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By: **Delegates Oaks, McHale, Cole, Phillips, and Rosenberg**  
Introduced and read first time: March 4, 2002  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **State Used Tire Cleanup and Recycling**

3 FOR the purpose of altering the maximum amount for a certain used tire recycling  
4 fee; altering the maximum amount for the State Used Tire Cleanup and  
5 Recycling Fund; requiring the Department of the Environment to distribute  
6 certain revenues credited to the Fund to the Maryland Environmental Service to  
7 establish a scrap tire collection, processing, and recycling facility; making  
8 stylistic changes; and generally relating to the State Used Tire Cleanup and  
9 Recycling Fund.

10 BY repealing and reenacting, with amendments,  
11 Article - Environment  
12 Section 9-228(c) and (g), 9-274, and 9-275  
13 Annotated Code of Maryland  
14 (1996 Replacement Volume and 2001 Supplement)

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

17 **Article - Environment**

18 9-228.

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

22 (i) Scrap tire recyclers; and

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

25 2. An approved facility that uses tires as a tire derived fuel.

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

1 (i) An approved resource recovery facility that uses tires as a fuel  
2 substitute; or

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

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

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

9 (ii) The burning or incineration meets all federal and State air  
10 quality standards.

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

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

18 (2) The tire recycling fee:

19 (i) May not exceed [40 cents] \$1.00 per tire; and

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

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

24 (4) Each tire dealer shall:

25 (i) Pay the tire recycling fee; and

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

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

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

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

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

8 (9) The Comptroller:

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

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

12 9-274.

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

15 (1) Loan authorizations;

16 (2) Funds appropriated in the State budget;

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

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

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

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

26 9-275.

27 (a) THE DEPARTMENT SHALL DISTRIBUTE 60% OF THE REVENUES CREDITED  
28 TO THE STATE USED TIRE CLEANUP AND RECYCLING FUND TO THE SERVICE TO  
29 ESTABLISH A SCRAP TIRE COLLECTION, PROCESSING, AND RECYCLING FACILITY.

30 (B) [Subject to the appropriation process in the annual operating budget, the]  
31 THE Department shall use the [State Used Tire Cleanup and Recycling] REMAINDER  
32 OF THE Fund solely:

33 (1) For removal, restoration, emergency, or remedial action, including  
34 the restoration of natural resources where feasible, site maintenance and monitoring,  
35 and fire cessation, if requested by a local government, not to exceed \$100,000 for each

1 fire cessation emergency action in that jurisdiction, in response to the disposal or  
2 storage of scrap tires in violation of this subtitle, including:

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

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

11 (2) For activities related to scrap tire recycling programs, including  
12 research, planning, monitoring, public education, and market development, and for  
13 associated administrative costs; and

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

16 (i) Through the [service] SERVICE for projects approved by the  
17 Department to reduce, recover, and recycle scrap tires; and

18 (ii) To the [service] SERVICE for costs related to the  
19 implementation of scrap tire recycling systems, including the costs of:

20 1. Preparation of a scrap tire recycling system under §  
21 9-228(e) of this subtitle;

22 2. Implementation of any program established by the  
23 [service] SERVICE as a part of a scrap tire recycling system; and

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

26 [(b)] (C) Subject to § 2-1246 of the State Government Article, the Department  
27 shall provide the standing committees of the Maryland General Assembly with  
28 primary jurisdiction over this section with a status report on the Fund on or before  
29 November 1 of each year. The report shall include an accounting of all moneys  
30 expended for each of the purposes specified in subsection (a) of this section.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 2002.