 (B) Prohibited from administering and operating a used 5 waste tire program; and 6 (C) Prohibited from imposing any fees to support the 7 administration and operation of a used waste tire program. 8 (2)(A) The division may designate a qualified entity to perform 9 the duties related to the operation and administration of a used waste tire 10 program deemed ineligible under subdivision (c)(l) of this section. 11 (B) A qualified entity that is designated to perform the 12 duties related to the operation and administration of a used waste tire 13 program under this subsection shall operate the used waste tire program in 14 compliance with this subchapter. 15 (C) If the qualified entity performs the duties related to 16 the operation and administration of the used waste tire program in compliance 17 with this subchapter, the qualified entity is eligible to receive funding 18 under this subchapter and from the fund. 19 20 SECTION 28. Arkansas Code Title 8, Chapter 9, Subchapter 4, is amended 21 to add an additional section to read as follows: 22 8-9-416. Online tire sales. 23 To the extent practicable, the tire recycling fees under this subchapter shall be levied and collected on all online tire sales that 24 25 otherwise would be subject to tire recycling fees under this subchapter. 26 27 SECTION 29. Arkansas Code § 19-5-1148(b)(2)(A), concerning the 28 penalties assessed and collected under the Used Tire Recycling and 29 Accountability Act within the Used Tire Recycling Fund, is amended to read as 30 follows: 31 (A) Penalties assessed and collected under the Used Waste 32 Tire Recycling and Accountability Act, § 8-9-401 et seq.; 33 34 SECTION 30. Arkansas Code § 19-5-1148(c), concerning the use of the 35 moneys within the Used Tire Recycling Fund, is amended to read as follows: 36 (c)(1) At least ninety percent (90%) of the moneys available in the

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1 Used Tire Recycling Fund each fiscal year shall be used by the Division of 2 Environmental Quality Department of Finance and Administration to: 3 (A) provide Provide reimbursements to used waste tire 4 programs,; 5 (B) to administer Administer the Used Waste Tire Recycling 6 and Accountability Program,; and 7 (C) to perform Perform other duties under the Used Waste 8 Tire Recycling and Accountability Act, § 8-9-401 et seq. (2)(A) The department may provide the Director of the Division 9 10 of Environmental Quality may use not more than ten percent (10%) of funding 11 from the moneys available in the Used Tire Recycling Fund each fiscal year: 12 (A) (i) For waste tire site abatement aid; 13 (B) For the development, implementation, and maintenance 14 of the electronic uniform used tire manifest system; and 15 (C) To provide market and economic stimulus incentives 16 (ii) For capital improvements related to tire processing equipment. 17 (B) After the first full year of implementation and each 18 fiscal year after, the department shall report to Legislative Council, or to 19 the Joint Budget Committee if the General Assembly is in session, on the 20 funds to be provided to the division under this subdivision (c)(2). 21 22 SECTION 31. Arkansas Code § 19-6-301(104), concerning enumerated 23 special revenues collected as Division of Environmental Quality fees, is 24 amended to read as follows: 25 (104) All Division of Environmental Quality fees, unless otherwise provided by law, § 8-1-105, landfill operator license fees, § 8-6-26 27 909, and that portion of new tire waste tire recycling fees, § 8-9-404; 28 29 SECTION 32. Arkansas Code § 19-6-301(165), concerning the enumeration 30 of special revenues related to rim removal fees and import fees, is amended 31 to read as follows: 32 (165) That portion of rim removal tire recycling fees and import fees, § 8-9-404; 33 34 SECTION 33. DO NOT CODIFY. TEMPORARY LANGUAGE. 35 36 (a) A current tire district shall not enter into a new contract or

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1	extend an existing contract unless approved by the new tire accountability
2	zones created under this act.
3	(b)(1) The County Judges Association of Arkansas and the Arkansas
4	Municipal League shall assist the tire accountability zones by facilitating
5	an election for the tire accountability board required under Section 20 of
6	this act.
7	(2) The County Judges Association of Arkansas and the Arkansas
8	Municipal League shall facilitate the first election process within thirty
9	(30) days of the effective date of this act.
10	(3)(A) The County Judges Association of Arkansas and the
11	Arkansas Municipal League shall report the outcome of the tire accountability
12	board member elections of each tire accountability zone to the Arkansas
13	Pollution Control and Ecology Commission.
14	(B) The tire accountability board shall hold an
15	organizational meeting within thirty (30) days of the notification to the
16	commission required under subdivision (b)(3)(A) of this section.
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18	SECTION 34. EMERGENCY CLAUSE. It is found and determined by the
19	General Assembly of the State of Arkansas that the State of Arkansas is
20	responsible for the appropriate disposal of waste tires and for protecting
21	the public health and our shared environment; that discarded, uncollected,
22	and unprocessed waste tires are breeding habitats for disease-carrying
23	vectors and pose toxic-fume fire hazards; that it is more appropriate to
24	process waste tires rather than continue to exhaust our landfills and
25	monofills; that the tire processing capacity within the State of Arkansas is
26	at capacity and is not sufficient to address our waste tire responsibility;
27	that transportation of the waste tires to neighboring states is too costly to
28	pursue; and that without increasing the capacity for processing tires within
29	the State of Arkansas, a public health and safety emergency exists.
30	Therefore, an emergency is declared to exist, and this act being immediately
31	necessary for the preservation of the public peace, health, and safety shall
32	become effective on:
33	(1) The date of its approval by the Governor;
34	(2) If the bill is neither approved nor vetoed by the Governor,
35	the expiration of the period of time during which the Governor may veto the
36	<u>bill; or</u>

1	(3) If the bill is vetoed by the Governor and the veto is
2	overridden, the date the last house overrides the veto.
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