

AMENDED IN SENATE JUNE 23, 2016

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~~ *require, until January 1, 2024*, 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 the California Tire Recycling Management Fund. *The bill would authorize a retail seller to retain 1½% of the California tire regulatory fee as reimbursement for any costs associated with the administration and remittance of the fee.* 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 require the department to identify the specific programs that the California tire regulatory fee would 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 activities, adjudications, manifesting, registration, and other regulatory activities regarding waste tires, but that does not exceed \$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, 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 require the department to adopt regulations to implement the initial California tire regulatory 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.

(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~~ *tire material* 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~~ *California-generated* waste ~~tires~~ *tire material* processed in California and sold ~~a waste an incentive-eligible~~ *an incentive-eligible* tire product incorporating ~~those waste tires that material~~ 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~~ 25% 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~~ 75% of solid waste tires generated be source reduced or recycled in the state by the year 2020. *The bill would require the department, if that policy goal is met for 3 consecutive years, to review existing tire recycling programs and make recommendations, as specified.*

(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.

1 (b) In accordance with Section 42872, the department shall
2 establish a tire recycling incentive program that makes payments
3 to eligible entities.

4 (c) Incentive payments shall be made to eligible entities for
5 ~~waste~~ *incentive-eligible* tire products manufactured from ~~California~~
6 ~~generated~~ *California-generated* waste ~~tires~~ *tire material* that
7 ~~promote~~ *promotes the recycling of*, the reduction of the disposal
8 of, ~~the recycling of~~, or the prevention of illegal dumping of,
9 ~~California-generated~~ *California-generated* waste ~~tires~~ *tire material*.

10 (d) An eligible entity is eligible to receive an incentive payment
11 only upon demonstrating to the department that the entity
12 purchased ~~California-generated~~ *California-generated* waste ~~tires~~
13 *tire material that was processed in California and sold a waste an*
14 *incentive-eligible* tire product incorporating ~~those waste tires that~~
15 *material* to an end user.

16 (e) For purposes of this section, “eligible entity” includes, but
17 is not limited to, a manufacturer that produces a product ~~using~~
18 ~~California-generated~~ *incorporating California-generated* waste
19 ~~tires~~ *tire material* for purchase by an end user.

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

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

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

26 (3) Private companies and persons.

27 (g) (1) For purposes of this section, ~~“waste~~ *“incentive-eligible*
28 *tire product“* may include, but is not limited to, the following:

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

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

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

37 (D) Poured in place and tile playground mats.

38 (E) Landscape nuggets and mulch.

39 (F) Walkways and pathways.

40 (G) Running tracks.

- 1 (H) Tire-derived aggregate applications, including lightweight
2 fill and vibration mitigation.
- 3 (I) Molded, extruded, injected, and calendered products.
- 4 (J) Products that use recycled rubber ~~or as a substitute for~~ other
5 materials, such as plastic.
- 6 (K) Paint and coatings.
- 7 (L) Other products, environmentally safe applications, or
8 treatments determined to be appropriate by the department.
- 9 (2) ~~Waste~~ “*Incentive-eligible* tire product” does not include
10 any of the following:
- 11 (A) Tire-derived fuel.
- 12 (B) Alternative daily cover, intermediate cover, erosion, or other
13 landfill uses, except tire-derived aggregates used in landfill
14 engineered projects for landfill gas and leachate control systems
15 and other engineering project designated by the department.
- 16 (C) Exports.
- 17 (D) Synthetic turf infill.
- 18 (E) Loose rubber nugget or mulch playgrounds.
- 19 (F) Purchases made to meet procurement requirements
20 established pursuant to Section 42703.
- 21 (h) (1) On or before July 1, 2018, the department shall hold a
22 public workshop to develop a plan for the tire recycling incentive
23 payment program established pursuant to subdivision (b). The plan
24 shall be included in the next revision of the five-year plan required
25 pursuant to Section 42885.5.
- 26 (2) (A) In the public workshop required pursuant to paragraph
27 (1), the department shall develop a tiered incentive payment
28 structure. The tiers shall be designed to ensure the maximum
29 amount of ~~California-generated~~ *California-generated* waste tires
30 is recycled.
- 31 (B) The department shall include no more than three tiers in the
32 incentive payment structure.
- 33 (C) In developing the tiers, the department shall consider factors,
34 including, but not limited to, the following:
- 35 (i) The quantity of waste tires that will be diverted from landfills.
- 36 (ii) The incentive amount necessary for ~~waste~~ *incentive-eligible*
37 tire products of recipients to effectively compete with nonrecycled
38 alternatives.
- 39 (iii) The existing and potential markets for the applicable ~~waste~~
40 *incentive-eligible* tire product.

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

2 (v) *The market segments for waste tires.*

3 (vi) *The pricing structures necessary to increase the use of*
4 *incentive-eligible tire products by market segment, including*
5 *pricing structures necessary to achieve the goal established*
6 *pursuant to 42872.2.*

7 (D) *The department shall conduct a waste tire market evaluation*
8 *to inform the development of the tiers and shall discuss the findings*
9 *at the public workshop required pursuant to paragraph (1).*

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

16 (i) ~~The~~ *As part of the biennial update of the five-year plan*
17 *required pursuant to Section 42885.5, the department shall evaluate*
18 *the tire recycling incentive program established pursuant to*
19 *subdivision (b) in a public forum and propose changes accordingly.*
20 *The evaluation shall include, but is not limited to, the following*
21 *elements:*

22 (1) *The recycling rate of California-generated waste tire*
23 *material, including waste tire material recycled through funding*
24 *pursuant to the Tire Recycling Incentive Program, and, to the*
25 *extent the information is available, an estimate of the recycling*
26 *rate of waste tire material recycled by other state and local*
27 *agencies and the private sector.*

28 (2) *The amount of California-generated waste tire material*
29 *entering each market segment.*

30 (3) *The amount of waste tire material recycled through*
31 *expenditures authorized by this chapter.*

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).

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

4 *(l) Nothing in this section is intended to limit the use of waste*
5 *tire products that are not incentive-eligible tire products.*

6 SEC. 3. Section 42872.2 is added to the Public Resources Code,
7 to read:

8 42872.2. (a) The Legislature hereby declares that it is the
9 policy goal of the state that not less than 75 percent of solid waste
10 tires generated be source reduced, or recycled in the state, by the
11 year 2020.

12 *(b) If the state meets the policy goal in subdivision (a) for three*
13 *consecutive years, the department shall, as part of the five-year*
14 *plan required pursuant to Section 42885.5, review existing tire*
15 *recycling programs and make recommendations as to which*
16 *policies are necessary to maintain and increase the level of waste*
17 *tire recycling.*

18 SEC. 4. Section 42885 of the Public Resources Code, as
19 amended by Section 31 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) A person who purchases a new tire, as defined in
28 subdivision (h), shall pay a California tire fee of one dollar and
29 seventy-five cents (\$1.75) 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 1 ½ percent of
36 the fee as reimbursement for any costs associated with the
37 collection of the fee. The retail seller shall remit the remainder to
38 the state on a quarterly schedule for deposit in the California Tire
39 Recycling Management Fund, which is hereby created in the State
40 Treasury.

1 (c) (1) A waste tire generator that is a retail seller of new tires
2 to end user purchasers shall pay a California tire regulatory fee.
3 The amount of the California tire regulatory fee shall be established
4 by the department in an amount that is sufficient to generate
5 revenues equivalent to the reasonable regulatory costs incurred by
6 the department incident to audits, inspections, administrative
7 activities, adjudications, manifesting, registration, and other
8 regulatory activities regarding waste tires, but that amount shall
9 not exceed one dollar (\$1) per new tire sold. The department may
10 differentiate in setting fees between waste tire generators who are
11 retail sellers of new tires depending upon the nature of the retail
12 seller's activity generating waste tires, the number of waste tires
13 generated, and other appropriate bases.

14 (2) A waste tire generator that is a retail seller of new tires shall
15 remit the fee assessed pursuant to this subdivision to the state on
16 a quarterly schedule for deposit in the California Tire Recycling
17 Management Fund. The revenue from the California tire regulatory
18 fee shall be tracked separately by the department and shall not be
19 used for activities other than those described in paragraph (1).

20 (3) Prior to establishing the California tire regulatory fee or
21 making any adjustment to the fee, the department shall review at
22 a public hearing the California tire regulatory fee and shall make
23 any adjustments to the fee to ensure that there are sufficient
24 revenues in the California Tire Recycling Management Fund to
25 fund the reasonable regulatory costs incurred by the department
26 incident to audits, inspections, administrative activities,
27 adjudications, manifesting, registration, and other regulatory
28 activities associated with waste tires pursuant to this chapter,
29 Chapter 16 (commencing with Section 42800), and Chapter 19
30 (commencing with Section 42950), provided that the fee shall not
31 exceed one dollar (\$1) per new tire sold. These adjustments shall
32 become effective on January 1 of the following year. The
33 department shall base an adjustment of the California tire
34 regulatory fee on the following factors:

35 (A) The sufficiency of revenues in the ~~account~~ *California Tire*
36 *Recycling Management Fund* for the department to administer,
37 enforce, and promote the regulatory aspects of the program
38 established pursuant to these chapters, plus a prudent reserve.

1 (B) *Whether additional revenue is necessary to preserve the*
2 *department's ability to conduct regulatory activities in the*
3 *following fiscal year.*

4 ~~(B)~~

5 (C) If, at the end of a fiscal year, after making payments pursuant
6 to Sections 42872.1 and 42889, sufficient surplus remains in the
7 California Tire Recycling Management Fund, the department shall
8 use these surplus funds to reduce the California tire regulatory fee.

9 (4) (A) The department shall adopt regulations to establish the
10 California tire regulatory fee.

11 (B) The department may adopt regulations to adjust the
12 California tire regulatory fee. These regulations shall be deemed
13 to meet the description in subdivision (g) of Section 11340.9 of
14 the Government Code and may be filed by the department pursuant
15 to Section 11343.8 of the Government Code.

16 (C) *The retail seller may retain 1 1/2 percent of the California*
17 *tire regulatory fee as reimbursement for any costs associated with*
18 *the administration and remittance of the fee.*

19 (5) *The department shall identify the specific programs to be*
20 *funded by the California tire regulatory fee.*

21 (d) The department, or its agent authorized pursuant to Section
22 42882, shall be reimbursed for its costs of collection, auditing, and
23 making refunds associated with the California Tire Recycling
24 Management Fund, ~~but not to the amount of that reimbursement~~
25 *shall not exceed 3 percent of the total annual revenue deposited*
26 *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) A person or business who knowingly, or with reckless
33 disregard, makes a false statement or representation in a document
34 used to comply with this section is liable for a civil penalty for
35 each violation or, for continuing violations, for each day that the
36 violation continues. Liability under this section may be imposed
37 in a civil action and shall not exceed twenty-five thousand dollars
38 (\$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 a person
4 who intentionally or negligently violates a permit, rule, regulation,
5 standard, or requirement issued or adopted pursuant to this chapter.
6 The department shall adopt regulations that specify the amount of
7 the administrative penalty and the procedure for imposing an
8 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 and the California tire regulatory fee
18 shall not be imposed on a tire sold with, or sold separately for use
19 on, any of the following:

20 (1) A self-propelled wheelchair.

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

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

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

30 ~~SEC. 5. Section 42885 of the Public Resources Code, as~~
31 ~~amended by Section 32 of Chapter 401 of the Statutes of 2013, is~~
32 ~~amended to read:~~

33 ~~42885. (a) (1) For purposes of this section, “California tire~~
34 ~~fee” means the fee imposed pursuant to subdivision (b) of this~~
35 ~~section.~~

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

1 ~~(b) (1) A person who purchases a new tire, as defined in~~
2 ~~subdivision (h), shall pay a California tire fee of seventy-five cents~~
3 ~~(\$0.75) per tire.~~

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

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

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

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

34 ~~(3) Prior to establishing the California tire regulatory fee or~~
35 ~~making any adjustment to the fee, the department shall review at~~
36 ~~a public hearing the California tire regulatory fee and shall make~~
37 ~~any adjustments to the fee to ensure that there are sufficient~~
38 ~~revenues in the California Tire Recycling Management Fund to~~
39 ~~fund the reasonable regulatory costs incurred by the department~~
40 ~~incident to audits, inspections, administrative activities,~~

1 adjudications, manifesting, registration, and other regulatory
2 activities associated with waste tires pursuant to this chapter,
3 Chapter 16 (commencing with Section 42800), and Chapter 19
4 (commencing with Section 42950), provided that the fee shall not
5 exceed one dollar (\$1) per new tire sold. These adjustments shall
6 become effective on January 1 of the following year. The
7 department shall base an adjustment of the California tire
8 regulatory fee on the following factors:

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

13 (B) If, at the end of a fiscal year, after making payments pursuant
14 to Sections 42872.1 and 42889, sufficient surplus remains in the
15 California Tire Recycling Management Fund, the department shall
16 use these surplus funds to reduce the California tire regulatory fee.

17 (4) (A) The department shall adopt regulations to establish the
18 California tire regulatory fee.

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

24 (d)

25 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)

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

36 (f)

37 A person or business who knowingly, or with reckless disregard,
38 makes a false statement or representation in a document used to
39 comply with this section is liable for a civil penalty for each
40 violation or, for continuing violations, for each day that the

1 violation continues. Liability under this section may be imposed
 2 in a civil action and shall not exceed twenty-five thousand dollars
 3 (\$25,000) for each violation.

4 (g)

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

15 (h)

16 ~~For purposes of this section, “new tire” means a pneumatic or~~
 17 ~~solid tire intended for use with onroad or off-road motor vehicles,~~
 18 ~~motorized equipment, construction equipment, or farm equipment~~
 19 ~~that is sold separately from the motorized equipment, or a new tire~~
 20 ~~sold with a new or used motor vehicle, as defined in Section~~
 21 ~~42803.5, including the spare tire, construction equipment, or farm~~
 22 ~~equipment. “New tire” does not include retreaded, reused, or~~
 23 ~~recycled tires.~~

24 (i)

25 ~~The California tire fee and the California tire regulatory fee~~
 26 ~~shall not be imposed on a tire sold with, or sold separately for use~~
 27 ~~on, any of the following:~~

- 28 (1) ~~A self-propelled wheelchair.~~
- 29 (2) ~~A motorized tricycle or motorized quadricycle, as defined~~
 30 ~~in Section 407 of the Vehicle Code.~~
- 31 (3) ~~A vehicle that is similar to a motorized tricycle or motorized~~
 32 ~~quadricycle and is designed to be operated by a person who, by~~
 33 ~~reason of the person’s physical disability, is otherwise unable to~~
 34 ~~move about as a pedestrian.~~

35 (j)

36 ~~This section shall become operative on January 1, 2024.~~

37 ~~SEC. 6.~~

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

1 42889. (a) Of the moneys collected pursuant to subdivision
2 (b) of Section 42885, an amount equal to seventy-five cents (\$0.75)
3 per tire on which the fee is imposed shall be transferred by the
4 State Board of Equalization to the Air Pollution Control Fund. The
5 state board shall expend those moneys, or allocate those moneys
6 to the districts for expenditure, to fund programs and projects that
7 mitigate or remediate air pollution caused by tires in the state, to
8 the extent that the state board or the applicable district determines
9 that the program or project remediates air pollution harms created
10 by tires upon which the fee described in subdivision (b) of Section
11 42885 is imposed.

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

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

25 (2) To pay the costs of administration associated with collection,
26 making refunds, and auditing revenues in the fund, not to exceed
27 3 percent of the total revenue deposited in the fund, as provided
28 in subdivision ~~(e)~~ (d) of Section 42885.

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

31 (4) To pay the costs associated with the development and
32 enforcement of regulations relating to the storage of waste tires
33 and used tires. The department shall consider designating a city,
34 county, or city and county as the enforcement authority of
35 regulations relating to the storage of waste tires and used tires, as
36 provided in subdivision (c) of Section 42850, and regulations
37 relating to the hauling of waste and used tires, as provided in
38 subdivision (b) of Section 42963. If the department designates a
39 local entity for that purpose, the department shall provide sufficient,
40 stable, and noncompetitive funding to that entity for that purpose,

1 based on available resources, as provided in the five-year plan
 2 adopted and updated as provided in subdivision (a) of Section
 3 42885.5. The department may consider and create, as appropriate,
 4 financial incentives for citizens who report the illegal hauling or
 5 disposal of waste tires as a means of enhancing local and statewide
 6 waste tire and used tire enforcement programs.

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

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

16 (7) To assist in developing markets and new technologies for
 17 used tires and waste tires. The department’s expenditure of funds
 18 for purposes of this subdivision shall reflect the priorities for waste
 19 management practices specified in subdivision (a) of Section
 20 40051.

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

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

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

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

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

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

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

1 42889. Funding for the waste tire program shall be appropriated
2 to the department in the annual Budget Act. The moneys in the
3 fund shall be expended for the payment of refunds under this
4 chapter and for the following purposes, but only those funds
5 deposited pursuant to paragraph (2) of subdivision (c) of Section
6 42885 shall be expended for purposes for which those funds may
7 be lawfully expended until those funds are exhausted:

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

12 (b) To pay the costs of administration associated with collection,
13 making refunds, and auditing revenues in the fund, not to exceed
14 3 percent of the total revenue deposited in the fund, as provided
15 in subdivision (b) of Section 42885.

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

18 (d) To pay the costs associated with the development and
19 enforcement of regulations relating to the storage of waste tires
20 and used tires. The department shall consider designating a city,
21 county, or city and county as the enforcement authority of
22 regulations relating to the storage of waste tires and used tires, as
23 provided in subdivision (c) of Section 42850, and regulations
24 relating to the hauling of waste and used tires, as provided in
25 subdivision (b) of Section 42963. If the department designates a
26 local entity for that purpose, the department shall provide sufficient,
27 stable, and noncompetitive funding to that entity for that purpose,
28 based on available resources, as provided in the five-year plan
29 adopted and updated as provided in subdivision (a) of Section
30 42885.5. The department may consider and create, as appropriate,
31 financial incentives for citizens who report the illegal hauling or
32 disposal of waste tires as a means of enhancing local and statewide
33 waste tire and used tire enforcement programs:

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

1 ~~(f) To fund border region activities specified in paragraph (8)~~
2 ~~of subdivision (b) of Section 42885.5.~~

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

5 ~~(h) This section shall become operative on January 1, 2024.~~
6 ~~SEC. 8.~~

7 SEC. 6. Section 42961.5 of the Public Resources Code is
8 amended to read:

9 42961.5. (a) For purposes of this chapter, the following
10 definitions shall apply:

11 (1) “California Uniform Waste and Used Tire Manifest” or
12 “manifest” means a shipping document signed by a waste or used
13 tire hauler and a generator of waste or used tires, or the operator
14 of a waste or used tire facility or other destination that contains all
15 of the information required by the department, including, but not
16 limited to, an accurate measurement of the number of tires being
17 shipped, the date the shipment originated or terminated, and the
18 origin and final destination of the shipment.

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

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

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

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

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

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

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

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

5 (4) Notwithstanding the Uniform Electronic Transactions Act
6 (Title 2.5 (commencing with Section 1633.1) of Part 2 of Division
7 3 of the Civil Code), the hauler shall submit a manifest to the
8 department for each load of waste or used tires transported within
9 seven days of the date of the pickup or delivery. The department
10 may grant an extension before the seventh day upon a showing of
11 good cause by the hauler.

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

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

20 (d) The authorized representative for the person generating or
21 accepting waste or used tires shall verify that the information on
22 the manifest is correct, including the number of tires and other
23 information specified by the department, and shall sign the
24 manifest. The person generating or accepting waste or used tires
25 shall maintain a copy of the manifest and any other information
26 required that the department deems necessary to track the flow of
27 waste and used tires through the state.

28 (e) The department may require an electronic manifest submitted
29 by a hauler to the department to include verification from a hauler,
30 and a generator of waste or used tires, or the operator of a waste
31 or used tire facility or other destination, that the information on
32 the manifest is correct, including the number of tires and other
33 information specified by the department.

34 (f) The department shall develop and implement a system for
35 auditing manifests submitted to the department pursuant to this
36 section, for the purpose of enforcing this section.

37 (g) If the amount of waste or used tires recorded on a manifest
38 is by weight or volume, the department shall determine the number
39 of waste or used tires being transported by converting the weight
40 or volume into PTEs.

1 (h) The department may require a hauler to attend trainings and
2 demonstrate understanding and proficiency with the provisions of
3 this chapter, Chapter 16 (commencing with Section 42800),
4 Chapter 17 (commencing with Section 42860), and any rules,
5 regulations, or requirements issued or adopted pursuant to this
6 chapter, Chapter 16, or Chapter 17 prior to receiving a waste and
7 used tire hauler registration or a waste and used tire hauler
8 registration renewal.

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