

HOUSE BILL No. 5338

December 7, 1989, Introduced by Rep. Kosteva and referred to the Committee on Conservation, Recreation and Environment.

A bill to encourage the reuse of scrap tires; to impose a tire disposal surcharge; to create a fund and provide for its use; to prescribe the powers and duties of certain state agencies and officials; to repeal certain parts of this act on a specific date; and to repeal this act on a specific date.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "tire recovery act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of natural resources.

5 (b) "Fund" or "tire recovery fund" means the tire recovery
6 fund created in section 4.

7 (c) "Person" means an individual, partnership, corporation,
8 association, governmental entity, or any other legal entity.

1 (d) "Scrap tire processor" means a person engaged in the
2 business of storing, buying, or otherwise acquiring scrap tires,
3 and reducing their volume by shredding or otherwise facilitating
4 recycling or resource recovery techniques for scrap tires. A
5 scrap tire processor includes a person who, in addition to pro-
6 cessing the scrap tires, incinerates the tires or converts the
7 tires into a product or another end use.

8 (e) "Vehicle" means that term as it is defined in the
9 Michigan vehicle code, Act No. 300 of the Public Acts of 1949,
10 being sections 257.1 to 257.923 of the Michigan Compiled Laws.

11 Sec. 3. (1) Each person who is required to register a vehi-
12 cle under the Michigan vehicle code, Act No. 300 of the Public
13 Acts of 1949, being sections 257.1 to 257.923 of the Michigan
14 Compiled Laws, shall pay a \$1.00 tire disposal surcharge for each
15 vehicle that person registers. The surcharge shall be collected
16 by the secretary of state at the time that the vehicle is
17 registered.

18 (2) The secretary of state shall transmit all money col-
19 lected under this section to the state treasurer for deposit into
20 the tire recovery fund.

21 Sec. 4. (1) The tire recovery fund is created in the state
22 treasury. The fund shall receive money as provided in this act
23 and as otherwise provided by law and any gifts or contributions
24 to the fund.

25 (2) The state treasurer shall direct the investment of the
26 fund. Interest and earnings of the fund shall be credited to the

1 fund. Money in the fund at the close of the fiscal year shall
2 remain in the fund and shall not revert to the general fund.

3 (3) Money in the fund shall be expended only as follows and
4 in the following order of priority:

5 (a) Not more than 8% of the money in the fund shall be
6 expended annually for administrative costs.

7 (b) Not more than 10% of the money in the fund shall be
8 expended annually for the cleanup of abandoned scrap tires on
9 state land.

10 (c) Not more than 20% of the money in the fund at the end of
11 each calendar quarter shall be expended for subsidies to tire
12 retreaders. A subsidy awarded under this subdivision shall not
13 exceed \$1.00 per tire retreaded and sold. A subsidy is not
14 available under this subdivision for tires retreaded for use on
15 semitrailers or truck tractors as those terms are defined in the
16 Michigan vehicle code, Act No. 300 of the Public Acts of 1949,
17 being sections 257.1 to 257.923 of the Michigan Compiled Laws.

18 (d) Not more than 65% of the money in the fund at the end of
19 each calendar quarter shall be expended for subsidies to scrap
20 tire processors who produce and sell crumb rubber. A subsidy
21 under this subdivision shall not exceed \$30.00 per ton of crumb
22 rubber sold. However, if a person processes scrap tires for con-
23 version into a product or into another end use produced by that
24 person, the subsidy shall be paid based upon the amount in tons
25 of scrap tires used. A subsidy is not available under this sub-
26 division for an end use that constitutes disposal.

1 (e) Not more than 65% of the money in the fund at the end of
2 each calendar quarter shall be expended for subsidies to persons
3 processing scrap tires for use as a source of fuel. A subsidy
4 under this subdivision shall not exceed \$15.00 per ton of pro-
5 cessed scrap tires sold. However, if a person processes scrap
6 tires for incineration in an incinerator owned by that person,
7 the subsidy shall be paid based upon the amount in tons of tires
8 incinerated.

9 (4) Within 1 week after the close of each calendar quarter,
10 the state treasurer shall notify the department of the amount of
11 money in the fund.

12 Sec. 5. A subsidy under this act is only available for the
13 retreading or processing of tires that were used in this state
14 prior to their disposal in this state.

15 Sec. 6. (1) A scrap tire processor or a person in the busi-
16 ness of retreading tires who wishes to be eligible to receive a
17 subsidy pursuant to this act shall register with the department
18 on a form provided by the department and containing the informa-
19 tion required by the department. A registration under this sec-
20 tion shall be valid for the calendar year in which it was
21 issued.

22 (2) Each registration under this section shall be accom-
23 panied by a registration fee of \$200.00. The department shall
24 transmit all money it receives under this section to the state
25 treasurer for deposit into the tire recovery fund.

26 Sec. 7. (1) Beginning in the year 1991, subsidies under
27 this act shall be awarded quarterly on a calendar year basis.

1 Not later than April 15, July 15, October 15, or January 15, an
2 applicant may submit an application for a subsidy to the depart-
3 ment on a form provided by the department. If an application is
4 received after April 15, July 15, October 15, or January 15, the
5 applicant shall not be eligible to receive a subsidy in that cal-
6 endar quarter. The applicant shall provide the department with
7 all of the following information:

8 (a) Name and address of the applicant.

9 (b) Quantity of tires retreaded, if applicable.

10 (c) Amount of scrap tires in tons processed, as applicable.

11 (d) Whether processed scrap tires were sold, incinerated, or
12 converted into a product or other end use.

13 (e) Name and address of the person purchasing the processed
14 scrap tires, if applicable.

15 (f) Source of the tires including the name and address of
16 the person who transported the tires to the applicant and the
17 supplier of the tires.

18 (g) Documentation satisfactory to the department that the
19 tires were used in this state prior to their disposal in this
20 state.

21 (h) A calculation of the maximum subsidy for which the
22 applicant is eligible.

23 (i) Other information as required by the department.

24 (j) Certification by the applicant that the information pro-
25 vided under this section is accurate.

26 (2) Within 45 days after the end of each calendar quarter,
27 the department shall verify each application for a subsidy under

1 this act, calculate the amount of subsidy each applicant
2 qualifies for, and forward the name and address of each applicant
3 and the amount of subsidy they qualify for to the state
4 treasurer. Subsidies awarded under this act shall be the maximum
5 that is allowed as provided in section 4(3) unless there is
6 insufficient money in the fund allocated for that use. If there
7 is insufficient money in the fund for an allocated use to pay the
8 maximum subsidy, the department shall determine the amount of the
9 subsidy by dividing the total allocated amount by the quantity of
10 tires or tons that qualify for a subsidy, as applicable, submit-
11 ted by approved applicants.

12 (3) Within 80 days after the end of each calendar quarter,
13 the state treasurer shall pay to each applicant the amount of
14 subsidy for which he or she qualifies.

15 Sec. 8. The department may promulgate rules pursuant to the
16 administrative procedures act of 1969, Act No. 306 of the Public
17 Acts of 1969, being sections 24.201 to 24.328 of the Michigan
18 Compiled Laws, as are necessary to implement this act.

19 Sec. 9. (1) A person who fails to pay the tire disposal
20 surcharge imposed under this act is subject to a civil fine of
21 \$100.00.

22 (2) A person who submits an application for a subsidy under
23 this act that contains false or misleading information is subject
24 to a civil fine in an amount equal to 3 times the amount of sub-
25 sidy for which the applicant applied.

26 (3) The attorney general may institute an action to recover
27 a civil fine under this section. A default in the payment of a

1 civil fine or costs ordered under this act or an installment of
2 the fine or costs may be remedied by any means authorized under
3 the revised judicature act of 1961, Act No. 236 of the Public
4 Acts of 1961, being sections 600.101 to 600.9947 of the Michigan
5 Compiled Laws.

6 Sec. 10. This act shall take effect January 1, 1991.

7 Sec. 11. Section 3 is repealed upon the expiration of 7
8 years after its effective date.

9 Sec. 12. This act is repealed upon the expiration of 8
10 years after its effective date.

11 Sec. 13. This act shall not take effect unless all of the
12 following bills of the 85th Legislature are enacted into law:

13 (a) Senate Bill No. _____ or House Bill No. 5359 (request
14 no. 03696'89 a).

15 (b) House Bill No. 4068.