

AMENDED IN SENATE JUNE 15, 2016

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 Sections 42885, 42889, and 42961.5 of, *to add Section 42872.2 to*, 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 that is a retail seller of new tires to end user purchasers to pay a California tire regulatory 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 require the department to track revenue from the California tire regulatory fee separately and would prohibit those funds from being used for activities other than those specified.* 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 activities, adjudications, manifesting, registration, and other regulatory activities regarding waste tires, but that does not exceed ~~one dollar (\$1.00)~~ \$1 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, prior to establishing the California tire regulatory fee or making any adjustment to the fee,~~ 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~~ *require* the department to adopt ~~emergency~~ regulations to implement the *initial* California tire regulatory ~~fee~~ *fee*, and would authorize the department to adopt regulations to adjust the California tire regulatory fee, as specified.

(2) *Existing law prohibits the California tire fee from being imposed on a tire sold with, or sold separately for use on, a self-propelled wheelchair, a motorized tricycle or motorized quadricycle, or a vehicle that is similar to a motorized tricycle or motorized quadricycle, as specified.*

This bill would prohibit the California tire regulatory fee from being imposed on those same vehicles.

(2)

(3) 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 specified law, to establish this incentive program to make payments to entities that purchase waste tires for incorporation in a product for sale to end users, as specified. 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 to annually allocate, of the amount appropriated to the department from California tire fee revenues for purposes of the waste tire program, no less than \$20,000,000 for the tire recycling incentive 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.

(4) *Existing law declares the intent of the Legislature to reduce the landfill disposal and stockpiling of used whole tires by 25 percent within four years of full implementation of a statewide tire recycling program and to recycle and reclaim used tires and used tire components to the greatest extent possible in order to recover valuable natural resources.*

This bill would declare that it is the policy goal of the state that not less than 75 percent of solid waste tires generated be source reduced or recycled in the state by the year 2020.

(3)

(5) 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 Section 42872, the department shall
- 8 establish a tire recycling incentive program that makes payments
- 9 to eligible entities.
- 10 (c) Incentive payments shall be made to eligible entities for
- 11 waste tire products manufactured from California generated waste
- 12 tires that promote the reduction of the disposal of, the recycling
- 13 of, or the prevention of illegal dumping of, California generated
- 14 waste tires.
- 15 (d) An eligible entity is eligible to receive an incentive payment
- 16 only upon demonstrating to the department that the entity
- 17 purchased California generated waste tires processed in California
- 18 and sold a waste tire product incorporating those waste tires to an
- 19 end user.

(e) For purposes of this section, “eligible entity” includes, but is not limited to, a manufacturer that produces a product using California generated waste tires for purchase by an end user.

(f) For purposes of this section, “end user” includes, but is not limited to, the following:

(1) Cities, counties, and other local governmental agencies, including school districts.

(2) State and local governmental agencies, including regional park districts.

(3) Private companies and persons.

(g) (1) For purposes of this section, “waste tire product” may include, but is not limited to, the following:

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

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

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

(D) Poured in place and tile playground mats.

(E) Landscape nuggets and mulch.

(F) Walkways and pathways.

(G) Running tracks.

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

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

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

(K) Paint and coatings.

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

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

(A) ~~Tire derived~~ *Tire-derived* fuel.

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

(C) Exports.

1 (D) Synthetic turf infill.

2 (E) Loose rubber nugget or mulch playgrounds.

3 (F) Purchases made to meet procurement requirements
4 established pursuant to Section 42703.

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

10 (2) (A) In the public workshop required pursuant to paragraph
11 (1), the department shall develop a tiered incentive payment
12 structure. The tiers shall be designed to ensure the maximum
13 amount of California generated waste tires is recycled.

14 (B) The department shall include no more than three tiers in the
15 incentive payment structure.

16 (C) In developing the tiers, the department shall consider factors,
17 including, but not limited to, the following:

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

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

21 (iii) The existing and potential markets for the applicable waste
22 tire product.

23 (iv) *The policy goal established pursuant to Section 42872.2.*

24 (3) The department shall reduce current waste tire market
25 development grants, in light of expenditures of funds appropriated
26 in paragraph (1) of subdivision (k), in the next revision of the
27 five-year plan. Existing nongrant market development activities
28 shall continue for activities described in the five-year plan.

29 (i) The department shall evaluate the tire recycling incentive
30 program established pursuant to subdivision (b) in a public forum
31 and propose changes accordingly.

32 (j) For purposes of this section, recipients of incentive payments
33 shall meet specified criteria, as established by the department, that
34 are consistent with the provisions of this article.

35 (k) (1) 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 no less than twenty million dollars
39 (\$20,000,000) for the tire recycling incentive program established
40 pursuant to subdivision (b).

(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 42872.2 is added to the Public Resources Code, to read:

42872.2. The Legislature hereby declares that it is the policy goal of the state that not less than 75 percent of solid waste tires generated be source reduced, or recycled in the state, by the year 2020.

~~SEC. 3.~~

SEC. 4. 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 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 activities, adjudications, manifesting, registration, and other

1 regulatory activities regarding waste tires, but that amount shall
2 not exceed one dollar (\$1) per new tire sold. The department may
3 differentiate in setting fees between waste tire generators who are
4 retail sellers of new tires depending upon the nature of the retail
5 seller's activity generating waste tires, the number of waste tires
6 generated, and other appropriate bases.

7 (2) A waste tire generator that is a retail seller of new tires shall
8 remit the fee assessed pursuant to this subdivision to the state on
9 a quarterly schedule for deposit ~~in a separate account~~ in the
10 California Tire Recycling Management Fund. *The revenue from*
11 *the California tire regulatory fee shall be tracked separately by*
12 *the department and shall not be used for activities other than those*
13 *described in paragraph (1).*

14 (3) ~~On or before August 1, 2017, and no more frequently than~~
15 ~~biennially thereafter, Prior to establishing the California tire~~
16 ~~regulatory fee or making any adjustment to the fee,~~ the department
17 shall review at a public hearing the California tire regulatory fee
18 and shall make any adjustments to the fee to ensure that there are
19 sufficient revenues in the ~~account~~ *California Tire Recycling*
20 *Management Fund* to fund the reasonable regulatory costs incurred
21 by the department incident to audits, inspections, administrative
22 activities, adjudications, manifesting, registration, and other
23 regulatory activities associated with waste tires pursuant to this
24 chapter, ~~and Chapter 16 (commencing with section 42800) Section~~
25 ~~42800), and Chapter 19 (commencing with Section 42950),~~
26 provided that the fee ~~does~~ *shall* not exceed one dollar ~~(\$1.00) (\$1)~~
27 per new tire sold. These adjustments shall become effective on
28 January 1 of the following year. The department shall base an
29 adjustment of the California tire regulatory fee on the following
30 factors:

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

35 (B) If, at the end of a fiscal year, after making payments pursuant
36 to Sections 42872.1 and 42889, sufficient surplus remains in the
37 California Tire Recycling Management Fund, the department shall
38 use these surplus funds ~~in the following fiscal year~~ to reduce the
39 California tire regulatory fee.

1 (4) (A) The department ~~may~~ *shall* adopt regulations to
2 ~~implement~~ *establish* the California tire regulatory fee, including
3 adjustments pursuant to paragraph (3), as emergency regulations.
4 *fee.*

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

20 *(B) The department may adopt regulations to adjust the*
21 *California tire regulatory fee. These regulations shall be deemed*
22 *to meet the description in subdivision (g) of Section 11340.9 of the*
23 *Government Code and may be filed by the department pursuant*
24 *to Section 11343.8 of the Government Code.*

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

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

35 (f) A person or business who knowingly, or with reckless
36 disregard, makes a false statement or representation in a document
37 used to comply with this section is liable for a civil penalty for
38 each violation or, for continuing violations, for each day that the
39 violation continues. Liability under this section may be imposed

1 in a civil action and shall not exceed twenty-five thousand dollars
2 (\$25,000) for each violation.

3 (g) In addition to the civil penalty that may be imposed pursuant
4 to subdivision (f), the department may impose an administrative
5 penalty in an amount not to exceed five thousand dollars (\$5,000)
6 for each violation of a separate provision or, for continuing
7 violations, for each day that the violation continues, on a person
8 who intentionally or negligently violates a permit, rule, regulation,
9 standard, or requirement issued or adopted pursuant to this chapter.
10 The department shall adopt regulations that specify the amount of
11 the administrative penalty and the procedure for imposing an
12 administrative penalty pursuant to this subdivision.

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

21 (i) The California tire fee *and the California tire regulatory fee*
22 shall not be imposed on a tire sold with, or sold separately for use
23 on, any of the following:

24 (1) A self-propelled wheelchair.

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

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

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

34 ~~SEC. 4.~~

35 *SEC. 5.* Section 42885 of the Public Resources Code, as
36 amended by Section 32 of Chapter 401 of the Statutes of 2013, is
37 amended to read:

38 42885. (a) (1) For purposes of this section, “California tire
39 fee” means the fee imposed pursuant to subdivision (b) of this
40 section.

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

4 (b) (1) A person who purchases a new tire, as defined in
5 subdivision (h), shall pay a California tire fee of seventy-five cents
6 (\$0.75) per tire.

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

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

17 (c) (1) A waste tire generator, as defined by Section 18450 of
18 Title 14 of the California Code of Regulations, that is a retail seller
19 of new tires to end user purchasers shall pay a California tire
20 regulatory fee. The amount of the California tire regulatory fee
21 shall be established by the department in an amount that is
22 sufficient to generate revenues equivalent to the reasonable
23 regulatory costs incurred by the department incident to audits,
24 inspections, administrative activities, adjudications, manifesting,
25 registration, and other regulatory activities regarding waste tires,
26 but that amount shall not exceed one dollar (\$1) per new tire sold.
27 The department may differentiate in setting fees between waste
28 tire generators who are retail sellers of new tires depending upon
29 the nature of the retail seller’s activity generating waste tires, the
30 number of waste tires generated, and other appropriate bases.

31 (2) A waste tire generator that is a retail seller of new tires shall
32 remit the fee assessed pursuant to this subdivision to the state on
33 a quarterly schedule for deposit ~~in a separate account~~ in the
34 California Tire Recycling Management Fund. *The revenue from*
35 *the California tire regulatory fee shall be tracked separately by*
36 *the department and shall not be used for activities other than those*
37 *described in paragraph (1).*

38 (3) ~~On or before August 1, 2024, and no more frequently than~~
39 ~~biennially thereafter, Prior to establishing the California tire~~
40 ~~regulatory fee or making any adjustment to the fee,~~ the department

1 shall review at a public hearing the California tire regulatory fee
2 and shall make any adjustments to the fee to ensure that there are
3 sufficient revenues in the ~~account~~ *California Tire Recycling*
4 *Management Fund* to fund ~~the~~ reasonable regulatory costs incurred
5 by the department incident to audits, inspections, administrative
6 activities, adjudications, manifesting, registration, and other
7 regulatory activities associated with waste tires pursuant to this
8 chapter, Chapter 16 (commencing with ~~section 42800~~) *Section*
9 *42800*), and Chapter 19 (commencing with Section 42950),
10 provided that the fee shall not exceed one dollar ~~(\$1.00)~~ *(\$1)* per
11 new tire sold. These adjustments shall become effective on January
12 1 of the following year. The department shall base an adjustment
13 of the California tire regulatory fee on the following factors:

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

18 (B) If, at the end of a fiscal year, after making payments pursuant
19 to Sections 42872.1 and 42889, sufficient surplus remains in the
20 California Tire Recycling Management Fund, the department shall
21 use these surplus funds ~~in the following fiscal year~~ to reduce the
22 California tire regulatory fee.

23 (4) (A) The department ~~may~~ *shall* adopt regulations to
24 ~~implement~~ *establish* the California tire regulatory fee, ~~including~~
25 ~~adjustments pursuant to paragraph (3), as emergency regulations.~~
26 *fee.*

27 ~~(B) The emergency regulations adopted pursuant to this~~
28 ~~paragraph shall be adopted in accordance with Chapter 3.5~~
29 ~~(commencing with Section 11340) of Part 1 of Division 3 of Title~~
30 ~~2 of the Government Code, and for the purposes of that chapter,~~
31 ~~including Section 11349.6 of the Government Code, the adoption~~
32 ~~of these regulations is an emergency and shall be considered by~~
33 ~~the Office of Administrative Law as necessary for the immediate~~
34 ~~preservation of the public peace, health, safety, and general welfare.~~
35 ~~Notwithstanding Chapter 3.5 (commencing with Section 11340)~~
36 ~~of Part 1 of Division 3 of Title 2 of the Government Code, any~~
37 ~~emergency regulations adopted by the department pursuant to this~~
38 ~~paragraph shall be filed with, but not be repealed by, the Office~~
39 ~~of Administrative Law and shall remain in effect for a period of~~

1 ~~two years or until revised by the department, whichever occurs~~
2 ~~sooner.~~

3 *(B) The department may adopt regulations to adjust the*
4 *California tire regulatory fee. These regulations shall be deemed*
5 *to meet the description in subdivision (g) of Section 11340.9 of the*
6 *Government Code and may be filed by the department pursuant*
7 *to Section 11343.8 of the Government Code.*

8 (d) The department, or its agent authorized pursuant to Section
9 42882, shall be reimbursed for its costs of collection, auditing, and
10 making refunds associated with the California Tire Recycling
11 Management Fund, but not to exceed 3 percent of the total annual
12 revenue deposited in the fund.

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

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

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

35 (h) For purposes of this section, “new tire” means a pneumatic
36 or solid tire intended for use with onroad or off-road motor
37 vehicles, motorized equipment, construction equipment, or farm
38 equipment that is sold separately from the motorized equipment,
39 or a new tire sold with a new or used motor vehicle, as defined in
40 Section 42803.5, including the spare tire, construction equipment,

1 or farm equipment. “New tire” does not include retreaded, reused,
2 or recycled tires.

3 (i) The California tire fee *and the California tire regulatory fee*
4 shall not be imposed on a tire sold with, or sold separately for use
5 on, any of the following:

6 (1) A self-propelled wheelchair.

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

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

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

14 ~~SEC. 5.~~

15 *SEC. 6.* Section 42889 of the Public Resources Code, as
16 amended by Section 152 of Chapter 35 of the Statutes of 2014, is
17 amended to read:

18 42889. (a) Of the moneys collected pursuant to subdivision
19 (b) of Section 42885, an amount equal to seventy-five cents (\$0.75)
20 per tire on which the fee is imposed shall be transferred by the
21 State Board of Equalization to the Air Pollution Control Fund. The
22 state board shall expend those moneys, or allocate those moneys
23 to the districts for expenditure, to fund programs and projects that
24 mitigate or remediate air pollution caused by tires in the state, to
25 the extent that the state board or the applicable district determines
26 that the program or project remediates air pollution harms created
27 by tires upon which the fee described in subdivision (b) of Section
28 42885 is imposed.

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

38 (1) To pay the administrative overhead cost of this chapter, not
39 to exceed 6 percent of the total revenue deposited in the fund

1 annually, or an amount otherwise specified in the annual Budget
2 Act.

3 (2) To pay the costs of administration associated with collection,
4 making refunds, and auditing revenues in the fund, not to exceed
5 3 percent of the total revenue deposited in the fund, as provided
6 in subdivision (c) of Section 42885.

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

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

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

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

34 (7) To assist in developing markets and new technologies for
35 used tires and waste tires. The department's expenditure of funds
36 for purposes of this subdivision shall reflect the priorities for waste
37 management practices specified in subdivision (a) of Section
38 40051.

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

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

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

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

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

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

~~SEC. 6.~~

SEC. 7. Section 42889 of the Public Resources Code, as amended by Section 153 of Chapter 35 of the Statutes of 2014, is amended to read:

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

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

(b) 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 (b) of Section 42885.

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

(d) To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires

1 and used tires. The department shall consider designating a city,
2 county, or city and county as the enforcement authority of
3 regulations relating to the storage of waste tires and used tires, as
4 provided in subdivision (c) of Section 42850, and regulations
5 relating to the hauling of waste and used tires, as provided in
6 subdivision (b) of Section 42963. If the department designates a
7 local entity for that purpose, the department shall provide sufficient,
8 stable, and noncompetitive funding to that entity for that purpose,
9 based on available resources, as provided in the five-year plan
10 adopted and updated as provided in subdivision (a) of Section
11 42885.5. The department may consider and create, as appropriate,
12 financial incentives for citizens who report the illegal hauling or
13 disposal of waste tires as a means of enhancing local and statewide
14 waste tire and used tire enforcement programs.

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

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

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

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

27 ~~SEC. 7.~~

28 *SEC. 8.* Section 42961.5 of the Public Resources Code is
29 amended to read:

30 42961.5. (a) For purposes of this chapter, the following
31 definitions shall apply:

32 (1) “California Uniform Waste and Used Tire Manifest” or
33 “manifest” means a shipping document signed by a waste or used
34 tire hauler and a generator of waste or used tires, or the operator
35 of a waste or used tire facility or other destination that contains all
36 of the information required by the department, including, but not
37 limited to, an accurate measurement of the number of tires being
38 shipped, the date the shipment originated or terminated, and the
39 origin and final destination of the shipment.

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

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

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

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

~~(4)~~

(3) “Waste and used tire hauler” or “hauler” means any person required to be registered with the department pursuant to subdivision (a) of Section 42951.

(b) For purposes of this section, “Passenger Tire Equivalent” or “PTE” means either of the following:

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

(2) A unit of measurement, such that 10 PTEs equals one cubic yard of waste or used tires, and one PTE equals one waste or used tire.

~~(b)~~

(c) (1) A hauler transporting waste or used tires for offsite handling, altering, storage, or disposal, or for any combination thereof, shall complete a manifest.

(2) A hauler shall have the manifest in his or her possession while transporting waste or used tires. The manifest shall be shown upon demand to any representative of the department, any officer of the *Department of the California Highway Patrol*, or any peace officer, as defined in Section 830.1 or 830.2 of the Penal Code.

(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~~ *Notwithstanding the Uniform Electronic Transactions Act (Title 2.5 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code)*, 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.

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

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

9 ~~(e)—A~~

10 *(d) The authorized representative for the person generating or*
11 *accepting waste or used tires shall verify that the information on*
12 *the manifest is correct, including the number of tires and other*
13 *information specified by the department, and shall sign the*
14 *manifest. The person generating or accepting waste or used tires*
15 *shall maintain a copy of the manifest and any other information*
16 *required that the department deems necessary to track the flow of*
17 *waste and used tires through the state.*

18 ~~(d)~~

19 *(e) The department may require an electronic manifest submitted*
20 *by a hauler to the department to include verification from a hauler,*
21 *and a generator of waste or used tires, or the operator of a waste*
22 *or used tire facility or other destination, that the information on*
23 *the manifest is correct, including the number of tires and other*
24 *information specified by the department.*

25 ~~(e)~~

26 *(f) The department shall develop and implement a system for*
27 *auditing manifests submitted to the department pursuant to this*
28 *section, for the purpose of enforcing this section.*

29 ~~(f)~~

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

34 ~~(g)~~

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

- 1 used tire hauler registration or a waste and used tire hauler
- 2 registration renewal.

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