
By: Delegates Schisler, Elliott, Redmer, Stull, and Stocksdale

Introduced and read first time: January 29, 1997

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 1997

CHAPTER ____

1 AN ACT concerning

2 **Scrap Tire Disposal - Fee Termination**

3 FOR the purpose of ~~altering the required components of a certain scrap tire recycling~~
 4 ~~system; altering certain limitations on the use of scrap tires as fuel; eliminating a~~
 5 ~~certain waiver from the prohibition against disposing of scrap tires in a landfill;~~
 6 ~~altering the limit of the State Used Tire Cleanup and Recycling Fund; eliminating a~~
 7 ~~certain tire recycling fee after a certain date; providing for the use and disposition~~
 8 ~~of certain funds; providing for the effective date of a portion of this Act; providing~~
 9 ~~for a delayed effective date; and generally relating to scrap tires and disposal.~~

10 ~~BY repealing and reenacting, without amendments,~~

11 ~~Article - Environment~~

12 ~~Section 9-228(b)~~

13 ~~Annotated Code of Maryland~~

14 ~~(1996 Replacement Volume and 1996 Supplement)~~

15 BY repealing and reenacting, with amendments,

16 Article - Environment

17 Section ~~9-228(e) and (f) and~~ 9-274

18 Annotated Code of Maryland

19 (1996 Replacement Volume and 1996 Supplement)

20 BY repealing

21 Article - Environment

22 Section 9-228(g)

23 Annotated Code of Maryland

24 (1996 Replacement Volume and 1996 Supplement)

2

1 ~~BY repealing and reenacting, with amendments,~~
2 ~~Article—Environment~~
3 ~~Section 9-274~~
4 ~~Annotated Code of Maryland~~
5 ~~(1996 Replacement Volume and 1996 Supplement)~~
6 ~~(As enacted by Section 1 of this Act)~~

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
8 MARYLAND, That the Laws of Maryland read as follows:

9 ~~Article—Environment~~

10 ~~9-228.~~

11 ~~(b) A person may not store scrap tires in the State unless the person demonstrates~~
12 ~~to the satisfaction of the Department that, within 90 days of the time that the person~~
13 ~~stores the scrap tires, the scrap tires will be:~~

14 ~~(1) Returned to the marketplace;~~

15 ~~(2) Used as fuel in an approved resource recovery incinerator;~~

16 ~~(3) Used as a tire derived fuel in an approved facility; or~~

17 ~~(4) Transferred, by means of a scrap tire hauler, to any facility within the~~
18 ~~scrap tire recycling system established under subsection (c) of this section.~~

19 ~~(c) (1) The service shall establish a scrap tire recycling [system that includes~~
20 ~~scrap tire collection facilities, scrap tire haulers, and in the following order of priority:~~

21 ~~(i) Scrap tire recyclers; and~~

22 ~~(ii) 1. An approved resource recovery facility that uses tires as a~~
23 ~~fuel substitute; or~~

24 ~~2. An approved facility that uses tires as a tire derived fuel]~~

25 ~~SYSTEM.~~

26 ~~(2) A person may not incinerate tires except in:~~

27 ~~(i) An approved resource recovery facility that uses tires as a fuel~~
28 ~~substitute; or~~

29 ~~(ii) An approved facility that uses tires as a tire derived fuel.~~

30 ~~(3) A facility that processes scrap tires for use as a fuel in an incinerator,~~
31 ~~boiler, or resource recovery facility or a facility that burns or incinerates scrap tires may~~
32 ~~not be approved or licensed under this subtitle, unless:~~

33 ~~(i) There is no reasonable and economically available opportunity to~~
34 ~~process the tires and return them to the marketplace for reuse; and~~

35 ~~(ii) The] THE burning or incineration meets all federal and State air~~
36 ~~quality standards.~~

3

1 ~~(f) [(1) Except as provided in paragraph (2) of this subsection, after January 1,~~
2 ~~1994 scrap] SCRAP tires may not be disposed of in a landfill.~~

3 ~~[(2) The Secretary may waive the requirements of paragraph (1) of this~~
4 ~~subsection under such terms and conditions and for such periods as the Department~~
5 ~~considers appropriate if the Department determines that a scrap tire recycling system:~~

6 ~~(i) Does not exist; or~~

7 ~~(ii) Has insufficient capacity to accommodate the amount of scrap tires~~
8 ~~generated in the State.]~~

9 ~~9-274.~~

10 ~~(a) The State Used Tire Cleanup and Recycling Fund shall consist of moneys~~
11 ~~made available under:~~

12 ~~(1) Loan authorizations;~~

13 ~~(2) Funds appropriated in the State budget;~~

14 ~~(3) Fees collected for the sale of tires by retail dealers under § 9-228(g) of~~
15 ~~this subtitle; or~~

16 ~~(4) Bond and security forfeitures collected under § 9-228(k) of this subtitle.~~

17 ~~(b) (1) The Fund is limited to a maximum of [\$15,000,000] \$10,000,000.~~

18 ~~(2) If the sum of unallocated funds in the Fund and the projected fees for~~
19 ~~the next fiscal year exceeds [\$15,000,000] \$10,000,000, the Board of Public Works shall~~
20 ~~adjust the fees for the next fiscal year on a pro rata basis so that the sum of unallocated~~
21 ~~and actual fees does not exceed [\$15,000,000] \$10,000,000.~~

22 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~
23 ~~read as follows:~~

24 ~~**Article - Environment**~~

25 ~~9-228.~~

26 ~~[(g) (1) (i) Beginning on February 1, 1992, a tire recycling fee shall be~~
27 ~~imposed on the first sale of a new tire in the State by a tire dealer, including new tires~~
28 ~~sold as part of a new or used vehicle, trailer, farm implement, or other similar machinery.~~

29 ~~(ii) A county, municipal corporation, or any agency of a county or~~
30 ~~municipal corporation may not impose any tax, fee, or other charge on the first sale of a~~
31 ~~new tire by a tire dealer.~~

32 ~~(2) The tire recycling fee:~~

33 ~~(i) May not exceed \$1.00 per tire; and~~

34 ~~(ii) Shall be established by the Board of Public Works.~~

4

1 (3) For a sale made by a tire dealer to a person who resells tires, the tire
2 dealer shall separately state its recycling fees paid by the tire dealer on the invoice or
3 other document of sale.

4 (4) Each tire dealer shall:

5 (i) Pay the tire recycling fee; and

6 (ii) Complete and submit, under oath, a return and remit the fees to
7 the Comptroller of the Treasury on or before the 21st day of the month that follows the
8 month in which the sale was made, and for other periods and on other dates that the
9 Comptroller specifies by regulation, including periods for which no fees were due.

10 (5) A tire dealer who timely files a tire recycling fee return and pays the tire
11 recycling fees due is allowed, for the expense of administering and paying the fee, a credit
12 equal to 1.2% of the gross amount of tire recycling fees that the tire dealer is to pay to the
13 Comptroller.

14 (6) If the amount of the tire recycling fee is separately stated in a retail sale,
15 the tire recycling fee is not subject to any tax under Title 11 of the Tax - General Article
16 or Title 13 of the Transportation Article.

17 (7) At the end of each quarter, the Comptroller shall forward all tire
18 recycling fees to the Used Tire Cleanup and Recycling Fund, less the costs of
19 administration.

20 (8) Except to the extent they are inconsistent with this subsection, the
21 provisions of Title 13 of the Tax - General Article applicable to the sales and use tax shall
22 govern the administration, collection, and enforcement of the tire recycling fee under this
23 subsection.

24 (9) The Comptroller:

25 (i) Shall administer the tire recycling fee; and

26 (ii) May adopt any regulations that are necessary or appropriate to
27 administer, collect, and enforce the tire recycling fee.]

28 9-274.

29 (a) The State Used Tire Cleanup and Recycling Fund shall consist of moneys
30 made available under:

31 (1) Loan authorizations;

32 (2) Funds appropriated in the State budget; OR

33 [(3) Fees collected for the sale of tires by retail dealers under § 9-228(g) of
34 this subtitle; or]

35 [(4)] (3) Bond and security forfeitures collected under § 9-228(k) of this
36 subtitle.

37 (b) ~~[(1)] The Fund is limited to a maximum of \$10,000,000.~~

1 ~~{(2) If the sum of unallocated funds in the Fund and the projected fees for~~
2 ~~the next fiscal year exceeds \$10,000,000, the Board of Public Works shall adjust the fees~~
3 ~~for the next fiscal year on a pro rata basis so that the sum of unallocated and actual fees~~
4 ~~does not exceed \$10,000,000.}~~

5 (b) [(1)] The Fund is limited to a maximum of \$15,000,000.

6 [(2) If the sum of unallocated funds in the Fund and the projected fees for
7 the next fiscal year exceeds \$15,000,000, the Board of Public Works shall adjust the fees
8 for the next fiscal year on a pro rata basis so that the sum of unallocated and actual fees
9 does not exceed \$15,000,000.]

10 ~~SECTION 3. AND BE IT FURTHER ENACTED, That notwithstanding §~~
11 ~~9-274(b)(1) of the Environment Article, as enacted by Section 1 of this Act, funds in the~~
12 ~~State Used Tire Cleanup and Recycling Fund at the end of each of the Fiscal Years 1998~~
13 ~~through 2000, inclusive, in excess of \$10,000,000 shall remain in the Fund to be expended~~
14 ~~in accordance with Part VI of Title 9, Subtitle 2 of the Environment Article and may not~~
15 ~~revert to the General Fund.~~

16 ~~SECTION 4. AND BE IT FURTHER ENACTED, That Sections 1 and 3 of this~~
17 ~~Act shall take effect October 1, 1997, and Section 2 of this Act shall take effect July 1,~~
18 ~~2000.~~

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2000.