
By: Senator Craig

Introduced and read first time: January 31, 1997

Assigned to: Economic and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted with flow amendments

Read second time: March 20, 1997

CHAPTER ____

1 AN ACT concerning

2 **Scrap Tire Disposal - ~~Fee and Reimbursements~~ Use of Fund - Fee Termination**

3 FOR the purpose of ~~altering the limit of the State Used Tire Cleanup and Recycling~~
4 ~~Fund; establishing a certain limitation on the use of certain funds reimbursed to the~~
5 ~~State Used Tire Cleanup and Recycling Fund~~ altering the permissible use of the
6 State Used Tire Cleanup and Recycling Fund to include certain emergency
7 operations; eliminating a certain tire recycling fee ~~and a certain limitation on local~~
8 ~~government~~ after a certain date; ~~requesting the Board of Public Works to decrease~~
9 ~~the tire recycling fee during certain fiscal years~~; providing for the delayed effective
10 date of a portion of this Act; and generally relating to scrap tires and disposal.

11 ~~BY repealing and reenacting, with amendments,~~
12 ~~Article - Environment~~
13 ~~Section 9-274 and 9-275~~
14 ~~Annotated Code of Maryland~~
15 ~~(1996 Replacement Volume and 1996 Supplement)~~

16 ~~BY repealing and reenacting, without amendments,~~
17 ~~Article - Environment~~
18 ~~Section 9-276~~
19 ~~Annotated Code of Maryland~~
20 ~~(1996 Replacement Volume and 1996 Supplement)~~

21 BY repealing
22 Article - Environment
23 Section 9-228(g)
24 Annotated Code of Maryland

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1 (1996 Replacement Volume and 1996 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article - Environment

4 Section 9-274 and 9-275(a)

5 Annotated Code of Maryland

6 (1996 Replacement Volume and 1996 Supplement)

7 (~~As enacted by Section 1 of this Act~~)

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

10 **Article - Environment**

11 ~~9-274.~~

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

14 ~~(1) Loan authorizations;~~

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

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

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

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

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

24 ~~9-275.~~

25 (a) Subject to the appropriation process in the annual operating budget ~~AND~~
26 ~~SUBSECTION (C) OF THIS SECTION~~, the Department shall use the State Used Tire
27 Cleanup and Recycling Fund solely:

28 (1) For removal, restoration, EMERGENCY, or remedial action, including
29 the restoration of natural resources where feasible ~~and~~ site maintenance and monitoring,
30 AND FIRE CESSATION, IF REQUESTED BY A LOCAL GOVERNMENT, NOT TO EXCEED
31 \$100,000 FOR EACH FIRE CESSATION EMERGENCY ACTION IN THAT JURISDICTION, in
32 response to the disposal or storage of scrap tires in violation of this subtitle, including:

33 (i) All costs incurred by the State in inspecting and monitoring any
34 site where scrap tires are processed, stored, or disposed of in violation of this subtitle and
35 assessing the threat to the public health and the environment of the site, the costs of
36 investigations conducted for the purpose of defining necessary remedial action, and the
37 costs of litigation expenses incurred in obtaining reimbursement for expenditures; and

3

1 (ii) All costs incurred in providing public information concerning a site
2 where scrap tires are processed, stored, or disposed of; and

3 (2) With the approval of the Board of Public Works, to provide financial
4 assistance:

5 (i) Through the service for projects approved by the Department to
6 reduce, recover, and recycle scrap tires; and

7 (ii) To the service for costs related to the implementation of scrap tire
8 recycling systems, including the costs of:

9 1. Preparation of a scrap tire recycling system under § 9-228(e)
10 of this subtitle;

11 2. Implementation of any program established by the service as
12 a part of a scrap tire recycling system; and

13 3. Assisting in funding the establishment of a private or public
14 scrap tire collection, processing, or recycling facility.

15 ~~(b) Subject to § 2-1312 of the State Government Article, the Department shall~~
16 ~~provide the standing committees of the Maryland General Assembly with primary~~
17 ~~jurisdiction over this section with a status report on the Fund on or before July 1 of each~~
18 ~~year. The report shall include an accounting of all moneys expended for each of the~~
19 ~~purposes specified in subsection (a) of this section.~~

20 ~~(c) FUNDS REIMBURSED TO THE FUND UNDER § 9-276 OF THIS SUBTITLE FOR~~
21 ~~EXPENDITURES MADE IN RESPONSE TO THE STORAGE OR DISPOSAL OF USED TIRES~~
22 ~~AT A PARTICULAR SITE MAY ONLY BE USED TO COVER THOSE EXPENDITURES, AND~~
23 ~~MAY NOT BE USED FOR ANY OTHER PURPOSE.~~

24 ~~9-276.~~

25 ~~(a) All expenditures from the State Used Tire Cleanup and Recycling Fund made~~
26 ~~by the Department under § 9-275(a)(1) of this subtitle in response to the storage or~~
27 ~~disposal of used tires at a particular site shall be reimbursed to the Department for the~~
28 ~~State Used Tire Cleanup and Recycling Fund by the owner or operator of the site or any~~
29 ~~other person who caused the tires to be stored or disposed of at the site in violation of this~~
30 ~~subtitle.~~

31 ~~(b) In addition to any other legal action authorized by this subtitle, the Attorney~~
32 ~~General may bring an action to recover costs and interest from any person who fails to~~
33 ~~make reimbursement as required under subsection (a) of this section.~~

34 ~~(c) The Department may recover costs incurred by the Department under §~~
35 ~~9-275(a)(1) of this subtitle whether or not the discarded tires were disposed of or stored~~
36 ~~at the site before July 1, 1989.~~

37 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
38 read as follows:

4

1 **Article - Environment**

2 9-228.

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

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

9 (2) The tire recycling fee:

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

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

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

15 (4) Each tire dealer shall:

16 (i) Pay the tire recycling fee; and

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

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

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

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

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

35 (9) The Comptroller:

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

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

5

1 9-274.

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

4 (1) Loan authorizations;

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

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

8 [(4)] (3) Bond and security forfeitures collected under § 9-228(k) of this
9 subtitle.

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

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

15 ~~SECTION 3. AND BE IT FURTHER ENACTED, That the Board of Public Works~~
16 ~~is requested to decrease the tire recycling fee imposed under § 9-228(g) of the~~
17 ~~Environment Article to a reasonable level below the current ceiling of \$1.00 per tire~~
18 ~~during fiscal years 1999 and 2000, prior to the elimination of the fee under this Act.~~

19 SECTION 4. 3. AND BE IT FURTHER ENACTED, That ~~Sections 1 and 3~~ Section
20 1 of this Act shall take effect October 1, 1997, and Section 2 of this Act shall take effect
21 July 1, 2000.