

SENATE SUBSTITUTE FOR

HOUSE BILL NO. 6235

(As amended December 8, 2004)

[A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending sections 16901 and 16908 (MCL 324.16901 and  
324.16908), as amended by 2002 PA 496, and by adding section 16908c.]

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 16901. As used in this part:

2       (a) "Abandoned scrap tires" means an accumulation of scrap  
3 tires on property where the property owner is not, as determined  
4 by the department, responsible in whole or in part for the  
5 accumulation of the scrap tires. For the purposes of this  
6 subdivision, an owner who purchased or willingly took possession  
7 of an existing scrap tire collection site shall be considered by  
8 the department to be responsible in whole or in part for the  
9 accumulation of the scrap tires.

10       (b) "Bond" means a performance bond from a surety company

1 authorized to transact business in this state, a certificate of  
2 deposit, a cash bond, or an irrevocable letter of credit, in  
3 favor of the department.

4 (c) "Capital expenditure" means an expenditure for land and  
5 improvements, transportation improvements, infrastructure  
6 improvements, or equipment acquisition intended to enhance or  
7 improve the overall value of scrap tires or scrap tire processed  
8 materials into a product of higher value.

9 (d) ~~—(e)—~~ "Collection site" means a site, other than a  
10 disposal area licensed under part 115, a racecourse, or a feed  
11 storage location, that contains any of the following:

12 (i) One or more pieces of adjacent real property where 500 or  
13 more scrap tires are accumulated and that is not associated with  
14 a retail operation as provided in subparagraph (ii), an  
15 automotive recycler as provided in subparagraph (iii), or a  
16 commercial contractor as provided in subparagraph (iv).

17 (ii) One or more pieces of adjacent real property where 1,500  
18 or more scrap tires are accumulated if that property is owned or  
19 leased by a person who is a retailer and is not associated with  
20 an automotive recycler as provided in subparagraph (iii).

21 (iii) One or more pieces of adjacent real property where  
22 2,500 or more scrap tires are accumulated if that property is  
23 owned or leased by a person who is an automotive recycler as  
24 defined in section 2a of the Michigan vehicle code, 1949 PA 300,  
25 MCL 257.2a.

26 (iv) One or more pieces of adjacent real property where more  
27 than 150 cubic yards of scrap tire processed material is

1 accumulated if that property is owned or leased by a commercial  
2 contractor that is authorized to use the scrap tire processed  
3 material as an aggregate replacement in a manner approved by a  
4 designation of inertness for scrap tires or is otherwise  
5 authorized for such use by the department under part 115.

6       **(e)** ~~—(d)—~~ "Department" means the department of environmental  
7 quality.

8       **(f)** ~~—(e)—~~ "End-user" means any of the following:

9       (i) A person who possesses a permit to burn tires under  
10 part 55.

11       (ii) The owner or operator of a landfill that is authorized  
12 under the landfill's operating license to use scrap tires.

13       (iii) A person who converts scrap tires into scrap tire  
14 processed material used to manufacture other products that are  
15 sold in the market but does not manufacture the products that are  
16 sold in the market.

17       **(g)** ~~—(f)—~~ "Feed storage location" means a location on 1 or  
18 more pieces of adjacent real property containing a commercially  
19 operated farming operation where not more than 3,000 scrap tires  
20 are used for the purpose of securing stored feed.

21       **(h)** ~~—(g)—~~ "Fund" means the scrap tire regulatory fund created  
22 in section 16908.

23       **(i)** ~~—(h)—~~ "Landfill" means a landfill as defined in  
24 section 11504 that is licensed under part 115.

25       **(j)** ~~—(i)—~~ "Racecourse" means a commercially operated track  
26 for go-carts, vehicles, off-road recreational vehicles, or  
27 motorcycles that uses not more than 3,000 scrap tires for bumpers

1 along the track for safety purposes.

2       **(k)** ~~-(j)-~~ "Retailer" means a person who sells or offers for  
3 sale new, retreaded, or remanufactured tires to consumers in this  
4 state.

5       **(l)** ~~-(k)-~~ "Scrap tire" means a tire that is no longer being  
6 used for its original intended purpose including, but not limited  
7 to, a used tire, a reusable tire casing, or portions of tires.  
8 Scrap tire does not include a vehicle support stand.

9       **(m)** ~~-(l)-~~ "Scrap tire hauler" means a person who, as part of  
10 a commercial business, transports scrap tires. Except as  
11 otherwise provided in this section, a person who transports more  
12 than 7 scrap tires in any truckload shall be considered to be in  
13 the commercial business of transporting scrap tires. Scrap tire  
14 hauler does not include any of the following:

15       (i) A person who is not operating a commercial business who  
16 is transporting his or her own tires to a location authorized in  
17 section 16902(1).

18       (ii) A member of a nonprofit service organization who is  
19 participating in a community service project and is transporting  
20 scrap tires to a location authorized in section 16902(1).

21       (iii) The owner of a farm as defined in section 2 of the  
22 Michigan right to farm act, 1981 PA 93, MCL 286.472, who  
23 transports only scrap tires that originated from his or her farm  
24 operation or ~~-is-~~ **are** intended for use in a feed storage  
25 location.

26       (iv) A solid waste hauler as defined in part 115 that is  
27 transporting solid waste to a disposal area licensed under part

1 115.

2       **(n)** ~~—(m)—~~ "Scrap tire processed material" means rubber  
3 material derived from tires that is marketable and no larger than  
4 2 inches by 2 inches in size. Scrap tire processed material also  
5 includes rubber material derived from tires that is larger than 2  
6 inches by 2 inches if the rubber material was produced by a scrap  
7 tire processor pursuant to a written contract that provides for  
8 the quantity and the quality of the material and a time frame in  
9 which the volume of material is to be provided, and the contract  
10 is made available to the department upon request.

11       **(o)** ~~—(n)—~~ "Scrap tire processor" means a person who is  
12 authorized by this part to accumulate scrap tires and is engaged  
13 in the business of buying or otherwise acquiring scrap tires and  
14 reducing their volume by shredding or otherwise facilitating  
15 recycling or resource recovery techniques for scrap tires.

16       **(p)** ~~—(o)—~~ "Scrap tire recycler" means a person who is  
17 authorized by this part to accumulate scrap tires, who acquires  
18 scrap tires, and who converts scrap tires into a product that is  
19 sold or reused in a manner authorized by this part.

20       **(q)** ~~—(p)—~~ "Solid waste hauler" means a solid waste hauler as  
21 defined in part 115 who transports less than 25% by weight or  
22 volume of scrap tires along with other solid waste in any  
23 truckload.

24       **(r)** ~~—(q)—~~ "Tire" means a continuous solid or pneumatic rubber  
25 covering encircling the wheel of a tractor or other farm  
26 machinery or of a vehicle.

27       **(s)** ~~—(r)—~~ "Tire storage area" means a location within a

1 collection site where tires are accumulated.

2       **(t)** ~~—(s)—~~ "Vehicle" means every device in, upon, or by which  
3 any person or property is or may be transported or drawn upon a  
4 highway, excepting devices exclusively moved by human power or  
5 used exclusively upon stationary rails or tracks and excepting a  
6 mobile home as defined in section 2 of the mobile home commission  
7 act, 1987 PA 96, MCL 125.2302.

8       **(u)** ~~—(t)—~~ "Vehicle support stand" means equipment used to  
9 support a stationary vehicle consisting of an inflated tire and  
10 wheel that is attached to another wheel.

11       Sec. 16908. (1) The scrap tire regulatory fund is created  
12 in the state treasury. The fund shall receive money as provided  
13 by law and any gifts or contributions to the fund. The state  
14 treasurer shall direct the investment of the fund. Interest and  
15 earnings of the fund shall be credited to the fund. Money in the  
16 fund at the close of the fiscal year shall remain in the fund and  
17 shall not revert to the general fund.

18       (2) Money in the fund shall be used, upon appropriation, for  
19 all of the following purposes:

20       (a) For administrative costs of the department associated  
21 with this part including the implementation and enforcement of  
22 this part. However, money shall not be expended under this  
23 subdivision ~~for the employment of~~ **to fund** more than ~~the~~  
24 ~~following~~:

25       ~~—— (i) For state fiscal year 2002, 13.5 full-time equated~~  
26 ~~positions.~~

27       ~~—— (ii) For state fiscal year 2003, 12 full-time equated~~

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1 ~~positions.~~

2 ~~—— (iii) For state fiscal year 2004 and each subsequent state~~  
3 ~~fiscal year, 11 full-time equated positions.~~

4 (b) For the administrative costs of the secretary of state  
5 associated with the collection of the tire disposal surcharge  
6 pursuant to section 806 of the Michigan vehicle code, 1949  
7 PA 300, MCL 257.806.

8 (c) For the cleanup or collection of abandoned scrap tires  
9 and scrap tires at collection sites. The department shall give  
10 priority to funding activities under this subdivision at  
11 collection sites in which the scrap tires were accumulated prior  
12 to January 1, 1991 and to collection sites that pose an imminent  
13 threat to public health, safety, welfare, or the environment.  
14 The department shall make every effort to assure that all  
15 abandoned scrap tires accumulated at collection sites prior to  
16 January 1, 1991 are cleaned up or collected by September 31,  
17 2009. **Not more than \$100,000.00 of the money expended under this**  
18 **subdivision each year shall be expended for grants to end-users**  
19 **who receive scrap tires or tire chips. However, as a condition**  
20 **of such a grant under this subdivision, an end-user who receives**  
21 **the grant shall agree to purchase 1 ton of scrap tires or tire**  
22 **chips for every 1 ton of scrap tires or tire chips received as a**  
23 **result of the grant. The purchases shall be at the minimum rate**  
24 **of the established statewide market price.**

25 ~~(3) Money expended under subsection (2)(c) may be expended~~  
26 ~~for both of the following:~~

27 (d) ~~(a) [Not more than \$500,000.00 each year for~~

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1 ~~reimbursement grants to users of scrap tire processed material~~  
2 ~~to support the development of~~  
3 ~~increased markets for scrap tire material other than tire derived~~  
4 ~~fuel usage.]~~ A grant issued under this ~~subsection~~ **subdivision**  
5 shall be for projects that demonstrate new uses for scrap tire  
6 processed material in manufactured products, such as placement of  
7 scrap tire processed material in modified asphalt, molded rubber  
8 products, extruded rubber products, and aggregate replacement  
9 materials. A grant under this subdivision shall reimburse the  
10 scrap tire processed material user up to 50% of the **amount of the**  
11 **capital expenditure.** ~~cost of purchasing scrap tire processed~~  
12 ~~material, but shall not exceed a reimbursed cost of \$50.00 per~~  
13 ~~ton. However, the scrap tire processed material purchased shall~~  
14 ~~be purchased from Michigan scrap tire processors that produce~~  
15 ~~scrap tire processed material under a grant issued under~~  
16 ~~subsection (2)(c).~~  
17 ~~—— (b) For grants to end users who receive scrap tires or tire~~  
18 ~~chips. However, as a condition of a grant under this~~  
19 ~~subdivision, an end user who receives a grant under this~~  
20 ~~subdivision shall agree to purchase 1 ton of scrap tires or tire~~  
21 ~~chips for every 1 ton of scrap tires or tire chips received as a~~  
22 ~~result of the grant. The purchases shall be at the minimum rate~~  
23 ~~of the established statewide market price.~~  
24 **(3) —(4)—** Applications for grants under subsection ~~—(3)—~~  
25 **(2)(d)** shall be submitted on a form approved by the department  
26 and containing the information required by the department. For  
27 grants under subsection ~~—(3)(a)—~~ **(2)(d)**, the department shall



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1 publish criteria upon which the grants will be issued and shall  
2 make that information available to grant applicants.

3       (4) ~~—(5)—~~ Not later than ~~—4 years after the effective date of~~  
4 ~~the amendatory act that added this subsection—~~ **July 3, 2006**, the  
5 department shall prepare an assessment of the impact that the  
6 grants under subsection ~~—(3)(a)—~~ **(2)(d)** have had on the reduction  
7 in the surplus of scrap tires in the state and on the  
8 establishment of new end uses for scrap tires. A copy of this  
9 assessment shall be provided to the standing committees of the  
10 senate and the house of representatives with jurisdiction over  
11 subject matter pertaining to natural resources and the  
12 environment.

13       (5) ~~—(6)—~~ The department shall annually report to the  
14 standing committees of the senate and house of representatives  
15 with jurisdiction over subject matter pertaining to natural  
16 resources and the environment on the utilization of revenues of  
17 the fund.

[Sec. 16908c. (1) A person who sells new tires at retail in the normal course of business shall collect a tire disposal surcharge of 75 cents for each new tire sold. The person shall forward revenue collected under this section to the state treasurer in the manner required by the state treasurer for deposit in the fund.

(2) Of the funds collected under subsection (1), two-thirds shall be used for capital expenditure grants.

(3) Subsection (1) does not apply to the sale of a retreaded tire or a tire sold as part of a vehicle to which the tire is attached.]