



HOUSE BILL No. 5237

December 10, 1993, Introduced by Reps. Harrison, Points, Parks and Willard and referred to the Committee on Conservation, Environment and Great Lakes.

A bill to amend the title and sections 2, 3a, and 6 of Act No. 133 of the Public Acts of 1990, entitled "Scrap tire regulatory act," sections 2 and 6 as amended and section 3a as added by Act No. 209 of the Public Acts of 1993, being sections 299.562, 299.563a, and 299.566 of the Michigan Compiled Laws; and to add sections 7a, 7b, and 7c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 2, 3a, and 6 of Act
2 No. 133 of the Public Acts of 1990, sections 2 and 6 as amended
3 and section 3a as added by Act No. 209 of the Public Acts of
4 1993, being sections 299.562, 299.563a, and 299.566 of the
5 Michigan Compiled Laws, are amended and sections 7a, 7b, and 7c
6 are added to read as follows:

TITLE

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An act to regulate the storage and disposal of certain tires; to regulate certain transactions related to certain tires; to provide for the registration of certain scrap tire haulers; to create a fund and provide for its use; TO PROVIDE FOR CERTAIN SURCHARGES; to prescribe the powers and duties of certain state agencies and officials; and to prescribe penalties.

Sec. 2. As used in this act:

(a) "Bond" means a performance bond from a surety company authorized to transact business in this state, a certificate of deposit, a cash bond, or an irrevocable letter of credit, in favor of the director.

(B) "CLEANUP FUND" MEANS THE SCRAP TIRE CLEANUP FUND CREATED IN SECTION 7C.

(C) ~~(b)~~ "Collection site" means a site, other than a landfill, a racecourse, or a feed storage location that contains either of the following:

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

(ii) One or more pieces of adjacent real property where 1,500 or more scrap tires are accumulated if that property is adjacent to and owned or leased by a person who is a retailer.

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

(E) ~~(d)~~ "Feed storage location" means a location on 1 or more pieces of adjacent real property containing a commercially

1 operated farming operation where not more than 3,000 scrap tires
2 are used for the purpose of securing stored feed.

3 (F) ~~(e)~~ "Fund" means the scrap tire regulatory fund cre-
4 ated in section 9.

5 (G) ~~(f)~~ "Landfill" means that term as it is defined in the
6 solid waste management act, Act No. 641 of the Public Acts of
7 1978, being sections 299.401 to 299.437 of the Michigan Compiled
8 Laws.

9 (H) "OFFICE" MEANS THE OFFICE OF SCRAP TIRE MANAGEMENT CRE-
10 ATED IN SECTION 7A.

11 (I) ~~(g)~~ "Person" means an individual, partnership, corpo-
12 ration, association, governmental entity, or other legal entity.

13 (J) ~~(h)~~ "Racecourse" means a commercially operated track
14 for go-carts, vehicles, off-road recreational vehicles, or motor-
15 cycles that uses not more than 3,000 scrap tires for bumpers
16 along the track for safety purposes.

17 (K) ~~(i)~~ "Retailer" means a person who sells or offers for
18 sale new, retreaded, or remanufactured tires to consumers in this
19 state.

20 (L) ~~(j)~~ "Scrap tire" means a tire that is no longer being
21 used for its original intended purpose. Scrap tire does not
22 include a vehicle support stand.

23 (M) ~~(k)~~ "Scrap tire hauler" means a person who, as part of
24 a commercial business, transports scrap tires, other than a solid
25 waste hauler as defined in Act No. 641 of the Public Acts of
26 1978, who transports 7 or fewer scrap tires along with other
27 solid waste in any truckload.

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

8 (O) ~~(M)~~ "Tire" means a continuous solid or pneumatic
9 rubber covering encircling the wheel of a tractor, other farm
10 machinery, or a vehicle.

11 (P) "TIRE SHREDDING CENTER" MEANS A REGIONAL TIRE SHREDDING
12 CENTER DESIGNATED PURSUANT TO SECTION 7A.

13 (Q) ~~(N)~~ "Tire storage area" means a location within a col-
14 lection site where tires are accumulated.

15 (R) ~~(O)~~ "Vehicle" means every device in, upon, or by which
16 any person or property is or may be transported or drawn upon a
17 highway, excepting devices exclusively moved by human power or
18 used exclusively upon stationary rails or tracks and excepting a
19 mobile home as defined in section 2 of the mobile home commission
20 act, Act No. 96 of the Public Acts of 1987, being section
21 125.2302 of the Michigan Compiled Laws.

22 (S) ~~(P)~~ "Vehicle support stand" means equipment used to
23 support a stationary vehicle consisting of an inflated tire and
24 wheel that is attached to another wheel.

25 Sec. 3a. (1) A retailer who receives scrap tires in this
26 state shall dispose of the scrap tires at a TIRE SHREDDING
27 CENTER, AT A registered scrap tire collection site, at a licensed

1 landfill, or by contracting with a scrap tire hauler who is
2 registered pursuant to section 6.

3 (2) A retailer shall maintain records indicating the number
4 of scrap tires and the final disposition of scrap tires disposed
5 of under subsection (1). These records shall be maintained for a
6 period of 5 years and shall be made available, upon request, to
7 the department or to a law enforcement officer at reasonable
8 hours.

9 Sec. 6. (1) By January 31 of each year, a scrap tire hauler
10 shall annually register with the department on a form provided
11 by, and containing the information required by, the department.
12 A scrap tire hauler who does not provide all of the information
13 required by the department shall not be considered registered
14 under this act.

15 (2) A scrap tire hauler when transporting scrap tires shall
16 have in his or her possession a copy of the current unexpired
17 scrap tire hauler registration and shall present it upon demand
18 of a peace officer. The scrap tire hauler registration number
19 issued by the department shall be visibly displayed on a vehicle
20 transporting scrap tires.

21 (3) A scrap tire hauler shall maintain a record of each load
22 of scrap tires he or she transports on forms approved by the
23 department. These records shall be maintained for a period of 5
24 years and shall be made available, upon request, to the depart-
25 ment or to a peace officer at reasonable hours. These records
26 shall contain at least the following information:

1 (a) The name, address, telephone number, authorized
2 signature, and registration number of the scrap tire hauler.

3 (b) The name, address, telephone number, and authorized sig-
4 nature of the person who contracts for the removal of the scrap
5 tires.

6 (c) The date of removal, number of scrap tires, and intended
7 final destination of the scrap tires.

8 (4) A scrap tire hauler shall not dispose of scrap tires at
9 a ~~site~~ FINAL DESTINATION other than the ~~site~~ FINAL
10 DESTINATION identified on the record required by subsection (3).

11 (5) The original record as required by subsection (3) shall
12 be in the possession of the scrap tire hauler during the actual
13 transportation of the scrap tires. A copy of the record provided
14 for in subsection (3) shall be provided to the person who con-
15 tracts for the removal of scrap tires at the time of removal of
16 the tires from the originating site. A copy shall also be pro-
17 vided to the TIRE SHREDDING CENTER, registered scrap tire collec-
18 tion site, or licensed landfill to which the scrap tires are
19 delivered at the time of delivery.

20 (6) A person who contracts for the removal of scrap tires
21 shall contract with a scrap tire hauler who is registered under
22 subsection (1).

23 SEC. 7A. (1) THE OFFICE OF SCRAP TIRE MANAGEMENT IS CREATED
24 AS AN INDEPENDENT AUTONOMOUS AGENCY WITHIN THE DEPARTMENT OF
25 COMMERCE.

26 (2) THE OFFICE SHALL DO ALL OF THE FOLLOWING:

1 (A) UPON APPLICATION, DESIGNATE REGIONAL TIRE SHREDDING
2 CENTERS IN THE STATE. THESE CENTERS SHALL BE GEOGRAPHICALLY
3 DISTRIBUTED THROUGHOUT THE STATE AND SHALL BE CAPABLE OF ELIMI-
4 NATING STOCKPILES OF SCRAP TIRES WITHIN THEIR REGIONS, OF RECEIV-
5 ING SCRAP TIRES GENERATED WITHIN THEIR REGIONS, AND OF SHREDDING
6 TIRES RECEIVED AND CREATING CRUMB RUBBER.

7 (B) ASSURE THE CREATION OF AT LEAST 2 15-MEGAWATT ELECTRIC
8 GENERATING INCINERATORS WITHIN THE STATE THAT INCINERATE ONLY
9 SCRAP TIRES.

10 (C) ASSIST OWNERS AND OPERATORS OF COLLECTION SITES OR OTHER
11 PERSONS IN ESTABLISHING AND EQUIPPING TIRE SHREDDING CENTERS.

12 (D) SERVE AS A BROKER FOR CRUMB RUBBER AND STEEL PRODUCED AT
13 TIRE SHREDDING CENTERS. ALL MONEY RECEIVED FROM THE SALE OF
14 CRUMB RUBBER AND STEEL SHALL BE DEPOSITED IN THE CLEANUP FUND.

15 (3) UPON DESIGNATION AS A TIRE SHREDDING CENTER UNDER
16 SUBSECTION (2), A TIRE SHREDDING CENTER SHALL ACCEPT SCRAP TIRES
17 ORIGINATING WITHIN THIS STATE FROM ANY PERSON AND SHALL PAY THAT
18 PERSON 50 CENTS FOR EACH SCRAP TIRE DELIVERED TO THE TIRE SHRED-
19 DING CENTER.

20 SEC. 7B. (1) A TIRE DISPOSAL SURCHARGE IS IMPOSED UPON EACH
21 NEW TIRE SOLD FOR USE IN THIS STATE IN THE FOLLOWING AMOUNTS:

22 (A) \$1.25 FOR EACH CAR OR OFF-ROAD VEHICLE TIRE.

23 (B) \$3.00 FOR EACH TRUCK TIRE.

24 (C) \$5.00 FOR EACH COMMERCIAL EQUIPMENT TIRE.

25 (2) A PERSON WHO SELLS NEW TIRES OR NEW VEHICLES OR EQUIP-
26 MENT CONTAINING TIRES SHALL COLLECT THE SURCHARGE IMPOSED UNDER
27 SUBSECTION (1). MONEY COLLECTED PURSUANT TO THIS SECTION SHALL

1 BE FORWARDED TO THE STATE TREASURER IN A MANNER REQUIRED BY THE
2 STATE TREASURER AND CONTAINING DOCUMENTATION AS REQUIRED BY THE
3 STATE TREASURER. THE STATE TREASURER SHALL CREDIT ALL MONEY
4 RECEIVED PURSUANT TO THIS SECTION TO THE CLEANUP FUND.

5 SEC. 7C. (1) THE SCRAP TIRE CLEANUP FUND IS CREATED WITHIN
6 THE STATE TREASURY.

7 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS
8 FROM ANY SOURCE FOR DEPOSIT INTO THE CLEANUP FUND. THE STATE
9 TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE
10 TREASURER SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM
11 FUND INVESTMENTS.

12 (3) MONEY IN THE CLEANUP FUND AT THE CLOSE OF THE FISCAL
13 YEAR SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL
14 FUND.

15 (4) THE OFFICE SHALL EXPEND MONEY FROM THE FUND, UPON APPRO-
16 PRIATION, ONLY FOR THE FOLLOWING PURPOSES:

17 (A) NOT MORE THAN 8% OF THE MONEY RECEIVED BY THE CLEANUP
18 FUND FOR THE ADMINISTRATIVE EXPENSES OF THE OFFICE.

19 (B) FOR DISBURSEMENTS TO TIRE SHREDDING CENTERS AS FOLLOWS:

20 (i) TO REIMBURSE EACH TIRE SHREDDING CENTER \$1.00 FOR EACH
21 CAR AND OFF-ROAD VEHICLE TIRE RECEIVED BY THE CENTER.

22 (ii) TO REIMBURSE EACH TIRE SHREDDING CENTER \$2.00 FOR EACH
23 TRUCK TIRE RECEIVED BY THE CENTER.

24 (iii) TO REIMBURSE EACH TIRE SHREDDING CENTER \$5.00 FOR EACH
25 COMMERCIAL EQUIPMENT TIRE DELIVERED TO THE CENTER.

26 (iv) TO PURCHASE CRUMB RUBBER FROM TIRE SHREDDING CENTERS
27 FOR \$20.00 PER TON.

1 (v) TO PURCHASE STEEL PRODUCED BY THE TIRE SHREDDING CENTERS
2 FOR \$40.00 PER TON.
3 (5) ONLY SCRAP TIRES ORIGINATING IN THIS STATE ARE ELIGIBLE
4 FOR REIMBURSEMENT UNDER SUBSECTION (4)(B).