

AMENDED IN SENATE JUNE 2, 2016
AMENDED IN ASSEMBLY MAY 5, 2015
AMENDED IN ASSEMBLY APRIL 21, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1239

Introduced by Assembly Members Gordon and Atkins

February 27, 2015

An act to amend ~~Section 42885~~ *Sections 42885, 42889, and 42961.5* of, and to repeal and add Section 42872.1 of, the Public Resources Code, relating to tire recycling.

LEGISLATIVE COUNSEL'S DIGEST

AB 1239, as amended, Gordon. Tire recycling: California tire regulatory fee and waste tire program.

(1) The California Tire Recycling Act requires, until January 1, 2024, a person who purchases a new tire to pay a California tire fee of \$1.75 per tire, for deposit in the California Tire Recycling Management Fund, for expenditure by the Department of Resources Recycling and Recovery upon appropriation by the Legislature, to fund the waste tire program and for other purposes, including to pay for the costs associated with a waste tire and used tire hauler program and manifest system, as provided. After January 1, 2024, existing law reduces the tire fee to \$0.75 per tire.

Existing law requires any person generating waste tires or used tires that are transported or submitted for transportation, for offsite handling, altering, storage, disposal, or for any combination thereof, to complete a California Uniform Waste and Used Tire Manifest, as required by the department. Existing law requires a generator to provide the manifest

to the waste and used tire hauler at the time of transfer of the tires, and to submit to the department, on a quarterly schedule, a legible copy of each manifest.

This bill would require a waste tire ~~generator, as defined,~~ *generator* that is a retail seller of new tires to end user purchasers to pay a California tire regulatory ~~fee. fee and to remit that fee to the state on a quarterly schedule for deposit in a separate account in the California Tire Recycling Management Fund.~~ The bill would authorize the department to establish the California tire regulatory fee in an amount that is sufficient to generate revenues equivalent to the reasonable regulatory costs incurred by the department incident to audits, inspections, administrative ~~costs,~~ *activities*, adjudications, manifesting, registration, and other regulatory activities regarding ~~these retail sellers as generators of waste tires, but not to that does not exceed \$1.25 one dollar (\$1.00) per new tire sold, as provided.~~ The bill would authorize the department to differentiate in setting the fees between the waste tire generators who are retail sellers depending upon the nature of the activity generating waste tires, the number of waste tires generated, and other appropriate bases.

The bill would require the department, on or before August 1, 2017, and no more frequently than biennially thereafter, to review at a public hearing the California tire regulatory fee and adjust the fee to an amount that does not exceed \$1 per new tire sold, based on certain factors, as specified. The bill would provide that these adjustments become effective on January 1 of the following year. The bill would authorize the department to adopt emergency regulations to implement the California tire regulatory fee.

(2) Existing law establishes, as a part of the waste tire program, the tire recycling program, which promotes and develops alternatives to the landfill disposal of used whole tires. The program provides for grants to certain entities involved in activities that result in reduced landfill disposal of whole used tires, and development and implementation of a waste tire incentive payment program to promote increased demand for waste tires recycled in this state. Under the act, until June 30, 2019, the Rubberized Pavement Market Development Act provides for the award of grants to certain public agency projects that use rubberized asphalt concrete.

This bill would repeal the Rubberized Pavement Market Development Act and instead enact the Tire Recycling Incentive Program Act. The bill would require the department, in accordance with ~~the tire recycling~~

~~program, specified law, to establish this incentive program to award make payments to eligible recipients, entities that purchase waste tires for incorporation in a product for sale to end users, as specified. The bill would require the department to award these payments in the amount of \$2 for every 12 pounds of crumb rubber used by the eligible recipient, but would authorize the department to adjust this rate if it finds that the adjusted amount would further the purposes of the tire recycling act. The bill would require the department, on or before July 1, 2018, to hold a public workshop to develop a plan for the tire recycling incentive payment program, as specified, and would require the department to evaluate the program in a public forum and propose changes accordingly. The bill would make an entity eligible to receive an incentive payment upon demonstrating to the department that the entity purchased California generated waste tires processed in California and sold a waste tire product incorporating those waste tires to an end user. The bill, commencing July 1, 2018, and until January 1, 2024, would require the department, while the existing tire fee remains greater than or equal to \$1.75 per tire, department to annually allocate, of the amount appropriated to the department from California tire fee revenues for purposes of the waste tire program, \$30,000,000 no less than \$20,000,000 for the tire recycling incentive program. program and, commencing January 1, 2024, would authorize the department to continue to allocate funding for the tire recycling incentive program based on available funding.~~

(3) Existing law requires a person generating waste or used tires that are transported or submitted for transportation to submit a California Uniform Waste and Used Tire Manifest, as defined, to the waste and used tire hauler and to submit copies of the manifest to the department. A waste and used tire hauler is required to possess that manifest while transporting waste or used tires, and the operator of a waste or used tire facility is required to submit a copy of the manifest to the department and the generator. Existing law requires the department to develop and implement a system for auditing manifests, including continuously conducting random sampling and matching of manifests.

This bill would revise those provisions to, among other things, require a waste and used tire hauler, on and after January 1, 2018, to submit an electronic manifest, instead of a paper manifest, to the department within 7 days of the date of the pickup or delivery for each load of waste or used tires transported.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 42872.1 of the Public Resources Code
- 2 is repealed.
- 3 SEC. 2. Section 42872.1 is added to the Public Resources Code,
- 4 to read:
- 5 42872.1. (a) This section shall be known, and may be cited,
- 6 as the Tire Recycling Incentive Program Act.
- 7 (b) In accordance with ~~the tire recycling program authorized by~~
- 8 Section 42872, the department shall establish a tire recycling
- 9 incentive program that ~~awards~~ makes payments to eligible
- 10 recipients, ~~as determined by the department, in the following~~
- 11 ~~manner:~~ *entities.*
- 12 (c) *Incentive payments shall be made to eligible entities for*
- 13 *waste tire products manufactured from California generated waste*
- 14 *tires that promote the reduction of the disposal of, the recycling*
- 15 *of, or the prevention of illegal dumping of, California generated*
- 16 *waste tires.*
- 17 (d) *An eligible entity is eligible to receive an incentive payment*
- 18 *only upon demonstrating to the department that the entity*
- 19 *purchased California generated waste tires processed in California*
- 20 *and sold a waste tire product incorporating those waste tires to*
- 21 *an end user.*
- 22 (e) *For purposes of this section, “eligible entity” includes, but*
- 23 *is not limited to, a manufacturer that produces a product using*
- 24 *California generated waste tires for purchase by an end user.*
- 25 (f) *For purposes of this section, “end user” includes, but is not*
- 26 *limited to, the following:*
- 27 (1) ~~To cities, Cities, counties, and other local governmental~~
- 28 ~~agencies, and including school districts for the funding of~~
- 29 ~~construction projects that use recycled tires. districts.~~
- 30 (2) ~~To state~~ State and local governmental agencies, including
- 31 regional park ~~districts, for the funding of districts.~~
- 32 (3) *Private companies and persons.*
- 33 (g) (1) *For purposes of this section, “waste tire product“ may*
- 34 *include, but is not limited to, the following:*

1 (A) *Pavement-related products, such as rubberized asphalt,*
2 *asphalt rubber, modified binders, and chip seals.*

3 (B) *Rubberized asphalt base stock to be used in applications*
4 *other than pavement.*

5 (C) *Products used in disability access projects at parks and Class*
6 *I bikeways, as defined in subdivision (a) of Section 890.4 of the*
7 *Streets and Highways Code, relative to projects that use recycled*
8 *tires.*

9 ~~(3) To a private manufacturer who produces a consumer product~~
10 ~~using recycled tires in California.~~

11 (D) *Poured in place and tile playground mats.*

12 (E) *Landscape nuggets and mulch.*

13 (F) *Walkways and pathways.*

14 (G) *Running tracks.*

15 (H) *Tire-derived aggregate applications, including lightweight*
16 *fill and vibration mitigation.*

17 (I) *Molded, extruded, injected, and calendered products.*

18 (J) *Products that use recycled rubber or other materials, such*
19 *as plastic.*

20 (K) *Paint and coatings.*

21 (L) *Other products, environmentally safe applications, or*
22 *treatments determined to be appropriate by the department.*

23 (2) *“Waste tire product” does not include any of the following:*

24 (A) *Tire derived fuel.*

25 (B) *Alternative daily cover, intermediate cover, erosion, or other*
26 *landfill uses, except tire derived aggregates used in landfill*
27 *engineered projects for landfill gas and leachate control systems*
28 *and other engineering project designated by the department.*

29 (C) *Exports.*

30 (D) *Synthetic turf infill.*

31 (E) *Loose rubber nugget or mulch playgrounds.*

32 (F) *Purchases made to meet procurement requirements*
33 *established pursuant to Section 42703.*

34 (h) (1) *On or before July 1, 2018, the department shall hold a*
35 *public workshop to develop a plan for the tire recycling incentive*
36 *payment program established pursuant to subdivision (b). The*
37 *plan shall be included in the next revision of the five-year plan*
38 *required pursuant to Section 42885.5.*

39 (2) (A) *In the public workshop required pursuant to paragraph*
40 *(1), the department shall develop a tiered incentive payment*

1 *structure. The tiers shall be designed to ensure the maximum*
2 *amount of California generated waste tires is recycled.*

3 *(B) The department shall include no more than three tiers in*
4 *the incentive payment structure.*

5 *(C) In developing the tiers, the department shall consider*
6 *factors, including, but not limited to, the following:*

7 *(i) The quantity of waste tires that will be diverted from landfills.*

8 *(ii) The incentive amount necessary for waste tire products of*
9 *recipients to effectively compete with nonrecycled alternatives.*

10 *(iii) The existing and potential markets for the applicable waste*
11 *tire product.*

12 *(3) The department shall reduce current waste tire market*
13 *development grants, in light of expenditures of funds appropriated*
14 *in paragraph (1) of subdivision (k), in the next revision of the*
15 *five-year plan. Existing nongrant market development activities*
16 *shall continue for activities described in the five-year plan.*

17 *(i) The department shall evaluate the tire recycling incentive*
18 *program established pursuant to subdivision (b) in a public forum*
19 *and propose changes accordingly.*

20 *(e)*

21 *(j) For purposes of ~~subdivision (b)~~, eligible this section,*
22 *recipients of incentive payments shall meet specified criteria, as*
23 *established by the department, that are consistent with the*
24 *provisions of this article.*

25 *~~(d) (1) Except as provided in paragraph (2), the department~~*
26 *~~shall award the payments pursuant to subdivision (b) in the amount~~*
27 *~~of two dollars (\$2) for every 12 pounds of crumb rubber used by~~*
28 *~~the eligible recipient.~~*

29 *~~(2) The department may adjust the amount of payments awarded~~*
30 *~~pursuant to paragraph (1) to an amount that is greater than, or less~~*
31 *~~than, two dollars (\$2) for every 12 pounds of crumb rubber if the~~*
32 *~~department finds this adjustment would further the purposes of~~*
33 *~~this article.~~*

34 *(e)*

35 *(k) (1) ~~Of~~ Commencing July 1, 2018, and until January 1, 2024,*
36 *of the amount appropriated to the department in the annual Budget*
37 *Act pursuant to subdivision (b) of Section 42889, the department*
38 *shall annually allocate ~~thirty million dollars (\$30,000,000)~~ no less*
39 *than twenty million dollars (\$20,000,000) for the tire recycling*
40 *incentive program established pursuant to subdivision (b).*

~~(2) This subdivision shall become inoperative if the tire fee specified in subdivision (b) of Section 42885 becomes less than one dollar and seventy-five cents (\$1.75) per tire.~~

~~(2) Commencing January 1, 2024, the department may continue to allocate funding for the tire recycling incentive program established pursuant to subdivision (b) based on available funding.~~

SEC. 3. Section 42885 of the Public Resources Code, as amended by Section 31 of Chapter 401 of the Statutes of 2013, is amended to read:

42885. (a) (1) For purposes of this section, “California tire fee” means the fee imposed pursuant to subdivision (b) of this section.

(2) For purposes of this section, a “California tire regulatory fee” means a fee imposed pursuant to subdivision (c) of this section.

(b) (1) A person who purchases a new tire, as defined in subdivision (h), shall pay a California tire fee of one dollar and seventy-five cents (\$1.75) per tire.

(2) The retail seller shall charge the retail purchaser the amount of the California tire fee as a charge that is separate from, and not included in, any other fee, charge, or other amount paid by the retail purchaser.

(3) The retail seller shall collect the California tire fee from the retail purchaser at the time of sale and may retain 1 ½ percent of the fee as reimbursement for any costs associated with the collection of the fee. The retail seller shall remit the remainder to the state on a quarterly schedule for deposit in the California Tire Recycling Management Fund, which is hereby created in the State Treasury.

~~(c) (1) A waste tire generator, as defined by Section 18450 of Title 14 of the California Code of Regulations, generator that is a retail seller of new tires to end user purchasers shall pay a California tire regulatory fee. The amount of the California tire regulatory fee shall be established by the department in an amount that is sufficient to generate revenues equivalent to the reasonable regulatory costs incurred by the department incident to audits, inspections, administrative—costs, activities, adjudications, manifesting, registration, and other regulatory activities regarding these retail sellers as generators of waste tires, but not to that amount shall not exceed one dollar and twenty-five cents (\$1.25)~~

1 (\$1) per new tire sold. The department may differentiate in setting
2 fees between waste tire generators who are retail sellers of new
3 tires depending upon the nature of the retail seller's activity
4 generating waste tires, the number of waste tires generated, and
5 other appropriate bases.

6 (2) A waste tire generator that is a retail seller of new tires shall
7 remit the fee assessed pursuant to this subdivision to the state on
8 a quarterly schedule for deposit in a separate account in the
9 California Tire Recycling Management Fund.

10 (3) *On or before August 1, 2017, and no more frequently than*
11 *biennially thereafter, the department shall review at a public*
12 *hearing the California tire regulatory fee and shall make any*
13 *adjustments to the fee to ensure that there are sufficient revenues*
14 *in the account to fund the reasonable regulatory costs incurred*
15 *by the department incident to audits, inspections, administrative*
16 *activities, adjudications, manifesting, registration, and other*
17 *regulatory activities associated with waste tires pursuant to this*
18 *chapter, and Chapter 16 (commencing with section 42800) and*
19 *Chapter 19 (commencing with Section 42950), provided that the*
20 *fee does not exceed one dollar (\$1.00) per new tire sold. These*
21 *adjustments shall become effective on January 1 of the following*
22 *year. The department shall base an adjustment of the California*
23 *tire regulatory fee on the following factors:*

24 (A) *The sufficiency of revenues in the account for the department*
25 *to administer, enforce, and promote the regulatory aspects of the*
26 *program established pursuant to these chapters, plus a prudent*
27 *reserve.*

28 (B) *If, at the end of a fiscal year, after making payments*
29 *pursuant to Sections 42872.1 and 42889, sufficient surplus remains*
30 *in the California Tire Recycling Management Fund, the department*
31 *shall use these surplus funds in the following fiscal year to reduce*
32 *the California tire regulatory fee.*

33 (4) (A) *The department may adopt regulations to implement the*
34 *California tire regulatory fee, including adjustments pursuant to*
35 *paragraph (3), as emergency regulations.*

36 (B) *The emergency regulations adopted pursuant to this*
37 *paragraph shall be adopted in accordance with Chapter 3.5*
38 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
39 *2 of the Government Code, and for the purposes of that chapter,*
40 *including Section 11349.6 of the Government Code, the adoption*

1 *of these regulations is an emergency and shall be considered by*
2 *the Office of Administrative Law as necessary for the immediate*
3 *preservation of the public peace, health, safety, and general*
4 *welfare. Notwithstanding Chapter 3.5 (commencing with Section*
5 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
6 *any emergency regulations adopted by the department pursuant*
7 *to this paragraph shall be filed with, but not be repealed by, the*
8 *Office of Administrative Law and shall remain in effect for a period*
9 *of two years or until revised by the department, whichever occurs*
10 *sooner.*

11 (d) The department, or its agent authorized pursuant to Section
12 42882, shall be reimbursed for its costs of collection, auditing, and
13 making refunds associated with the California Tire Recycling
14 Management Fund, but not to exceed 3 percent of the total annual
15 revenue deposited in the fund.

16 (e) The California tire fee imposed pursuant to subdivision (b)
17 shall be separately stated by the retail seller on the invoice given
18 to the customer at the time of sale. Any other disposal or
19 transaction fee charged by the retail seller related to the tire
20 purchase shall be identified separately from the California tire fee.

21 (f) A person or business who knowingly, or with reckless
22 disregard, makes a false statement or representation in a document
23 used to comply with this section is liable for a civil penalty for
24 each violation or, for continuing violations, for each day that the
25 violation continues. Liability under this section may be imposed
26 in a civil action and shall not exceed twenty-five thousand dollars
27 (\$25,000) for each violation.

28 (g) In addition to the civil penalty that may be imposed pursuant
29 to subdivision (f), the department may impose an administrative
30 penalty in an amount not to exceed five thousand dollars (\$5,000)
31 for each violation of a separate provision or, for continuing
32 violations, for each day that the violation continues, on a person
33 who intentionally or negligently violates a permit, rule, regulation,
34 standard, or requirement issued or adopted pursuant to this chapter.
35 The department shall adopt regulations that specify the amount of
36 the administrative penalty and the procedure for imposing an
37 administrative penalty pursuant to this subdivision.

38 (h) For purposes of this section, “new tire” means a pneumatic
39 or solid tire intended for use with onroad or off-road motor
40 vehicles, motorized equipment, construction equipment, or farm

1 equipment that is sold separately from the motorized equipment,
2 or a new tire sold with a new or used motor vehicle, as defined in
3 Section 42803.5, including the spare tire, construction equipment,
4 or farm equipment. “New tire” does not include retreaded, reused,
5 or recycled tires.

6 (i) The California tire fee shall not be imposed on a tire sold
7 with, or sold separately for use on, any of the following:

8 (1) A self-propelled wheelchair.

9 (2) A motorized tricycle or motorized quadricycle, as defined
10 in Section 407 of the Vehicle Code.

11 (3) A vehicle that is similar to a motorized tricycle or motorized
12 quadricycle and is designed to be operated by a person who, by
13 reason of the person’s physical disability, is otherwise unable to
14 move about as a pedestrian.

15 (j) This section shall remain in effect only until January 1, 2024,
16 and as of that date is repealed, unless a later enacted statute, that
17 is enacted before January 1, 2024, deletes or extends that date.

18 SEC. 4. Section 42885 of the Public Resources Code, as
19 amended by Section 32 of Chapter 401 of the Statutes of 2013, is
20 amended to read:

21 42885. (a) (1) For purposes of this section, “California tire
22 fee” means the fee imposed pursuant to subdivision (b) of this
23 section.

24 (2) For purposes of this section, a “California tire regulatory
25 fee” means a fee imposed pursuant to subdivision (c) of this
26 section.

27 (b) (1) ~~Every~~ A person who purchases a new tire, as defined in
28 subdivision (h), shall pay a California tire fee of seventy-five cents
29 (\$0.75) per tire.

30 (2) The retail seller shall charge the retail purchaser the amount
31 of the California tire fee as a charge that is separate from, and not
32 included in, any other fee, charge, or other amount paid by the
33 retail purchaser.

34 (3) The retail seller shall collect the California tire fee from the
35 retail purchaser at the time of sale and may retain 3 percent of the
36 fee as reimbursement for any costs associated with the collection
37 of the fee. The retail seller shall remit the remainder to the state
38 on a quarterly schedule for deposit in the California Tire Recycling
39 Management Fund, which is hereby created in the State Treasury.

(c) (1) A waste tire generator, as defined by Section 18450 of Title 14 of the California Code of Regulations, that is a retail seller of new tires to end user purchasers shall pay a California tire regulatory fee. The amount of the California tire regulatory fee shall be established by the department in an amount that is sufficient to generate revenues equivalent to the reasonable regulatory costs incurred by the department incident to audits, inspections, administrative—costs, activities, adjudications, manifesting, registration, and other regulatory activities regarding these retail sellers as generators of waste tires, but not to that amount shall not exceed one dollar and twenty-five cents (\$1.25) (\$1) per new tire sold. The department may differentiate in setting fees between waste tire generators who are retail sellers of new tires depending upon the nature of the retail seller's activity generating waste tires, the number of waste tires generated, and other appropriate bases.

(2) A waste tire generator that is a retail seller of new tires shall remit the fee assessed pursuant to this subdivision to the state on a quarterly schedule for deposit in a separate account in the California Tire Recycling Management Fund.

(3) On or before August 1, 2024, and no more frequently than biennially thereafter, the department shall review at a public hearing the California tire regulatory fee and shall make any adjustments to the fee to ensure that there are sufficient revenues in the account to fund reasonable regulatory costs incurred by the department incident to audits, inspections, administrative activities, adjudications, manifesting, registration, and other regulatory activities associated with waste tires pursuant to this chapter, Chapter 16 (commencing with section 42800) and Chapter 19 (commencing with Section 42950), provided that the fee shall not exceed one dollar (\$1.00) per new tire sold. These adjustments shall become effective on January 1 of the following year. The department shall base an adjustment of the California tire regulatory fee on the following factors:

(A) The sufficiency of revenues in the account for the department to administer, enforce, and promote the regulatory aspects of the program established pursuant to these chapters, plus a prudent reserve.

(B) If, at the end of a fiscal year, after making payments pursuant to Sections 42872.1 and 42889, sufficient surplus remains

1 *in the California Tire Recycling Management Fund, the department*
2 *shall use these surplus funds in the following fiscal year to reduce*
3 *the California tire regulatory fee.*

4 (4) (A) *The department may adopt regulations to implement*
5 *the California tire regulatory fee, including adjustments pursuant*
6 *to paragraph (3), as emergency regulations.*

7 (B) *The emergency regulations adopted pursuant to this*
8 *paragraph shall be adopted in accordance with Chapter 3.5*
9 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
10 *2 of the Government Code, and for the purposes of that chapter,*
11 *including Section 11349.6 of the Government Code, the adoption*
12 *of these regulations is an emergency and shall be considered by*
13 *the Office of Administrative Law as necessary for the immediate*
14 *preservation of the public peace, health, safety, and general*
15 *welfare. Notwithstanding Chapter 3.5 (commencing with Section*
16 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
17 *any emergency regulations adopted by the department pursuant*
18 *to this paragraph shall be filed with, but not be repealed by, the*
19 *Office of Administrative Law and shall remain in effect for a period*
20 *of two years or until revised by the department, whichever occurs*
21 *sooner.*

22 (d) *The department, or its agent authorized pursuant to Section*
23 *42882, shall be reimbursed for its costs of collection, auditing, and*
24 *making refunds associated with the California Tire Recycling*
25 *Management Fund, but not to exceed 3 percent of the total annual*
26 *revenue deposited in the fund.*

27 (e) *The California tire fee imposed pursuant to subdivision (b)*
28 *shall be separately stated by the retail seller on the invoice given*
29 *to the customer at the time of sale. Any other disposal or*
30 *transaction fee charged by the retail seller related to the tire*
31 *purchase shall be identified separately from the California tire fee.*

32 (f) ~~Any~~ *A person or business who knowingly, or with reckless*
33 *disregard, makes*~~any~~ *a false statement or representation in*~~any~~ *a*
34 *document used to comply with this section is liable for a civil*
35 *penalty for each violation or, for continuing violations, for each*
36 *day that the violation continues. Liability under this section may*
37 *be imposed in a civil action and shall not exceed twenty-five*
38 *thousand dollars (\$25,000) for each violation.*

39 (g) *In addition to the civil penalty that may be imposed pursuant*
40 *to subdivision (f), the department may impose an administrative*

1 penalty in an amount not to exceed five thousand dollars (\$5,000)
2 for each violation of a separate provision or, for continuing
3 violations, for each day that the violation continues, on ~~any a~~
4 person who intentionally or negligently violates ~~any a~~ permit, rule,
5 regulation, standard, or requirement issued or adopted pursuant to
6 this chapter. The department shall adopt regulations that specify
7 the amount of the administrative penalty and the procedure for
8 imposing an administrative penalty pursuant to this subdivision.

9 (h) For purposes of this section, “new tire” means a pneumatic
10 or solid tire intended for use with onroad or off-road motor
11 vehicles, motorized equipment, construction equipment, or farm
12 equipment that is sold separately from the motorized equipment,
13 or a new tire sold with a new or used motor vehicle, as defined in
14 Section 42803.5, including the spare tire, construction equipment,
15 or farm equipment. “New tire” does not include retreaded, reused,
16 or recycled tires.

17 (i) The California tire fee ~~may~~ *shall* not be imposed on ~~any a~~
18 tire sold with, or sold separately for use on, any of the following:

19 (1) ~~Any~~ A self-propelled wheelchair.

20 (2) ~~Any~~ A motorized tricycle or motorized quadricycle, as
21 defined in Section 407 of the Vehicle Code.

22 (3) ~~Any~~ A vehicle that is similar to a motorized tricycle or
23 motorized quadricycle and is designed to be operated by a person
24 who, by reason of the person’s physical disability, is otherwise
25 unable to move about as a pedestrian.

26 (j) This section shall become operative on January 1, 2024.

27 *SEC. 5. Section 42889 of the Public Resources Code, as*
28 *amended by Section 152 of Chapter 35 of the Statutes of 2014, is*
29 *amended to read:*

30 42889. (a) Of the moneys collected pursuant to *subdivision*
31 *(b)* of Section 42885, an amount equal to seventy-five cents (\$0.75)
32 per tire on which the fee is imposed shall be transferred by the
33 State Board of Equalization to the Air Pollution Control Fund. The
34 state board shall expend those moneys, or allocate those moneys
35 to the districts for expenditure, to fund programs and projects that
36 mitigate or remediate air pollution caused by tires in the state, to
37 the extent that the state board or the applicable district determines
38 that the program or project remediates air pollution harms created
39 by tires upon which the fee described in *subdivision (b)* of Section
40 42885 is imposed.

(b) The remaining moneys collected pursuant to *subdivision (b) of Section 42885* shall be used to fund the waste tire program *and the Tire Recycling Incentive Program, pursuant to Section 42872.1*, and shall be appropriated to the department in the annual Budget Act in a manner consistent with the five-year plan adopted and updated by the department. These moneys shall be expended for the payment of refunds under this chapter and for the following ~~purposes~~ *purposes, to the extent they are not lawfully payable from funds allocated pursuant to subdivision (c) of Section 42885:*

(1) To pay the administrative overhead cost of this chapter, not to exceed 6 percent of the total revenue deposited in the fund annually, or an amount otherwise specified in the annual Budget Act.

(2) To pay the costs of administration associated with collection, making refunds, and auditing revenues in the fund, not to exceed 3 percent of the total revenue deposited in the fund, as provided in subdivision (c) of Section 42885.

(3) To pay the costs associated with operating the tire recycling program specified in Article 3 (commencing with Section 42870).

(4) To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires and used tires. The department shall consider designating a city, county, or city and county as the enforcement authority of regulations relating to the storage of waste tires and used tires, as provided in subdivision (c) of Section 42850, and regulations relating to the hauling of waste and used tires, as provided in subdivision (b) of Section 42963. If the department designates a local entity for that purpose, the department shall provide sufficient, stable, and noncompetitive funding to that entity for that purpose, based on available resources, as provided in the five-year plan adopted and updated as provided in subdivision (a) of Section 42885.5. The department may consider and create, as appropriate, financial incentives for citizens who report the illegal hauling or disposal of waste tires as a means of enhancing local and statewide waste tire and used tire enforcement programs.

(5) To pay the costs of cleanup, abatement, removal, or other remedial action related to waste tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with the department. Not less than six million five hundred thousand dollars (\$6,500,000)

1 shall be expended by the department during each of the following
2 fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

3 (6) To make studies and conduct research directed at promoting
4 and developing alternatives to the landfill disposal of waste tires.

5 (7) To assist in developing markets and new technologies for
6 used tires and waste tires. The department's expenditure of funds
7 for purposes of this subdivision shall reflect the priorities for waste
8 management practices specified in subdivision (a) of Section
9 40051.

10 (8) To pay the costs associated with implementing and operating
11 a waste tire and used tire hauler program and manifest system
12 pursuant to Chapter 19 (commencing with Section 42950).

13 (9) To pay the costs to create and maintain an emergency
14 reserve, which shall not exceed one million dollars (\$1,000,000).

15 (10) To pay the costs of cleanup, abatement, or other remedial
16 action related to the disposal of waste tires in implementing and
17 operating the Farm and Ranch Solid Waste Cleanup and Abatement
18 Grant Program established pursuant to Chapter 2.5 (commencing
19 with Section 48100) of Part 7.

20 (11) To fund border region activities specified in paragraph (8)
21 of subdivision (b) of Section 42885.5.

22 (12) For expenditure pursuant to paragraph (3) of subdivision
23 (a) of, and paragraph (3) of subdivision (b) of, Section 17001.

24 (c) This section shall remain in effect only until January 1, 2024,
25 and as of that date is repealed, unless a later enacted statute that
26 is enacted before January 1, 2024, deletes or extends that date.

27 *SEC. 6. Section 42889 of the Public Resources Code, as*
28 *amended by Section 153 of Chapter 35 of the Statutes of 2014, is*
29 *amended to read:*

30 42889. Funding for the waste tire program shall be appropriated
31 to the department in the annual Budget Act. The moneys in the
32 fund shall be expended for the payment of refunds under this
33 chapter and for the following ~~purposes~~ purposes, but only those
34 funds deposited pursuant to paragraph (2) of subdivision (c) of
35 Section 42885 shall be expended for purposes for which those
36 funds may be lawfully expended until those funds are exhausted:

37 (a) To pay the administrative overhead cost of this chapter, not
38 to exceed 5 percent of the total revenue deposited in the fund
39 annually, or an amount otherwise specified in the annual Budget
40 Act.

1 (b) To pay the costs of administration associated with collection,
2 making refunds, and auditing revenues in the fund, not to exceed
3 3 percent of the total revenue deposited in the fund, as provided
4 in subdivision (b) of Section 42885.

5 (c) To pay the costs associated with operating the tire recycling
6 program specified in Article 3 (commencing with Section 42870).

7 (d) To pay the costs associated with the development and
8 enforcement of regulations relating to the storage of waste tires
9 and used tires. The department shall consider designating a city,
10 county, or city and county as the enforcement authority of
11 regulations relating to the storage of waste tires and used tires, as
12 provided in subdivision (c) of Section 42850, and regulations
13 relating to the hauling of waste and used tires, as provided in
14 subdivision (b) of Section 42963. If the department designates a
15 local entity for that purpose, the department shall provide sufficient,
16 stable, and noncompetitive funding to that entity for that purpose,
17 based on available resources, as provided in the five-year plan
18 adopted and updated as provided in subdivision (a) of Section
19 42885.5. The department may consider and create, as appropriate,
20 financial incentives for citizens who report the illegal hauling or
21 disposal of waste tires as a means of enhancing local and statewide
22 waste tire and used tire enforcement programs.

23 (e) To pay the costs of cleanup, abatement, removal, or other
24 remedial action related to waste tire stockpiles throughout the state,
25 including all approved costs incurred by other public agencies
26 involved in these activities by contract with the department. Not
27 less than six million five hundred thousand dollars (\$6,500,000)
28 shall be expended by the department during each of the following
29 fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

30 (f) To fund border region activities specified in paragraph (8)
31 of subdivision (b) of Section 42885.5.

32 (g) For expenditure pursuant to paragraph (3) of subdivision (a)
33 of, and paragraph (3) of subdivision (b) of, Section 17001.

34 (h) This section shall become operative on January 1, 2024.

35 *SEC. 7. Section 42961.5 of the Public Resources Code is*
36 *amended to read:*

37 42961.5. (a) For purposes of this chapter, the following
38 definitions shall apply:

39 (1) “California Uniform Waste and Used Tire Manifest” or
40 “manifest” means a shipping document signed by a waste or used

1 ~~tire hauler and a~~ generator of waste or used tires, ~~a waste and used~~
2 ~~tire hauler~~, or the operator of a waste or used tire facility or other
3 destination that contains all of the information required by the
4 ~~board~~, ~~department~~, including, but not limited to, an accurate
5 measurement of the number of tires being shipped, ~~the type or~~
6 ~~types of the tires~~, the date the shipment ~~originated~~, *originated or*
7 *terminated*, and the origin and ~~intended~~ final destination of the
8 shipment.

9 (2) “Electronic Manifest” means a manifest that is submitted
10 to the department electronically in a manner specified by the
11 department.

12 (3) “Passenger Tire Equivalent” or “PTE” means either of the
13 following:

14 (A) A unit of measurement, such that one PTE equals 20 pounds
15 of waste or used tires, and one PTE equals one waste or used tire.

16 (B) A unit of measurement, such that 10 PTEs equals one cubic
17 yard of waste or used tires.

18 ~~(2)~~

19 (4) “Waste and used tire hauler” or “hauler” means any person
20 required to be registered with the ~~board~~ department pursuant to
21 subdivision (a) of Section 42951.

22 ~~(b) Any person generating~~ (1) A hauler transporting waste or
23 used tires that are transported or submitted for transportation, for
24 offsite handling, altering, storage, or disposal, or for any
25 combination thereof, shall complete a ~~California Uniform Waste~~
26 ~~and Used Tire Manifest~~, as required by the board. The generator
27 shall provide the manifest to the waste and used tire hauler at the
28 time of transfer of the tires. Each generator shall submit to the
29 board, on a quarterly schedule, a legible copy of each manifest.
30 The copy submitted to the board shall contain the signatures of
31 the generator and the waste and used tire hauler. *manifest*.

32 ~~(c) (1) Any waste and used tire~~

33 (2) A hauler shall have the ~~California Uniform Waste and Used~~
34 ~~Tire Manifest~~ *manifest* in his or her possession while transporting
35 waste or used tires. The manifest shall be shown upon demand to
36 any representative of the ~~board~~, ~~department~~, any officer of the
37 California Highway Patrol, or any peace officer, as defined in
38 Section 830.1 or 830.2 of the Penal Code, or any local public
39 officer designated by the board. *Code*.

~~(d) Each waste or used tire facility operator that receives waste or used tires for handling, altering, storage, disposal, or any combination thereof, that was transported with a manifest pursuant to this section, shall submit copies of each manifest provided by the waste and used tire hauler to the board and the generator on a quarterly schedule. The copy submitted to the board shall contain the signatures of each generator, each transporter, and the facility operator. If approved by the board, in lieu of submitting a copy of each manifest used, a facility operator may submit an electronic report to the board meeting the requirements of Section 42814.~~

~~(2) Any waste and used tire hauler hauling waste or used tires for offsite handling, altering, storage, disposal, or any combination thereof, shall complete the California Uniform Waste and Used Tire Manifest as required by the board. The waste and used tire hauler shall provide the manifest to the waste or used tire facility operator who receives the waste or used tires for handling, altering, storage, disposal, or any combination thereof. Each waste and used tire hauler shall submit to the board, on a quarterly schedule, a legible copy of each manifest. The copy submitted to the board shall contain the signatures of the generator and the facility operator.~~

~~(3) A hauler shall provide the manifest, or otherwise provide all required manifest information, to the generator of waste or used tires or to the operator of a waste or used tire facility or other destination at the time of transfer of the tires.~~

~~(4) The hauler shall submit a manifest to the department for each load of waste or used tires transported within seven days of the date of the pickup or delivery. The department may grant an extension before the seventh day upon a showing of good cause by the hauler.~~

~~(5) On and after January 1, 2018, the hauler shall submit only an electronic manifest, and not a paper manifest, to the department within seven days of the date of the pickup or delivery for each load of waste or used tires transported.~~

~~(6) If approved by the department, a hauler may submit an electronic manifest prior to January 1, 2018. The electronic manifest shall include all information required to be on the manifest and any other information required by the department.~~

~~(c) A person generating or accepting waste or used tires shall verify that the information on the manifest is correct, including~~

1 *the number of tires and other information specified by the*
2 *department, and shall sign the manifest. The person generating*
3 *or accepting waste or used tires shall maintain a copy of the*
4 *manifest and any other information required that the department*
5 *deems necessary to track the flow of waste and used tires through*
6 *the state.*

7 *(d) The department may require an electronic manifest submitted*
8 *by a hauler to the department to include verification from a hauler,*
9 *and a generator of waste or used tires, or the operator of a waste*
10 *or used tire facility or other destination, that the information on*
11 *the manifest is correct, including the number of tires and other*
12 *information specified by the department.*

13 *(e) The ~~board~~ department shall develop and implement a system*
14 *for auditing manifests submitted to the ~~board~~ department pursuant*
15 *to this section, for the purpose of enforcing this section. The ~~board~~*
16 *or its agent shall continuously conduct random sampling and*
17 *matching of manifests submitted by any person generating waste*
18 *or used tires, hauling waste or used tires, or operating waste or*
19 *used tire facilities, to assure compliance with this section.*

20 *(f) (1) If approved by the ~~board~~, any waste and used tire*
21 *generator, waste and used tire hauler, or operator of a waste tire*
22 *facility that is subject to the manifest requirements of this section,*
23 *may submit an electronic report to the ~~board~~, in lieu of submitting*
24 *the copy of the manifest required. The electronic report shall*
25 *include all information required to be on the California Uniform*
26 *Waste and Used Tire Manifest, and any other information required*
27 *by the ~~board~~.*

28 *(2) A waste and used tire generator, waste and used tire hauler,*
29 *or operator of a waste tire facility that is subject to paragraph (1)*
30 *may submit the electronic reports to the ~~board~~ on a quarterly*
31 *schedule.*

32 *(f) If the amount of waste or used tires recorded on a manifest*
33 *is by weight or volume, the department shall determine the number*
34 *of waste or used tires being transported by converting the weight*
35 *or volume into PTEs.*

36 *(g) The department may require a hauler to attend trainings*
37 *and demonstrate understanding and proficiency with the provisions*
38 *of this chapter, Chapter 16 (commencing with Section 42800),*
39 *Chapter 17 (commencing with Section 42860), and any rules,*
40 *regulations, or requirements issued or adopted pursuant to this*

- 1 *chapter, Chapter 16, or Chapter 17 prior to receiving a waste and*
- 2 *used tire hauler registration or a waste and used tire hauler*
- 3 *registration renewal.*

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