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TIRE FEE AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca Chavez-Houck

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Waste Tire Act and creates a restricted account to fund clean air programs.

Highlighted Provisions:

This bill:

- ▶ creates the "Funding Clean Air Programs Restricted Account";
- ▶ increases the tire recycling fee;
- ▶ directs the Utah State Tax Commission to deposit a portion of the tire recycling fee in the Funding Clean Air Programs Restricted Account; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

19-6-805, as last amended by Laws of Utah 2001, Chapter 165

19-6-807, as last amended by Laws of Utah 2013, Chapter 400

19-6-808, as last amended by Laws of Utah 2011, Chapter 309



28 ENACTS:

29 **19-2-301**, Utah Code Annotated 1953

30 **19-2-302**, Utah Code Annotated 1953

31 **19-2-303**, Utah Code Annotated 1953

32 **Utah Code Sections Affected by Coordination Clause:**

33 **19-2-302**, Utah Code Annotated 1953

34 **19-2-303**, Utah Code Annotated 1953

36 *Be it enacted by the Legislature of the state of Utah:*

37 Section 1. Section **19-2-301** is enacted to read:

38 **Part 3. Funding Clean Air Programs**

39 **19-2-301. Title.**

40 This part is known as "Funding Clean Air Programs."

41 Section 2. Section **19-2-302** is enacted to read:

42 **19-2-302. Restricted Account created.**

43 (1) There is created a restricted account in the General Fund known as the "Funding
44 Clean Air Programs Restricted Account."

45 (2) The restricted account shall consist of:

46 (a) the proceeds described in Subsection **19-6-808(3)(b)**; and

47 (b) interest earned on the account.

48 (3) ~~H~~ **→ [The] Upon appropriation, the** ~~←H~~ division may expend money in the restricted
48a account on programs described in

49 Title 19, Chapter 2, Part 2, Clean Air Retrofit, Replacement, and Off-Road Technology
50 Program.

51 Section 3. Section **19-2-303** is enacted to read:

52 **19-2-303. Reporting requirement.**

53 The division shall report to the Natural Resources, Agriculture, and Environment

54 Interim Committee on the status of expenditures authorized by Section **19-2-302** by November
55 30, 2016.

56 Section 4. Section **19-6-805** is amended to read:

57 **19-6-805. Recycling fee.**

58 (1) (a) A recycling fee is imposed upon each purchase from a tire retailer of a new tire

59 by a consumer. The fee shall be paid by the consumer to the tire retailer at the time the new
60 tire is purchased.

61 (b) The recycling fee does not apply to recapped or resold used tires.

62 (2) The fee for each tire with a rim diameter up to and including 24.5 inches, single or
63 dual bead capacity is [~~\$1~~] \$3.50.

64 Section 5. Section **19-6-807** is amended to read:

65 **19-6-807. Special revenue fund -- Creation -- Deposits.**

66 (1) There is created an expendable special revenue fund entitled the "Waste Tire
67 Recycling Fund."

68 (2) The fund shall consist of:

69 (a) [~~the proceeds~~] 29% of the proceeds of the fee imposed under Section [19-6-805](#); and

70 (b) penalties collected under this part.

71 (3) Money in the fund shall be used for:

72 (a) partial reimbursement of the costs of transporting, processing, recycling, or
73 disposing of waste tires as provided in this part; and

74 (b) payment of administrative costs of local health departments as provided in Section
75 [19-6-817](#).

76 (4) The Legislature may appropriate money from the fund to pay for costs of the
77 Department of Environmental Quality in administering and enforcing this part.

78 Section 6. Section **19-6-808** is amended to read:

79 **19-6-808. Payment of recycling fee -- Administrative charge.**

80 (1) A tire retailer shall pay the recycling fee to the commission:

81 (a) monthly on or before the last day of the month immediately following the last day
82 of the previous month if:

83 (i) the tire retailer is required to file a sales and use tax return with the commission
84 monthly under Section [59-12-108](#); or

85 (ii) the tire retailer is not required to file a sales and use tax return under Title 59,
86 Chapter 12, Sales and Use Tax Act; or

87 (b) quarterly on or before the last day of the month immediately following the last day
88 of the previous quarter if the tire retailer is required to file a sales and use tax return with the
89 commission quarterly under Section [59-12-108](#).

90 (2) The payment shall be accompanied by a form prescribed by the commission.

91 (3) (a) ~~[The]~~ Twenty-nine percent of the proceeds of the fee shall be transferred by the
92 commission to the fund for payment of partial reimbursement.

93 (b) Seventy-one percent of the proceeds of the fee shall be transferred by the
94 commission to the restricted account created in Section [19-2-302](#).

95 ~~[(b)]~~ (c) The commission shall retain and deposit an administrative charge in
96 accordance with Section [59-1-306](#) from the revenues the commission collects from a fee under
97 Section [19-6-805](#).

98 (4) (a) The commission shall administer, collect, and enforce the fee authorized under
99 this part in accordance with the same procedures used in the administration, collection, and
100 enforcement of the state sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act,
101 and Title 59, Chapter 1, General Taxation Policies.

102 (b) A tire retailer may retain 2-1/2% of the recycling fee collected under this part for
103 the cost of collecting the fee.

104 (c) The exemptions provided in Section [59-12-104](#) do not apply to this part.

105 (5) The fee imposed by this part is in addition to all other state, county, or municipal
106 fees and taxes imposed on the sale of new tires.

107 Section 7. **Effective date.**

108 This bill takes effect on July 1, 2015.

109 Section 8. **Coordinating H.B. 265 with H.B. 49 -- Technical and substantive**
110 **amendments.**

111 If this H.B. 265 and H.B. 49, Clean Fuel School Buses and Infrastructure, both pass and
112 become law, it is the intent of the Legislature that the Office of Legislative Research and
113 General Counsel shall prepare the Utah Code database for publication by:

114 (1) amending Subsection [19-2-302\(3\)](#) of this bill to read:

115 "(3) (a) ~~H~~→ ~~[The]~~ Upon appropriation, the ~~←~~H division may expend up to 1/3 of the
115a money, per fiscal quarter, in the

116 restricted account on programs described in Title 19, Chapter 2, Part 2, Clean Air Retrofit,
117 Replacement, and Off-Road Technology Program.

118 (b) ~~H~~→ ~~[The]~~ Upon appropriation, the ~~←~~H State Board of Education may expend up to
118a 2/3 of the money, per fiscal

119 quarter, in the restricted account to fund the grant program described in Section

120 [53A-17a-127.5](#)."; and

121 (2) amending Section [19-2-303](#) of this bill to read:

122 "(1) The division shall report to the Natural Resources, Agriculture, and Environment
123 Interim Committee on the status of expenditures authorized by Section [19-2-302](#) by November
124 30, 2016.

125 (2) The State Board of Education shall report the Education Interim Committee on the
126 status of the expenditures authorized by Section [19-2-302](#) by November 30, 2016."

Legislative Review Note
as of 2-5-15 10:28 AM

Office of Legislative Research and General Counsel