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AMENDED IN SENATE JUNE 23, 2016  
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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**

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**Introduced by Assembly Members Gordon and Atkins**

February 27, 2015

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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, until January 1, 2024, *upon a specified finding by the department*, 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 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~~ *require* 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, *and would require the department to base the amount of the fee on specified criteria*, 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.~~ *hold a public hearing, as specified*. The bill would provide that ~~these adjustments become an adjustment to the fee becomes~~ effective on January 1 of the ~~following year.~~ *year following its adoption*. 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 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 waste tire material processed in California and sold an incentive-eligible tire product incorporating 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% 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% 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.
- 7 (b) In accordance with Section 42872, the department shall
- 8 establish a tire recycling incentive program that makes payments
- 9 to eligible entities.

1 (c) Incentive payments shall be made to eligible entities for  
2 incentive-eligible tire products manufactured from  
3 California-generated waste tire material that promote the recycling  
4 of, the reduction of the disposal of, or the prevention of illegal  
5 dumping of, California-generated waste tire material.

6 (d) An eligible entity is eligible to receive an incentive payment  
7 only upon demonstrating to the department that the entity  
8 purchased California-generated waste tire material that was  
9 processed in California and sold an incentive-eligible tire product  
10 incorporating that material to an end user.

11 (e) For purposes of this section, “eligible entity” includes, but  
12 is not limited to, a manufacturer that produces a product  
13 incorporating California-generated waste tire material for purchase  
14 by an end user.

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

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

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

21 (3) Private companies and persons.

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

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

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

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

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

33 (E) Landscape nuggets and mulch.

34 (F) Walkways and pathways.

35 (G) Running tracks.

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

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

39 (J) Products that use recycled rubber as a substitute for other  
40 materials, such as plastic.

- 1 (K) Paint and coatings.
- 2 (L) Other products, environmentally safe applications, or
- 3 treatments determined to be appropriate by the department.
- 4 (2) “Incentive-eligible tire product” does not include any of the
- 5 following:
- 6 (A) Tire-derived fuel.
- 7 (B) Alternative daily cover, intermediate cover, erosion, or other
- 8 landfill uses, except tire-derived aggregates used in landfill
- 9 engineered projects for landfill gas and leachate control systems
- 10 and other engineering project designated by the department.
- 11 (C) Exports.
- 12 (D) Synthetic turf infill.
- 13 (E) Loose rubber nugget or mulch playgrounds.
- 14 (F) Purchases made to meet procurement requirements
- 15 established pursuant to Section 42703.
- 16 (h) (1) On or before July 1, 2018, the department shall hold a
- 17 public workshop to develop a plan for the tire recycling incentive
- 18 payment program established pursuant to subdivision (b). The plan
- 19 shall be included in the next revision of the five-year plan required
- 20 pursuant to Section 42885.5.
- 21 (2) (A) In the public workshop required pursuant to paragraph
- 22 (1), the department shall develop a tiered incentive payment
- 23 structure. The tiers shall be designed to ensure the maximum
- 24 amount of California-generated waste tires is recycled.
- 25 (B) The department shall include no more than three tiers in the
- 26 incentive payment structure.
- 27 (C) In developing the tiers, the department shall consider factors,
- 28 including, but not limited to, the following:
- 29 (i) The quantity of waste tires that will be diverted from landfills.
- 30 (ii) The incentive amount necessary for incentive-eligible tire
- 31 products to effectively compete with nonrecycled alternatives.
- 32 (iii) The existing and potential markets for the applicable
- 33 incentive-eligible tire product.
- 34 (iv) The policy goal established pursuant to Section 42872.2.
- 35 (v) The market segments for waste tires.
- 36 (vi) The pricing structures necessary to increase the use of
- 37 incentive-eligible tire products by market segment, including
- 38 pricing structures necessary to achieve the goal established pursuant
- 39 to 42872.2.

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

4 (3) The department shall reduce current waste tire market  
5 development grants, in light of expenditures of funds appropriated  
6 in paragraph (1) of subdivision (k), in the next revision of the  
7 five-year plan following the operative date of this paragraph.  
8 Existing nongrant market development activities shall continue  
9 for activities described in the five-year plan.

10 (i) As part of the biennial update of the five-year plan required  
11 pursuant to Section 42885.5, the department shall evaluate the tire  
12 recycling incentive program established pursuant to subdivision  
13 (b) in a public forum and propose changes accordingly. The  
14 evaluation shall include, but is not limited to, the following  
15 elements:

16 (1) The recycling rate of California-generated waste tire  
17 material, including waste tire material recycled through funding  
18 pursuant to the Tire Recycling Incentive Program, and, to the extent  
19 the information is available, an estimate of the recycling rate of  
20 waste tire material recycled by other state and local agencies and  
21 the private sector.

22 (2) The amount of California-generated waste tire material  
23 entering each market segment.

24 (3) The amount of waste tire material recycled through  
25 expenditures authorized by this chapter.

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

29 ~~(k) (1) Commencing July 1, 2018, and until January 1, 2024,~~  
30 ~~of the amount appropriated to the department in the annual Budget~~  
31 ~~Act pursuant to subdivision (b) of Section 42889, the department~~  
32 ~~shall annually allocate no less than twenty million dollars~~  
33 ~~(\$20,000,000) for the tire recycling incentive program established~~  
34 ~~pursuant to subdivision (b).~~

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

38 ~~(t)~~

39 (k) Nothing in this section is intended to limit the use of waste  
40 tire products that are not incentive-eligible tire products.

1 SEC. 3. Section 42872.2 is added to the Public Resources Code,  
 2 to read:

3 42872.2. (a) The Legislature hereby declares that it is the  
 4 policy goal of the state that not less than 75 percent of solid waste  
 5 tires generated be source reduced, or recycled in the state, by the  
 6 year 2020.

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

13 SEC. 4. Section 42885 of the Public Resources Code, as  
 14 amended by Section 31 of Chapter 401 of the Statutes of 2013, is  
 15 amended to read:

16 42885. (a) (1) For purposes of this section, “California tire  
 17 fee” means the fee imposed pursuant to subdivision (b) of this  
 18 section.

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

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

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

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

36 (c) (1) ~~Upon a finding by the department that the California~~  
 37 ~~Tire Recycling Management Fund will not have sufficient revenue~~  
 38 ~~to fund the reasonable regulatory costs incurred by the department~~  
 39 ~~incident to audits, inspections, administrative activities,~~  
 40 ~~adjudications, manifesting, registration, and other regulatory~~

1 *activities regarding waste tires, including the regulatory aspects*  
2 *of the programs established pursuant to this chapter, Chapter 16*  
3 *(commencing with Section 42800), and Chapter 19 (commencing*  
4 *with Section 42950), the department shall establish, and a waste*  
5 *tire generator that is a retail seller of new tires to end user*  
6 *purchasers shall ~~pay~~ pay, a California tire regulatory fee. The*  
7 *amount of the California tire regulatory fee shall be established*  
8 *and adjusted by the department in an amount that is sufficient to*  
9 *generate revenues equivalent to the reasonable regulatory costs*  
10 *incurred by the department incident to audits, inspections,*  
11 *administrative activities, adjudications, manifesting, registration,*  
12 *and other regulatory activities regarding waste tires, based on the*  
13 *factors specified in paragraph (3), but that amount shall not exceed*  
14 *one dollar (\$1) per new tire sold. The department shall set this fee*  
15 *to collect no more than is necessary for the following fiscal year,*  
16 *including a prudent reserve, as specified in subparagraph (B) of*  
17 *paragraph (3). The department may differentiate in setting fees*  
18 *between waste tire generators who are retail sellers of new tires*  
19 *depending upon the nature of the retail seller's activity generating*  
20 *waste tires, the number of waste tires generated, and other*  
21 *appropriate bases.*

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

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

1 ~~department shall base an adjustment of the California tire~~  
 2 ~~regulatory fee on the following factors:~~

3 ~~(A) The amount necessary to fund the reasonable regulatory~~  
 4 ~~costs incurred by the department incident to audits, inspections,~~  
 5 ~~administrative activities, adjudications, manifesting, registration,~~  
 6 ~~and other regulatory activities associated with waste tires pursuant~~  
 7 ~~to this chapter, Chapter 16 (commencing with Section 42800), and~~  
 8 ~~Chapter 19 (commencing with Section 42950).~~

9 ~~(A)~~

10 (B) The sufficiency of revenues in the California Tire Recycling  
 11 Management Fund for the department to administer, enforce, and  
 12 promote *its regulatory activities regarding waste tires, including*  
 13 *the regulatory aspects of the*~~program~~ *programs* established  
 14 pursuant to ~~these chapters, this chapter, Chapter 16 (commencing~~  
 15 ~~with Section 42800), and Chapter 19 (commencing with Section~~  
 16 ~~42950), plus a prudent reserve.~~

17 ~~(B)~~

18 (C) Whether additional revenue is necessary to preserve the  
 19 department’s ability to conduct regulatory activities in the  
 20 following fiscal year.

21 ~~(C) If,~~

22 (D) *Whether, at the end of a fiscal year, after making payments*  
 23 *pursuant to Sections 42872.1 and 42889, sufficient surplus remains*  
 24 *in the California Tire Recycling Management Fund, the department*  
 25 ~~shall use these surplus funds~~ *Fund* to reduce the California tire  
 26 regulatory fee.

27 (4) *An adjustment to the California tire regulatory fee shall*  
 28 *become effective on January 1 of the year following its adoption.*

29 ~~(4)~~

30 (5) (A) The department shall adopt regulations to establish the  
 31 California tire regulatory fee.

32 (B) The department may adopt regulations to adjust the  
 33 California tire regulatory fee. These regulations  
 34 shall be deemed to meet the description in subdivision (g) of  
 35 Section 11340.9 of the Government Code and may be filed by the  
 36 department pursuant to Section 11343.8 of the Government Code.

37 ~~(5)~~

38 (6) The department shall identify the specific programs to be  
 39 funded by the California tire regulatory fee.

1 (d) The department, or its agent authorized pursuant to Section  
2 42882, shall be reimbursed for its costs of collection, auditing, and  
3 making refunds associated with the California Tire Recycling  
4 Management Fund, but the amount of that reimbursement shall  
5 not exceed 3 percent of the total annual revenue deposited in the  
6 fund.

7 (e) The California tire fee imposed pursuant to subdivision (b)  
8 shall be separately stated by the retail seller on the invoice given  
9 to the customer at the time of sale. Any other disposal or  
10 transaction fee charged by the retail seller related to the tire  
11 purchase shall be identified separately from the California tire fee.

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

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

29 (h) For purposes of this section, “new tire” means a pneumatic  
30 or solid tire intended for use with onroad or off-road motor  
31 vehicles, motorized equipment, construction equipment, or farm  
32 equipment that is sold separately from the motorized equipment,  
33 or a new tire sold with a new or used motor vehicle, as defined in  
34 Section 42803.5, including the spare tire, construction equipment,  
35 or farm equipment. “New tire” does not include retreaded, reused,  
36 or recycled tires.

37 (i) The California tire fee and the California tire regulatory fee  
38 shall not be imposed on a tire sold with, or sold separately for use  
39 on, any of the following:

40 (1) A self-propelled wheelchair.

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

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

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

10 SEC. 5. Section 42889 of the Public Resources Code, as  
11 amended by Section 152 of Chapter 35 of the Statutes of 2014, is  
12 amended to read:

13 42889. (a) Of the moneys collected pursuant to subdivision  
14 (b) of Section 42885, an amount equal to seventy-five cents (\$0.75)  
15 per tire on which the fee is imposed shall be transferred by the  
16 State Board of Equalization to the Air Pollution Control Fund. The  
17 state board shall expend those moneys, or allocate those moneys  
18 to the districts for expenditure, to fund programs and projects that  
19 mitigate or remediate air pollution caused by tires in the state, to  
20 the extent that the state board or the applicable district determines  
21 that the program or project remediates air pollution harms created  
22 by tires upon which the fee described in subdivision (b) of Section  
23 42885 is imposed.

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

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

37 (2) To pay the costs of administration associated with collection,  
38 making refunds, and auditing revenues in the fund, not to exceed  
39 3 percent of the total revenue deposited in the fund, as provided  
40 in subdivision (d) of Section 42885.

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

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

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

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

28 (7) To assist in developing markets and new technologies for  
29 used tires and waste tires. The department's expenditure of funds  
30 for purposes of this subdivision shall reflect the priorities for waste  
31 management practices specified in subdivision (a) of Section  
32 40051.

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

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

38 (10) To pay the costs of cleanup, abatement, or other remedial  
39 action related to the disposal of waste tires in implementing and  
40 operating the Farm and Ranch Solid Waste Cleanup and Abatement

1 Grant Program established pursuant to Chapter 2.5 (commencing  
2 with Section 48100) of Part 7.

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

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

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

10 SEC. 6. Section 42961.5 of the Public Resources Code is  
11 amended to read:

12 42961.5. (a) For purposes of this chapter, the following  
13 definitions shall apply:

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

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

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

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

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

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

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

38 (2) A hauler shall have the manifest in his or her possession  
39 while transporting waste or used tires. The manifest shall be shown  
40 upon demand to any representative of the department, any officer

1 of the Department of the California Highway Patrol, or any peace  
2 officer, as defined in Section 830.1 or 830.2 of the Penal Code.

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

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

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

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

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

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

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

39 (g) If the amount of waste or used tires recorded on a manifest  
40 is by weight or volume, the department shall determine the number

1 of waste or used tires being transported by converting the weight  
2 or volume into PTEs.

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

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