

HOUSE BILL No. 4068

February 2, 1989, Introduced by Reps. Trim, Bärtnik, Hollister, DeMars, Cuwina, Sikkema, Honigman, Sparks, Bandstra, Dolan, Ostling, Knight, Mathieu, Ciaramitaro, Hickner, DeBeaussaert and Owen and referred to the Committee on Conservation, Recreation and Environment.

A bill to provide a comprehensive approach to the problem of accumulations of tires; to regulate the collection, storage, and disposal of certain tires; to levy a product charge on purchasers of new tires; to provide for the levy, assessment, and collection of the product charge; to create a tire recovery fund to fund certain activities addressing the problems of accumulations of scrap tires; to prescribe the powers and duties of certain state agencies; to prescribe penalties; and to repeal certain parts of 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 "scrap tire regulatory act".

3 Sec. 2. As used in this act:

1 (a) "Collection site" means a site, other than a disposal
2 area that is a sanitary landfill, that contains either of the
3 following:

4 (i) One or more pieces of adjacent real property where 500
5 or more scrap tires are accumulated and that is not associated
6 with a retail operation as provided in subparagraph (ii).

7 (ii) One or more pieces of adjacent real property where
8 1,500 or more scrap tires are accumulated if that property is
9 adjacent to and owned by a person who is in the business of sell-
10 ing tires at retail.

11 (b) "Commission" means the commission of natural resources.

12 (c) "Department" means the department of natural resources.

13 (d) "Fund" means the tire recovery fund created in
14 section 11.

15 (e) "Local unit of government" means a city, village, town-
16 ship, or county.

17 (f) "Panel" means the tire recovery advisory panel created
18 in section 13.

19 (g) "Person" means an individual, partnership, corporation,
20 association, or other legal entity.

21 (h) "Scrap tire" means a tire that is no longer being used
22 for its original intended purpose.

23 (i) "Scrap tire processor" means a person engaged in the
24 business of storing, buying, or otherwise acquiring scrap tires,
25 to reduce their volume by shredding or otherwise to facilitate
26 recycling or resource recovery techniques for scrap tires.

1 (j) "Tire" means a continuous solid or pneumatic rubber
2 covering encircling the wheel of a tractor, other farm machinery,
3 or a vehicle.

4 (k) "Tire resource recovery" means the processing or col-
5 lecting of scrap tires so as to produce materials or energy that
6 may be used in manufacturing, agriculture, heat production, or
7 other productive processes or purposes designed to reuse materi-
8 als or products or to conserve natural resources.

9 (l) "Tire storage area" means a location within a collection
10 site where tires are accumulated.

11 (m) "Vehicle" means every device in, upon, or by which any
12 person or property is or may be transported or drawn upon a high-
13 way, excepting devices exclusively moved by human power or used
14 exclusively upon stationary rails or tracks and excepting a
15 mobile home as defined in section 2 of the mobile home commission
16 act, Act No. 96 of the Public Acts of 1987, being section
17 125.2302 of the Michigan Compiled Laws.

18 Sec. 3. A person shall not discard a tire on any property,
19 other than property owned by that person, without the written
20 permission of the person who owns the property.

21 Sec. 4. (1) Beginning 2 years after the effective date of
22 this act, a person who accumulates less than 2,500 scrap tires at
23 a collection site that are not stored in a building shall comply
24 with all of the following:

25 (a) Only tires shall be accumulated in a tire storage area.

1 (b) The tires shall be accumulated in piles no greater than
2 15 feet in height with horizontal dimensions no greater than 200
3 by 40 feet.

4 (c) The tires shall not be within 20 feet of the property
5 line or within 60 feet of a building or structure.

6 (d) The tires shall be maintained in a manner that limits
7 the potential of mosquito breeding by complying with 1 or more of
8 the following:

9 (i) The tires shall be covered by plastic sheets or other
10 impermeable barriers to prevent the accumulation of
11 precipitation.

12 (ii) The tires shall be chemically treated to eliminate mos-
13 quito breeding.

14 (iii) The tires shall be shredded or chipped into pieces no
15 larger than 4 inches by 6 inches and stored in piles which allow
16 complete water drainage.

17 (e) There shall be a minimum separation of 20 feet between
18 tire piles. The open space between tire piles shall at all times
19 be free of rubbish, equipment, and other materials.

20 (f) Tire piles shall be accessible to fire fighting equip-
21 ment on all sides.

22 (g) The person accumulating the tires shall maintain a
23 surety bond in favor of the state in an amount, as determined by
24 the department, sufficient to cover the cost of removing the
25 tires from the collection site in the case of an emergency at the
26 collection site or the insolvency of the person accumulating the
27 tires.

1 (2) Beginning 2 years after the effective date of this act,
2 a person who accumulates at least 2,500 but less than 100,000
3 scrap tires at a collection site that are not stored in a build-
4 ing shall comply with all of the following:

5 (a) All of the requirements of subsection (1).

6 (b) The area in which the tires are accumulated shall be
7 completely enclosed with a fence that is at least 6 feet tall and
8 has lockable gates.

9 (c) An earthen berm not less than 5 feet in height shall be
10 positioned outside of the fence in which the tires are enclosed.

11 (d) The collection site shall contain sufficient drainage so
12 that water does not pool or collect on the property.

13 (e) The approach road to the tire storage area and access
14 road to the tire storage area shall be of all-weather construc-
15 tion and maintained in good condition so that it is passable at
16 all times for fire fighting equipment vehicles.

17 (f) Tire storage areas shall be mowed regularly or kept free
18 of weeds, vegetation, and other growth at all times.

19 (g) An emergency procedures plan shall be prepared and dis-
20 played at the collection site. The plan shall include telephone
21 numbers of the local fire and police departments. The plan shall
22 be reviewed by the local fire department prior to being posted.

23 (3) Beginning 2 years after the effective date of this act,
24 a person who accumulates 100,000 or more scrap tires at a collec-
25 tion site that are not stored in a building shall comply with all
26 of the requirements of subsections (1) and (2) and that person
27 must operate as a scrap tire processor.

1 Sec. 5. (1) Beginning in the year 1990, a person who owns a
2 collection site shall annually register with the department. The
3 registration shall be on a form provided by the department and
4 shall contain information as required by the department.

5 (2) Beginning in the year 1990, a person who is in the busi-
6 ness of transporting scrap tires shall annually register with the
7 department. The registration shall be on a form provided by the
8 department, and shall contain information as required by the
9 department.

10 (3) Beginning in the year 1990, a \$200.00 registration fee
11 shall accompany each annual registration under this section. The
12 department shall deposit money collected under this section into
13 the state treasury to be credited to the general fund.

14 Sec. 6. There is hereby levied upon and there shall be col-
15 lected from a person who purchases a new tire a product charge of
16 \$1.00 per tire.

17 Sec. 7. (1) The product charge imposed and levied under
18 this act shall be collected at the same time and in the same
19 manner as the general sales tax pursuant to the general sales tax
20 act, Act No. 167 of the Public Acts of 1933, being sections
21 205.51 to 205.78 of the Michigan Compiled Laws, or the use tax
22 act, Act No. 94 of the Public Acts of 1937, being sections 205.91
23 to 205.111 of the Michigan Compiled Laws, whichever is
24 applicable. The department of treasury shall develop reporting
25 forms to document product charges imposed upon those persons not
26 required to file under either of the acts described in this
27 subsection.

1 (2) For tires sold attached to or within a motor vehicle,
2 the product charge levied under this act shall be collected along
3 with, and in the same manner as, the general sales tax under
4 section 815 of the Michigan vehicle code, Act No. 300 of the
5 Public Acts of 1949, being section 257.815 of the Michigan
6 Compiled Laws, or the use tax under section 814 of Act No. 300 of
7 the Public Acts of 1949, being section 257.814 of the Michigan
8 Compiled Laws, whichever is applicable.

9 (3) The product charge levied under this act shall be admin-
10 istered by the revenue division of the department of treasury
11 pursuant to Act No. 122 of the Public Acts of 1941, being sec-
12 tions 205.1 to 205.31 of the Michigan Compiled Laws.

13 (4) A person liable for collecting a product charge under
14 this act may retain 25% of the product charge as compensation for
15 administering the collection of the product charge.

16 Sec. 8. The product charge levied under this act shall not
17 apply to a person who purchases for resale a new tire or a vehi-
18 cle with tires attached.

19 Sec. 9. A person liable under section 7 for collecting the
20 product charge levied under this act who is at the same time
21 engaged in other business not covered by this act shall keep sep-
22 arate records of the transactions upon which the product charge
23 created under this act is levied.

24 Sec. 10. The department of treasury shall deposit the pro-
25 ceeds from the product charge levied under this act into the
26 state treasury to the credit of the tire recovery fund created in
27 section 11.

1 Sec. 11. (1) The tire recovery fund is created in the state
2 treasury. The fund shall consist of deposits into this fund pur-
3 suant to this or any other act, appropriations from the general
4 fund or any other fund, and any gifts or donations to the fund.

5 (2) The state treasurer shall direct the investment of the
6 fund. Interest and earnings of the fund shall be credited to the
7 fund.

8 (3) Money in the fund at the close of the fiscal year shall
9 remain in the fund and shall not revert to the general fund.

10 Sec. 12. Money from the tire recovery fund shall be appro-
11 priated by the legislature to the commission for the following
12 purposes only:

13 (a) To provide grants to the owners of collection sites that
14 are geographically and demographically distributed throughout the
15 state to assist them in their efforts to bring the collection
16 sites into compliance with this act. A grant issued pursuant to
17 this subdivision shall not exceed 75% of the cost of bringing a
18 collection site into compliance with this act and shall not
19 exceed \$250,000.00.

20 (b) To provide grants to fund up to 100% of certain research
21 and marketing projects that are designed to facilitate or enhance
22 tire resource recovery. A grant issued pursuant to this subdivi-
23 sion shall not exceed \$1,000,000.00. The commission shall con-
24 sider the following factors in selecting recipients of these
25 grants:

26 (i) Whether the research or marketing program has measurable
27 objectives.

1 (ii) The type and extent of follow-up or evaluation, or
2 both, to be conducted.

3 (iii) The likelihood that the research or marketing program
4 would result in feasible new technology, or useful new marketing
5 techniques, to facilitate tire resource recovery.

6 (c) To provide grants to fund up to 50% of the cost of cer-
7 tain capital and operational expenses of scrap tire processors
8 that are related to tire resource recovery. A grant issued pur-
9 suant to this subdivision shall not exceed \$200,000.00. The com-
10 mission shall consider the following factors in selecting recip-
11 ients of these grants:

12 (i) The extent to which the grant contributes to a balanced
13 geographic and demographic distribution of grants throughout the
14 state.

15 (ii) The extent to which the applicant demonstrates that
16 land, buildings, support services, or funds, other than grants
17 received pursuant to this act, have been or will be committed to
18 the tire resource recovery program.

19 (iii) The extent to which the applicant provides either a
20 feasibility study with positive results supportive of project
21 initiation or sufficient data justifying project expansion or
22 continuation.

23 (iv) The likelihood that a grant would succeed as indicated
24 by the feasibility study results or the other data provided by
25 the applicant.

26 (d) To provide grants to local units of government of up to
27 100% of the cost of bringing collection sites into compliance

1 with the scrap tire regulatory act or funding tire resource
2 recovery efforts.

3 (e) To be used by the department of natural resources to
4 bring collection sites into compliance with this act or to fund
5 tire resource recovery efforts.

6 Sec. 13. (1) The tire recovery advisory panel is created in
7 the department. The panel shall consist of 5 individuals
8 appointed by the governor as follows:

9 (a) One member of the commission as chairperson of the
10 panel.

11 (b) One individual representing tire retailers.

12 (c) One individual representing tire dealers.

13 (d) One individual representing service station dealers.

14 (e) One individual representing local units of government.

15 (2) A member of the panel shall serve for a term of 2
16 years. However, of the members first appointed, 2 shall be
17 appointed for terms of 3 years.

18 (3) The panel shall meet at the call of the chairperson.

19 (4) The panel shall review applications for grants under
20 this act and shall make recommendations to the commission.

21 (5) Members of the advisory panel and relatives and business
22 associates of the members of the panel shall not be eligible for
23 grants made under this act.

24 Sec. 14. (1) A person who violates this act is guilty of a
25 misdemeanor, punishable by imprisonment for not more than 90
26 days, or a fine of not more than \$500.00, or both. A law

1 enforcement officer or a conservation officer may issue an
2 appearance ticket to a person who is in violation of this act.

3 (2) Each day that a violation continues shall constitute a
4 separate violation.

5 Sec. 15. (1) Within 6 months after the effective date of
6 this act, the department shall compile a list of all locations in
7 the state where 500 or more scrap tires have been accumulated,
8 and identify the owners of the property at these locations.

9 (2) Within 1 year after the effective date of this act, the
10 department shall notify the owners of the property identified in
11 subsection (1) of the following:

12 (a) The existence of this act.

13 (b) The property owners' responsibilities under this act.

14 (c) The penalty provision in this act.

15 (3) The failure of a property owner to receive notice as
16 provided under this section does not relieve him or her of
17 responsibility under this act.

18 Sec. 16. Within 5 years after the effective date of this
19 act, the department shall report to the legislature on the
20 following:

21 (a) The effectiveness of the act and whether the department
22 recommends any changes in the act.

23 (b) The volume of tires that are being deposited in land-
24 fills and whether the department recommends banning tires from
25 landfills in the future.

1 Sec. 17. Sections 6 to 13 of this act are repealed
2 effective upon the expiration of 5 years after the date of its
3 enactment.