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ARKANSAS POLLUTION CONTROL
AND ECOLOGY COMMISSION

RULE NO. 36

TIRE ACCOUNTABILITY PROGRAM



INITIAL MARK-UP DRAFT

Submitted to the Arkansas Pollution Control & Ecology Commission
September 27, 2024

EXHIBIT A

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CHAPTER 1: GENERAL PROVISIONS

Rule 36.101 Title, Implementation, and Administration

- (A) This rule shall be known and may be cited as the “Tire Accountability Program.”
- (B) On the effective date of this rule, the Division of Environmental Quality (DEQ) shall implement the Tire Accountability Program.
- (C) On ~~or before January 1, 2018, and thereafter, the DEQ shall administer the~~ Tire Accountability Program in accordance with this rule.

Rule 36.102 Purpose

- (A) The purpose of the Tire Accountability Program is to:
- (1) Reimburse used-tire programs for used tire recycling and disposal costs;
 - (2) Incentivize recycling used tires collected;
 - (3) Provide accountability for the disbursement of moneys to used-tire programs; and
 - (4) Otherwise improve the sustainability of used-tire programs.
- (B) The purpose of this rule is to:
- (1) Protect ~~the public health, welfare, and the state’s environmental quality by~~ promulgating rules for the hauling, collection, storage, and recycling or disposal of recyclable tires, waste tires, and used tires culled for resale;
 - (2) Provide accountability and sustainability for used-tire programs by requiring use of the electronic uniform used tire manifest system developed by DEQ and business plans for used-tire programs;
 - (3) Promote recycling and reuse of used tires;
 - (4) Equalize the application of fees for all tires removed from rims; and
 - (5) Ensure that reimbursements for used-tire programs are related to the overall used-tire program goals.

Rule 36.103 Legislative Intent

The General Assembly made the following determinations related to used tires:

- (1) If not properly managed, used tires pose a potential threat to human health and safety and the environment because used tires:
 - (a) Are ~~a known breeding habitat for mosquitoes and other disease-transmitting vectors; and~~
 - (b) Pose substantial fire hazards;

- (2) The state must have a used-tire program for recyclable tires, waste tires, and used tires culled for resale that is accountable, effective, and efficient; and
- (3) The primary goal of the used-tire program is to recycle or put to beneficial use as many used tires as possible.

Rule 36.104 Authority

The Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*, created in Act 317 of 2017 and amended by Act 713 of 2023 authorizes the Arkansas Pollution Control and Ecology Commission (Commission) to adopt rules necessary for DEQ to implement and administer the Tire Accountability Program.

Rule 36.105 Applicability

A person who receives funding under Commission Rule 36, tire collection centers, tire retailers, tire processing facilities, tire transporters, tire generators, waste-tire sites, and commercial generators, are subject to:

- (1) All provisions in Arkansas Code Title 8, Chapter 1 and Title 8, Chapter 4, Subchapters 1 and 2 concerning permits, licensing, inspections, and procedures;
- (2) Arkansas Code §§ 8-9-105, 8-6-204, 8-6-205, and 8-6-207(a)(6) concerning penalties and enforcement; and
- (3) All applicable rules promulgated by the Arkansas Pollution Control and Ecology Commission.

~~Rule 36.106 Inter-district Used-Tire Programs~~

~~(A) An inter-district used tire program shall:~~

- ~~(1) Be formed using written agreements signed by the chair of each regional solid waste management tire accountability board in the Inter-district;~~
- ~~(2) Have a board of directors members composed of the chair of each regional solid waste management tire membership of each tire accountability board as described in Ark. Code Ann. § 8-9-410 or his or her designee;~~
- ~~(3) Elect a person to serve as the chair of the inter-district used tire program; and~~
- ~~(4) Specify the exclusive entity that receives payment from the Used Tire Recycling Fund from DEQ; and~~
- ~~(5) Determine the highest level of efficiency regarding tire processing in the inter-district Used Tire Program.~~

~~(B)(1) If a new inter-district is formed on or after January 1, 2018, or a regional solid waste management board is added to or removed from the inter-district that existed on or after January 1, 2018, the change requires the inter-district to:~~

- ~~(a) Comply with all requirements in law and rule concerning inter-districts;~~
- ~~(b) Obtain approval from all regional solid waste management applicable tire~~

~~accountability boards that are in the proposed inter-district;~~

~~(c) Provide DEQ with a Notice of Intent to submit a revised business plan under Chapter 7 of this rule; and~~

~~(d) Develop a revised business plan under Chapter 7 of this rule and submit to DEQ or its designee for review and approval.~~

~~(2) The DEQ will provide the effective date of the new inter-district upon approval of the revised business plan.~~

~~(C) A used-tire program may request operational assistance or guidance on compliance with this section from DEQ, and DEQ may provide operational assistance or guidance on compliance with this section to the used-tire program.~~

Rule 36.1076 Market Development

(A) The used-tire program shall develop market opportunities for recycling and beneficial use of used tires and used tire materials, including tire derived fuel.

(B) The market sectors for recycling and beneficial use of used tires could include ground rubber, use in civil engineering applications, tire-derived fuel, and rubberized asphalt.

CHAPTER 2: DEFINITIONS

Rule 36.201 Definitions

As used in this rule, the following definitions apply:

“Abatement” means the removal of used tires from a waste tire site, ~~stock pile~~stockpile, or other site with accumulations of whole or shredded used tires.

“Access-controlled collection center” means a location where used tires are collected from tire generators, commercial generators, the public, or any combination thereof and:

- (1) Is secured; and
- (2) Only allows entry through specific points by authorized personnel.

“Baling” means a method of volume reduction whereby tires are compressed into bales.

“Beneficial use” means using a tire or part of a tire:

- (1) To make another product;
- (2) To make a component material of another product;
- (3) As a substitute for a commercial product or material; or
- (4) As a component to produce an alternative fuel for commercial purposes.

“Civil engineering application” means the use of waste tires in lieu of or in addition to natural occurring materials (such as rock, sand, dirt, gravel, etc.) in construction and erosion control. This definition does not include land reclamation.

“Commercial generator” means a person who sells new tires or provides delivery of new tires as part of fleet services to any one (1) or more of the following:

- (1) A municipality;
- (2) A county;
- (3) A state agency;
- (4) A federal agency;
- (5) A school district;
- (6) A political subdivision of the state; or
- (7) A ~~person who in the ordinary course of business buys tires in bulk for use on~~ commercial vehicles.

“Commercial generator” does not include a tire retailer.

“Commission” means the Arkansas Pollution Control and Ecology Commission or its successor, unless otherwise specified.

“Division” or DEQ means the Division of Environmental Quality or its successor, unless otherwise specified.

“Director” means the Director of the Division of Environmental Quality or the Director’s designee, unless otherwise specified.

“Disclosure statement” means a written statement regarding business and legal activities as defined in Ark. Code Ann. § 8-1-106 *et seq.*

“E-Manifest” means the electronic format of used tire data that is:

- (1) Entered by an e-manifest ~~user~~ opener into the electronic uniform used tire manifest system;
- (2) Assigned ~~-a -unique -electronic -document -number-~~ by ~~the Arkansas Division of Environmental Quality’s~~ DEQ’s e-manifest system portal; and
- (3) Transmitted ~~- electronically -to -the -e-manifest -system, -e-manifest -viewers, -and -e-manifest closers who have been given permission to:~~
 - (a) View the data;
 - (b) Communicate with the e-manifest opener;
 - (c) Provide ~~-information -related- to- the -collection, -transportation, -distribution, -and recycling or disposal of recyclable tires, waste tires, and used tires culled for resale; or~~
 - (d) ~~-Be the e-manifest closer.~~

“Electronic ~~-uniform -used -tire -manifest -system~~” or ~~“e-manifest -system”~~ means ~~-an~~ administrative method developed by DEQ that:

- (1) Uses an electronic application for the submission and management of information related to the generation, collection, transportation, distribution, ~~and~~ recycling, beneficial use, disposal, or resale of each recyclable tire, waste tire, and used tire culled for resale regulated under the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*; and
- (2) Records the origin, date of collection, date of transfer, quantity, type, transporter, and destination for each recyclable tire, waste tire, and used tire culled for resale regulated under the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*

“Extra-large tire” means a tire that due to its size or construction is more difficult to process for recycling or disposal than a large tire and costs substantially more to process than a large tire.

“Extra-large tire” includes without limitation tires used, capable of being used, or designed to be used on any of the following vehicles or equipment:

- (1) A skid steer loader;
- (2) Excavation equipment;
- (3) A farm implement, including without limitation, a tractor;

- (4) A backhoe;
- (5) A road grader;
- (6) Industrial equipment;
- (7) A skidder; or
- (8) A heavy duty truck used off-road for mining.

“Extra-large tire” includes a tire with a load rating of “G” or higher.

“Fee-paid tire” means a used tire for which a rim removal fee or commercial generator fee has been collected, reported, and paid on the replacement tire by a tire generator or commercial generator.

“Fee-waived tire” means a used tire for which no rim removal fee, commercial generator fee, or import fee has been collected, reported, and paid.

“Funding decision” means the final administrative decision by the Director or designee on an application for Level One, Level Two, and Level Three reimbursements from the Used Tire Recycling Fund pursuant to DEQ’s administration of the Tire Accountability Program under the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.* and the final decision of the Director or designee on any disputes arising under any reimbursement.

“Grant decision” means the final administrative decision by the Director or designee on an application for grants pursuant to DEQ’s administration of the Tire Accountability Program under the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.* and the final decision of the Director or designee on any disputes arising under any grant.

~~**“Inter-district used-tire program” or “inter-district”** means a program formed by agreement of two (2) or more regional solid waste management/tire accountability boards to pool resources of all boards that are parties to the agreement for the administration of one (1) consolidated used-tire program.~~

“Large tire” means a tire with a rim size greater than nineteen inches (19”) and a load rating of “F” or higher including without limitation a wide-base or extra-wide single tire.

~~**“Load-rating”** -means -the -system -of -trade -designations -that -identifies -the -weight -carrying capacity range of a tire.~~

“Low profile tire” means a tire of any rim size that has a short sidewall and is designed to:

- (1) Be used on an automobile or light truck; and
- (2) Provide one (1) or more of the following:
 - (a) Performance enhancing precision and control; or
 - (b) An appearance enhancement.

“Manufacture reject tire” means a tire rendered defective in the manufacturing process.

“Open ~~collection center~~” ~~means an unsecure, open-access location where used tires are collected from tire generators, the public, or both before being recycled or disposed of by a used-tire program.~~

“Operator” means any person who performs any operation at a permitted tire processing facility or ~~tire disposal facility requiring individual judgment that may directly affect the proper~~ operation of the facility. “Operator” does not include any official solely exercising general administrative supervision.

“Permit” means a written consent issued by that authorizes a person or business to perform one (1) or more of the following functions at a tire processing facility, a tire disposal facility, or a tire collection center:

- (1) Construct;
- (2) Operate; or
- (3) Maintain.

“Permitted site” means a location used for collection, storage, processing, or disposal of used tires that has a current valid permit issued by DEQ.

“Person” means an individual, government entity, or any other entity that is recognized by law with rights and duties.

“Processed tire” means tires, commingled tire parts, or pieces of tires that have been cut, shredded, or otherwise ~~alt~~ered so that they are no longer whole, no longer identifiable, or both.

“Pro rata” means a proportional allocation using a procedure to assign an amount to a fraction according to its share of the whole.

“Qualified entity” means an entity that demonstrates to DEQ that the entity has the capability, experience, and resources to operate and administer a used-tire program.

“Quantity” means the actual number of tires.

“Recyclable tire” means a worn, damaged, or defective tire that is recycled because it is no longer repairable, reusable, or suitable for its original intended purpose.

“Recycle” means the systematic process of collecting, sorting, decontaminating, and returning waste materials to commerce as commodities for use, other beneficial use, or exchange.

“Regional ~~Solid Waste Management Board~~” ~~or “Board”~~ means ~~a board created under~~ Arkansas Code Title 8, Chapter 6, Subchapter 7, or its successor, unless otherwise specified.

“Regional Solid Waste Management District” ~~or “District”~~ means a district created under Arkansas Code Title 8, Chapter 6, Subchapter 7, or its successor, unless otherwise specified.

“~~Registered professional engineer~~” means ~~professional engineer registered in the State of~~ Arkansas.

“Residuals” -means -any -liquids,- sludges, -metals, -fabric,- or -byproducts -resulting -from -the processing or storage of tires.

“Small tire” means a tire that has a load rating of “F” or lower and a rim size of nineteen inches (19”) or smaller and includes low profile tires.

“Small tire” includes a tire from any of the following vehicles:

- (1) An automobile;
- (2) A motorcycle;
- (3) An all-terrain vehicle;
- (4) A lawn mower; or
- (5) A golf cart.

“Tire” means any one (1) or more of the following:

- (1) A continuous, ring-shaped, removable cover made of solid rubber, pneumatic rubber, or semipneumatic rubber that is installed around a wheel rim; or
- (2) Any other round piece of equipment that is attached or could be attached to a vehicle or aircraft and has a primary function of enabling surface mobility.

“Tire” does not include a solid wheel rim with an integral rubber covering or a tire used on a nonmotorized bicycle, golf cart, or lawn mower.

“Tire accountability board” or “board” means the board created by the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 et seq., that governs a used tire program.

“Tire- collection -center” -means -either -an -access-controlled -collection -center -or -an -open collection center where used tires are collected before being recycled or disposed of by a used- tire program.

“Tire derived fuel” or “TDF” means fuel derived from whole tires or processed tires.

“Tire -disposal -facility” -means -a- separately -permitted -landfill, -landfill- unit, -or -waste -tire monofill specifically designed and rated for the sole disposal of waste tires.

“Tire generator” means a person who:

- (1) Removes tires from rims for disposal or resale; or
- (2) Stores used tires on or in property owned, leased, or otherwise controlled by that person.

“Tire generator” includes without limitation:

- (1) A tire retailer;
- (2) A tire wholesaler;
- (3) A tire transporter;
- (4) A tire manufacturer;
- (5) A manufacturer of retreaded tires;

- (6) A new car dealer;
- (7) A used car dealer;
- (8) An auto repair shop; or
- (9) A salvage yard.

“Tire generator” does not include a commercial generator.

“Tire manufacturer” means a manufacturing operation engaged in the final assembly of the basic components of a tire.

“Tire processing facility” means a site where equipment is used to cut, chip, grind, shred, or otherwise alter used tires.

“Tire retailer” means any one (1) or more of the following:

- (1) A person who is in the business of selling new tires, used tires, or both new and used tires to the end consumer; or
- (2) A person who is in the business of or receives compensation for removing tires from rims.

“Tire retailer” does not include:

- (1) A person who sells tires to another person exclusively for the purpose of resale if the subsequent retail sale is subject to the fee imposed under Ark. Code Ann. § 8-9-404; or
- (2) A commercial generator.

“Tire transporter” means a person who is in the business of or receives compensation for transferring ~~used tires from one~~ (1) ~~location to another~~ location for collection, ~~storage~~, processing, recycling, disposal, reuse, or resale.

“Used tire” means a tire that meets one (1) or more of the following criteria:

- (1) Is repairable or retreadable for its original intended purpose;
- (2) Is reusable;
- (3) Is recyclable; or
- (4) Has been collected by a tire retailer or at a tire collection center operated under the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*

“Used tire” includes without limitation a recyclable tire, waste tire, and used tire culled for resale.

“Used tire” does not include a tire being held for ninety (90) days or less for the purpose of retreading or repairing the tire.

“Used tire culled for resale” means a tire that is removed from the rim but is diverted from a tire collection center, tire processing facility, or tire transporter with the intention of selling for reuse.

“Used-tire program” means a program that receives funding under the Used Tire Recycling and ~~AA~~Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*, and is ~~operated~~governed by:

~~_____ (1) —Aaa regional solid waste managementTire aAccountability board; or,~~

~~(2) —An inter-district used tire program.~~

“Vehicle” means any piece of equipment that uses wheels for surface mobility.

“Waste tire” means a whole tire that is worn, damaged, or defective and land disposed because it is no longer repairable, reusable, or suitable for its original intended purpose.

“Waste tire originating from a tire manufacturer” means those new tires that originate from a tire assembly process and are determined by the tire manufacturer to be either defective or unfit for use on a vehicle.

“Waste tire site” means a location where unpermitted used tires are accumulated, whether loosely stored, baled, or a combination of both loosely stored and baled.

“Waste tire site” does not include:

- (1) A location where only new tires are stored; or
- (2) A location that is authorized to store tires by DEQ or rules promulgated by the Arkansas Pollution Control and Ecology Commission.

“Wide-base tire or extra-wide single tire” means a tire approximately four hundred fifty-five millimeters (455 mm) wide that is used on a vehicle in which the front axle load that exceeds the load capacity of a truck tire.

CHAPTER 3: USED-TIRE PROGRAMS

Rule 36.301 Generally

(A) The ~~regional solid waste management district or programs established by the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 et seq., including but not limited to tire accountability boards and inter-district programs,~~ that govern the collection and management of used tires are known as used-tire programs. Pursuant to Ark. Code Ann. § 8-9-401 et seq., used tire programs are governed by tire accountability boards.

(B) Each used-tire program shall operate in compliance with all applicable rules, laws, and its approved business plan.

(C) A used-tire program's assigned identification number to be used for the electronic uniform used tire manifest system is the identification number assigned by the Department of Finance and Administration upon registration as a tire generator.

Rule 36.302 Eligibility for Reimbursement

To ~~be eligible for reimbursements under this rule and the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 et seq.,~~ a used-tire program shall:

- (1) Be included in the solid waste management system under Ark. Code Ann. § 8-9-101 *et seq.* for each regional solid waste management district that the used-tire program serves;
- (2) Have a used tire management plan, as found in Commission Rule 36.3~~409~~, for each regional solid waste management district that the used-tire program serves, including a schedule for identification and cleanup of waste tire sites that is updated until abatement of each identified waste tire site is completed. The plan and implementation schedule are subject to review and approval by DEQ;
- (3) Be included in each solid waste management district's recycling program under Ark. Code Ann. § 8-9-203 that the used-tire program serves;
- (4) If operated by a political subdivision of the state or other public entity:
 - (a) Use the financial management system under Ark. Code Ann. § 14-21-101 *et seq.*;
 - (b) Comply with the county purchasing procedures under Ark. Code Ann. § 14-22-101 *et seq.*;
 - (c) Comply with the Arkansas County Accounting Law of 1973, Ark. Code Ann. § 14-25-101; and
 - (d) Comply with the Local Fiscal Management Responsibility Act, Ark. Code Ann. § 14-77-101 *et seq.*;
- (5) Be operated in compliance with this rule and all other laws, ~~rules,~~ and rules related to the administration of solid waste management systems and recycling programs in Arkansas;
- (6) Encourage the voluntary establishment of tire collection centers at tire retailers, tire processing facilities, and solid waste disposal facilities for the deposit of tires generated in the state;

- (7) Provide DEQ ~~with business plan information required under~~ Chapter 4 of this rule (Ark. Code Ann. § 8-9-408);
- (8) Provide DEQ with all quarterly financial information and progress reports under Chapter 11 of this rule (Ark. Code Ann. § 8-9-409); and
- (9)(a) Establish tire collection centers within each county served by the used-tire program that accepts tires from tire retailers at no charge if the tire retailer establishes that it:
 - (i) Collects the rim removal fee imposed under Chapter 8 of this rule; and
 - (ii) Complies with the e-manifest system under Chapter 6 of this rule.
- (b) The tire collection centers may be at any one (1) or more of the following:
 - (i) A solid waste disposal facility;
 - (ii) A tire processing facility; or
 - (iii) A tire retailer.

Rule 36.303 Optional Activities

A used-tire program that receives reimbursements from the Used Tire Recycling Fund, the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*, and this rule may:

- (1) Contract with a tire processing facility;
- (2) Remove or contract for the removal of tires from waste tire sites within the applicable regional solid waste management used tire district programs;
- (3) Provide incentives for establishing privately operated tire collection centers for the public; and
- (4) Form ~~an inter-district agreements with other~~ used-tire programs using written ~~inter-district~~interlocal agreements. The signed inter-~~district~~local agreements shall be submitted to DEQ and maintained at the facility as part of their record retention policy.

Rule 36.304 Additional Fees for Extra Large Tires

(A) A used-tire program that accepts extra-large tires may establish its own fees for accepting extra-large tires. Agricultural tires are exempted from fees provided advanced arrangements are made with the used-tire program and no more than four (4) extra-~~large~~ tires are delivered at any one (1) time per a month.

(B) The used-tire program shall provide DEQ with a price of processing and disposing of extra-large ~~tires prior to collecting fees~~. The ~~price shall not exceed the costs of properly collecting and disposing of the extra-large tires~~.

(C) The used-tire program shall report the total fees collected from processing or disposing of extra-large tires on its quarterly reports to DEQ.

Rule 36.305 Maximum Quantity of Tires

(A) An individual who is a resident of a ~~regional solid waste management district~~used-tire program may discard no more than four (4) used tires of any size per month without an additional fee. Agricultural businesses are considered individuals for purposes of this rule.

(B) A used-tire program may accept more than four (4) used tires of any size per month without an additional fee if:

(1) The used tires are collected as part of a clean-up effort by a governmental entity, nonprofit entity, or volunteer group; and

(2) The used-tire program documents in the e-manifest system the contact information for the entity or group, the four (4) used tires of any size per month without an additional fee, and the quantity of fee-waived tires.

(C) If the used-tire program accepts fee-waived tires, in excess of four (4) used tires of any size per month, the waiver must be reasonably based on all information available to the used-tire program including:

(1) Frequency that the person drops off more than four (4) tires per month;

(2) Ability of the used-tire program to manage the additional tires;

(3) Risk of the tires being illegally dumped or stored if a fee is charged; or

(4) Other facts and circumstances, including if the property owner discovered the used tires on the property and did not participate in the collection or storage of the used tires on the property.

(D) A used-tire program may require a person ~~-who is delivering fee-waived tires to-~~ give advanced notice so that a determination can be made as to whether the used-tire program has the capacity to handle and process the fee-waived tires.

(E) A used-tire program may charge a fee to individuals who discard more than four (4) used tires of any size per a month.

(F) A used-tire program may charge a fee for any tire, regardless of the quantity, discarded by an individual that remains on the rim.

Rule 36.306 Tire Disposal Facility Restrictions

(A) No new tire disposal facilities shall be permitted unless the applicant demonstrates that there is no feasible recycling alternative.

(B) Tire ~~-disposal -facilities -shall -be -permitted, -designed, -constructed, -and-~~ operated ~~-in~~ accordance with the standards set forth in Commission Rule 22.501.

Rule 36.307 Enforcement

(A) A used-tire program is subject to penalties, enforcement, or both for noncompliance with this rule including:

- (1) Failure to submit a business plan as required under Chapter 4 of this rule;
- (2) Failure to submit a revised business plan upon written notification from DEQ;
- (3) Failure to maintain a complete and accurate record of used tires sold, collected, stored, recycled, disposed, transported, or managed;
- (4) Failure to use the e-manifest system;
- (5) Falsification or alteration of e-manifest system information, either electronically or paper copy;
- (6) Failure to provide accurate e-manifest information either electronically or by paper copy;
- (7) Transfer of used tires to a person or facility not permitted to accept the tires;
- (8) Failure to comply with any rule issued by the Arkansas Pollution Control and Ecology Commission;
- (9) Failure to comply with an order issued by DEQ;
- (10) Violation of any part of the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*;
- (11) Failure to report a material change;
- (12) Failure to provide documentation or reports required to be filed with DEQ;
- (13) Failure to maintain documents and accurate records;
- (14) Misrepresentation of any material fact in a license or registration application;
- (15) Presenting falsified or altered documents in a license or registration application;
- (16) Illegal dumping of tires or residuals; or
- (17) Collection or transfer of used tires without a valid tire transporter license if a tire transporter license is required.

Rule 36.308 Penalties

(A) If a used-tire program fails to submit a business plan that is approved by DEQ, the used-tire program ~~and all regional solid waste management boards and tire accountability boards included in the used-tire program are~~:

- (1) Ineligible to receive funding from the Used Tire Recycling Fund;
 - (2) Prohibited from administering and operating a used-tire program; and
 - (3) Prohibited from imposing any fees to support the administration and operation of a used-tire program.
- (B) The DEQ may designate a qualified entity to perform the duties related to the operation and administration of a used-tire program deemed ineligible under subsection (A) of this section.

- (C) In addition to any other penalty provided by law, any general or site-specific permit issued according to the terms and conditions of Commission Rule 36 may be suspended or revoked for noncompliance.

Rule 36.309 Used Tire Management Plan

(A) Each ~~used-tire~~ program shall develop a used tire management plan that includes the following:

- (1) Listing ~~of~~ all waste tire sites within the used-tire program area (site name and address);
- (2) The quantity of waste tires located at each waste tire site;
- (3) The owner and operator of each waste tire site; and
- (4) The schedule of implementation to abate each waste tire site.

(B) The used tire management plan shall be submitted to DEQ for review and approval on or before December 31, 2017.

(C) The used-tire program shall submit an updated used tire management plan for waste tire sites within their program area on or before December 31 annually.

CHAPTER 4: USED-TIRE PROGRAM ACCOUNTABILITY AND BUSINESS PLANS

Rule 36.401 Initial Business Plans

A used-tire program that receives funding from the Used Tire Recycling Fund shall have an DEQ-approved ~~business plan that~~ establishes ~~its current operation expenses and proposed future operation plans~~. This business plan must be approved by the used-tire program's board before submittal to DEQ.

Rule 36.402 Overview Information

Used-tire ~~program overview information shall include any of the following information as determined applicable by DEQ:~~

- (1) Square mileage of the used-tire program;
- (2) Population served by the used-tire program;
- (3) Organizational structure of the used-tire program;
- (4) Inter-~~district~~local agreements, if applicable; and
- (5) All applicable solid waste management plans.

Rule 36.403 Minimum Required Information

The minimum required information for the business plan is:

- (1) Operation information from the previous twelve (12) months to include:
 - (a) An explanation of debt and debt repayment obligations, including scheduled payments and to whom the payments are being made;
 - (b) A description of equipment used, including type, year manufactured, debt obligations related to the equipment, and whether it is leased or owned;
 - (c) An explanation of contract obligations including the amount, length, and scope of the contract;
 - (d) A description of how tires are managed, collected, transported, disposed, or recycled;
 - (e) A ~~listing~~ of costs for all tire collection centers, trailers, transfer stations, processing facilities, mileage, fuel, and personnel;
 - (f) The quantity of tires currently on any property owned, leased, or otherwise controlled by a used tire program or each regional solid waste management district ~~or tire accountability board~~ included in the used-tire program; and
 - (g) Any documents that support the information, explanations, and descriptions to include contracts, receipts, utility bills, audit information, and any additional information deemed necessary.

- (2) Proposed operation costs for the next twelve (12) months to include:
 - (a) A description of how tires will be managed, collected, stored, transported, disposed, or recycled;
 - (b) Estimated cost of utilities, personnel, equipment, fees, leases, facilities, and any other costs related to the primary operation of the used-tire program;
 - (c) The capital improvement and maintenance plan with estimated expenditures and costs;
 - (d) The estimated transportation cost including mileage, fuel, equipment, personnel, utilities, insurance, bonds, and fees;
 - (e) The locations of all tire collection centers;
 - (f) The types of tires managed to include recyclable tires, waste tires, and used tires culled for resale; and
 - (g) Any documents that support the information, explanations, and descriptions, including contracts, receipts, utility bills, audit information, and any additional information deemed necessary.

Rule 36.404 Revised Business Plans

(A) A used-tire program shall provide an updated business plan to DEQ related to operational changes and long-term planning within thirty (30) calendar days of the operational or planning changes.

(B) A revised business plan is required if any one (1) or more of the following occurs:

- (1) A used-tire program has or is anticipated to have significant operational changes;
- (2) Long-term plans are developed or changed;
- (3) A new inter-~~distriet~~local agreement is ~~formed~~executed;
- (4) A county regional solid waste management board or tire accountability board is added to or removed from an ~~inter-distriet~~used tire program; or
- (5) The DEQ has determined that a business plan does not meet the requirements of this chapter.

~~-(6)(C)~~ A business plan or revised business plan that results in a business plan rate increase is subject to review by Legislative Council and must be approved by the Commission.

Rule 36.405 Approval Process

(A)(1) The DEQ or its designee shall evaluate the efficiency, sustainability, and accountability of each used-tire program and its proposed cost of managing small tires and large tires for approval of the business plan reimbursement rate for small tires and large tires for each used-tire program.

- (2) To calculate approved business plan rates, DEQ may use the following:
 - (a) Fiscal analysis of the proposed business plan;
 - (b) Comparative analysis of the used-tire program to other used-tire programs in the state;

- (c) Comparative ~~analysis of the used-tire program's proposed business plan to~~ alternative business models for used tire management; or
- (d) Any other reasonable method of calculating business plan rates for the costs associated with the management of used tires.

(3) A business plan or revised business plan that results in a business plan rate increase is subject to review by Legislative Council and must be approved by the Commission.

Rule 36.406 Effective Date

A business plan or revised business plan submitted is effective upon written approval by DEQ or its designee, the Commission, and Legislative Council.

Rule 36.407 Failure to Submit an Approved Business Plan

(A) If a used-tire program fails to submit a new business plan for approval by DEQ on or before ~~December 31, 2017~~ September 1, 2023, the used-tire program ~~and all regional solid waste management boards and tire accountability boards included in the used-tire program are~~is:

- (1) Ineligible to receive funding from the Used Tire Recycling Fund;
- (2) Prohibited from administering and operating a used-tire program; and
- (3) Prohibited from imposing any fees to support the administration and operation of a used-tire program.

(B)(1) ~~—~~If a used-tire program's proposed business plan is determined to be administratively incomplete, the used-tire program shall submit the additional information required by DEQ within ten (10) calendar days of written notice.

(2) If a used-tire program fails to submit the additional information required by DEQ within ten (10) calendar days, the used-tire program shall be deemed to have failed to submit a business plan.

Rule 36.408 Designated Qualified Entity

(A) DEQ may designate a qualified entity to perform the duties related to the operation and administration of a used-tire program deemed ineligible under this rule.

(B) A qualified entity that is designated to perform the duties related to the operation and administration of a used-tire program shall operate the used-tire program in compliance with this rule.

(C) If the qualified entity performs the duties related to the operation and administration of the used-tire program in compliance with this rule, the qualified entity is eligible to receive funding under this rule and from the Used Tire Recycling Fund.

CHAPTER 5: PERFORMANCE AND EFFICIENCY EVALUATIONS

Rule 36.501 Generally

The Used-Tire Program will be evaluated for performance and efficiency by DEQ under the Tire Accountability Program.

Rule 36.502 Performance Indicators

DEQ will evaluate the Business Plans using the following performance indicators for each used-tire program:

- (1) The quantity of:
 - (a) Recyclable tires; and
 - (b) Waste tires disposed in a landfill.
- (2) The ~~number of reported waste tire sites located in the regional solid waste management districts that are included in the~~ used-tire program;
- (3) Electronic uniform used tire manifest system compliance;
- (4) Administrative expenses;
- (5) Transportation expenses;
- (6) Building, warehouse, and other facilities expenses;
- (7) Revenue sources and the amount of revenue received from each source;
- (8) The number, location, and type of tire collection centers;
- (9) Any identified operational issues;
- (10) The number of enforcement actions against the used-tire program; and
- (11) Any ~~other performance indicators that are determined to be useful to evaluate~~ performance and efficiency.

~~(12) Arkansas Legislative Audit shall audit the four (4) the used tire programs on the following schedule: Used Tire Program 1 and Used Tire Program 3 every odd numbered year; and (2) Used Tire Program 2 and Used Tire Program 4 every even numbered year pursuant to the requirements of Ark. Code Ann. § 8-9-410.~~

Rule 36.503 Biennial Evaluations

~~(A)~~ DEQ will conduct evaluations of the Business Plans every two (2) years for each used-tire program. The first evaluation will be completed on or before December 31, 2018.

~~(B) Arkansas Legislative Audit shall the audit used tire programs pursuant to the requirements of Ark. Code Ann. § 8-9-410.~~

CHAPTER 6: E-MANIFEST SYSTEM

Rule 36.601 Purpose

(A) The purpose of this chapter is to establish procedures for implementing and administering the electronic uniform used tire manifest system (e-manifest system).

(B) The purpose of the e-manifest system is to provide accountability and sustainability by requiring the use of uniform manifests in paper copy or electronic form so that DEQ has an accurate reporting of all information related to the collection, transportation, distribution, recycling, and disposal of recyclable tires, waste tires, and used tires culled for resale.

(C) The implementation of the e-manifest system is an ongoing process, and DEQ may continue to develop the process and procedures including any one (1) or more of the following:

- (1) Use of paper forms;
- (2) Methods of registering accounts;
- (3) Requirements for electronic signature authorizations;
- (4) Requirements for information; or
- (5) Any other component of the e-manifest system necessary for its implementation and administration.

Rule 36.602 E-Manifest System Use Required

(A) Beginning on January 1, 2018, and except as provided under Commission Rule 36.602(C), the following entities shall use Form TAP-11 to accurately document all information related to the collection, transportation, distribution, recycling, and disposal of recyclable tires, waste tires, and used tires culled for resale being sent to a used-tire program:

- (1) Tire generators;
- (2) Tire collection centers;
- (3) Commercial generators; and
- (4) Any person who:
 - (a) Removes a tire from the used-tire program after it is collected; or
 - (b) Imports a tire according to Commission Rule 36, Chapter 10 (Ark. Code Ann. § 8-9-404(c)).

(B) The entities listed in Rule 36.602(A) shall sign and date the manifest (Form TAP-11). The transporter shall verify, sign, and date the form. The originating entity shall maintain a copy of the manifest and the transporter carries the original manifest with the shipment of tires. Once the tires arrive at the used-tire program destination, the used-tire program designated person signs and dates the manifest (after verifying the load matches the form), provides a copy to the transporter, and then enters all the information contained on Form TAP-11 into DEQ's e-manifest system. The used-tire program shall also scan in the final completed paper manifest into DEQ's e-portal system.

(C) The e-manifest system is intended to only apply to tires provided to a tire transporter for delivery to a used-tire program. The e-manifest system is not intended to and will not apply to tires not provided to or part of a used-tire program.

(D)(1) Each person who is required to use the e-manifest system shall designate at least one (1) but not more than two (2) authorized individuals to enter data into the e-manifest system.

(2) The person shall provide one (1) valid and unique email address for each authorized individual.

(3) Any change of an individual's valid e-mail address for the e-manifest system shall be reported in writing to DEQ within ten (10) calendar days.

(E) Form TAP-11 may be found on DEQ's website. A used-tire program may develop and use triplicate copies of Form TAP-11.

Rule 36.603 Submission of E-Manifest Information on Paper

If any person required to use the e-manifest system under this chapter is unable to use the e-manifest system, the person may submit to the used-tire program an equivalent paper version (Form TAP-11) developed by DEQ that shall be entered into the e-manifest system by the used-tire program.

Rule 36.604 Submitting E-Manifests

(A)(1) A person required to use the e-manifest system shall submit a new e-manifest or paper manifest for each transaction involving the collection, transportation, distribution, recycling, or disposal of recyclable tires, waste tires, or used tires culled for resale.

(2) A used-tire program is required to submit an e-manifest for all used tires collected or managed.

(B) A used-tire program and tire transporter shall report any discrepancies during transport on the paper copies of the e-manifests in his or her possession to include:

(1) The quantity of used tires removed during transport;

(2) The quantity of used tires added during transport; and

(3) All contact information for any person who:

(a) Received used tires removed during transport; and

(b) Added used tires.

(C)(1) A tire generator, commercial generator, or person who imports used tires shall provide the tire transporter with two (2) paper copies of the e-manifest.

(2) The tire transporter shall provide one (1) paper copy to the used-tire program upon delivery and retain one (1) copy for its records.

Rule 36.605 Timely Submission of Accurate Data

(A) Every person ~~required to use the e-manifest system~~ s shall ~~submit data that accurately reflects each transaction, whether the data is entered electronically or submitted in paper form.~~

(B) To be considered a timely submission of e-manifest data and for the used-tire program to receive funding, the used-tire program shall finalize each manifest by entering the information contained on the manifest into the e-manifest system prior to processing or disposing of each load.

Rule 36.606 Falsification or Alteration of E-Manifest System Data

(A) A person shall not falsify or alter any e-manifest system data, whether on the paper Form TAP-11 or the e-manifest system form, provided by that person or any other person.

(B) Any errors made or discovered by a person in the course of using the paper Form TAP-11 or the e-manifest system shall be reported in writing to the DEQ within three (3) calendar days after discovery ~~to the DEQ~~.

CHAPTER 7: TIRE GENERATORS

Rule 36.701 Registration

When a tire generator registers with the Department of Finance and Administration as a collector of the rim removal fee, the registration will include a procedure for registering with DEQ to obtain an identifying number.

Rule 36.702 Types of Tire Generators

Tire generators include:

- (1) A tire retailer;
- (2) A tire transporter;
- (3) A tire wholesaler;
- (4) A tire manufacturer;
- (5) A manufacturer of retreaded tires;
- (6) A new car dealer;
- (7) A used car dealer;
- (8) An auto repair shop; or
- (9) A salvage yard.

Rule 36.703 Exclusions and Limitations

A tire generator shall not be deemed a commercial generator unless the tire generator acts as a commercial generator for a transaction that is subject to the commercial generator fee.

Rule 36.704 Tire Retailers

Each tire retailer shall:

- (1) Be registered with the Department of Finance and Administration as a collector of rim removal fees;
- (2) Collect the fees from the purchaser even if the purchaser elects to keep the used tire removed from the rim;
- (3) Pay on a monthly basis the rim removal fees that are collected each month to the Department of Finance and Administration;
- (4) Comply with all requirements related to collecting and reporting rim removal fees;
- (5) Be registered with DEQ as a tire retailer and have an identifying number issued by DEQ; and

(6) Use the manifest system developed by DEQ and certify that each tire removed from the rim and replaced with a new tire or used tire was assessed a rim removal fee to account for each used tire removed from the rim; and

(7) Obtain ~~a~~ general permit for tire collection centers as required by Commission Rule 36.1502.

Rule 36.705 Tire Transporters

(A) For all tire transporters licensed on or after January 1, 2018, a tire transporter shall meet the following requirements to perform or be compensated for any duties under this rule:

- (1) Obtain a tire transporter license for each vehicle to be used on each shipment of used tires;
- (2) Provide proof that each vehicle has passed an annual safety inspection;
- (3) Provide proof of insurance for each vehicle and authorized driver;
- (4) Provide a bond in the amount of ten thousand dollars (\$10,000);
- (5) Ensure that each authorized driver has completed training for the use of the manifest system and certify that each tire removed from the rim and replaced with a new tire or used tire was assessed a rim removal fee;
- (6) For a renewal application, submit an annual report on or before March 1 to DEQ that details the quantity and type of tires that were transferred by the tire transporter on Form TAP-2 prepared by DEQ; and
- (7) Pay an initial fee of fifty dollars (\$50.00), and annually thereafter, for each vehicle to be licensed.

(B)(1)(a) A new tire transporter shall submit an application for a tire transporter license at least thirty (30) calendar days before the tire transporter intends to begin transporting used tires.

(b) A corporate or governmental entity may submit one (1) application to license its entire fleet of vehicles.

(2) A tire transporter that applies for a license under this section shall file a disclosure statement at the time of application unless a disclosure statement has been filed with DEQ within twelve (12) months preceding the date of the application submittal.

(C)(1) A licensed tire transporter shall possess a current decal issued by DEQ.

(2)(a) The tire transporter decal shall be displayed on the driver side of the front window of the tire transporter's vehicle.

(b) If a licensed tire transporter uses one (1) or more fleet vehicles, a copy of the tire transporter's license must be kept within the vehicle during transportation.

(3) Upon expiration or revocation of a tire transporter license, the tire transporter shall immediately remove all tire transporter decals from all vehicles.

(D) All vehicles and equipment used by tire transporters shall be constructed, operated, and maintained to prevent loss of used tires during transport, health nuisances, and safety hazards to operating personnel and the public.

(E) A used-tire program is not required to be licensed by DEQ as a tire transporter to transfer tires ~~that it has collected, is managing, or both. Instead, the used-tire program shall be~~ responsible for developing an internal tire transporter program for their employees and include all standards within their business plan.

(F) All tire transporter licenses expire on February 28 of each year regardless of the issuance date.

(G) The replacement fee for a lost or destroyed license decal is ten dollars (\$10.00).

(H) A tire transporter license issued under this section is non-transferable.

(I)(1) If a tire transporter is found to have not complied with this rule, the tire transporter's license shall be suspended for three (3) months.

(2) If the license of a tire transporter is suspended more than one (1) time in three (3) years, the tire transporter's license shall be revoked and the tire transporter is ineligible for a tire transporter license for an additional three (3) years from the date of revocation.

Rule 36.706 Tire Wholesalers

If a tire wholesaler removes used tires from the rim, the tire wholesaler shall:

- (1) Be registered with the Department of Finance and Administration as a collector of rim removal fees;
- (2) Collect the fees from the purchaser even if the purchaser elects to keep the used tire removed from the rim;
- (3) Pay on a monthly basis the rim removal fees that are collected each month to the Department of Finance and Administration;
- (4) Comply with all requirements related to collecting and reporting rim removal fees;
- (5) Be registered with DEQ as a tire wholesaler and have an identifying number issued by DEQ; and
- (6) Use the manifest system to account for each used tire removed from the rim and certify that each tire removed from the rim and replaced with a new tire or used tire was assessed a rim removal fee when the tire wholesaler delivers used tires to a used-tire program or tire processing facility for recycling or disposal.

Rule 36.707 Tire Manufacturers

(A) A tire manufacturer shall be registered with DEQ as a tire manufacturer and have an identifying number issued by DEQ.

(B) Waste tires originating from a tire manufacturer shall be deposited at a permitted used-tire program, a permitted, access-controlled collection center, or a permitted tire processing facility

for a fee to be established by the used-tire program, permitted, access-controlled collection center, or permitted tire processing facility.

(C) A tire manufacturer must use the manifest system and certify that each tire removed from the rim and replaced with a new tire or used tire was assessed a rim removal fee at the point it delivers used tires to a used-tire program or tire processing facility for recycling or disposal.

(D) Records of the disposition of the waste tires originating from a tire manufacturer shall be maintained by that tire manufacturer for a period of at least three (3) years and shall be available for review by DEQ.

Rule 36.708 New and Used Car Dealers

If a new or used car dealer removes unused or used tires from the rim, the new or used car dealer shall:

- (1) Be registered with the Department of Finance and Administration as a collector of rim removal fees;
- (2) Collect the fees from the purchaser even if the purchaser elects to keep the unused or used tire removed from the rim;
- (3) Pay on a monthly basis the rim removal fees that are collected each month to the Department of Finance and Administration;
- (4) Comply with all requirements related to collecting and reporting rim removal fees;
- (5) Be registered with DEQ as a new or used car dealer to obtain an identifying number; and
- (6) Use the manifest system to account for each unused or used tire removed from the rim and certify that each tire removed from the rim and replaced with a new tire or used tire was assessed a rim removal fee.

Rule 36.709 Auto Repair Shops

If an auto repair shop removes used tires from the rim and replaces it with a new or used tire, the auto repair shop shall:

- (1) Be registered with the Department of Finance and Administration as a collector of rim removal fees;
- (2) Collect the fees from the purchaser even if the purchaser elects to keep the unused or used tire removed from the rim;
- (3) Pay on a monthly basis the rim removal fees that are collected each month to the Department of Finance and Administration;
- (4) Comply with all requirements related to collecting and reporting rim removal fees;
- (5) Be registered with DEQ as an auto repair shop to obtain an identifying; and
- (6) ~~U~~Use the manifest system to account for each used tire removed from the rim and certify that each tire removed from the rim and replaced with a new tire or used tire was assessed a rim removal fee.

Rule 36.710 Salvage Yards

If a salvage yard removes used tires from the rim and replaces them with a new or used tire, the salvage yard shall:

- (1) Be registered with the Department of Finance and Administration as a collector of rim removal fees;
- (2) Collect the fees from the purchaser even if the purchaser elects to keep the unused or used tire removed from the rim;
- (3) Pay on a monthly basis the rim removal fees that are collected each month to the Department of Finance and Administration;
- (4) Comply with all requirements related to collecting and reporting rim removal fees;
- (5) Be registered with DEQ as a salvage yard to obtain an identifying number; and
- (6) Use the manifest system to account for each used tire removed from the rim and certify that each tire removed from the rim and replaced with a new tire or used tire was assessed a rim removal fee.

Rule 36.711 Reporting of Material Changes

(A) A tire generator shall provide written notice to DEQ within thirty (30) calendar days of any material change that affects its permit, license, or registration. A material change includes any one (1) or more of the following:

- (1) The relocation of the place of business;
- (2) New locations where the business is conducted;
- (3) The closure of a business or business location;
- (4) A change in the name, mailing address, telephone number, or email address; or
- (5) Purchasing new equipment intended to be used for activities that are subject to the permit, license, or registration.

(B) If a tire generator is registered with the Department of Finance and Administration to collect and remit rim removal fees, the tire generator must also provide written notice to the Department of Finance and Administration within thirty (30) calendar days of any material change under this section.

Rule 36.712 Recordkeeping

(A) Except as otherwise provided in this chapter, a tire generator licensed or registered under this chapter shall maintain all documents related to its used tire duties for three (3) years.

(B) The documents maintained by the tire generator shall accurately reflect the used tire duties performed and collection and payment of all applicable rim removal fees.

(C) The ~~-documents -shall -be -available -for -inspection -by -DEQ -personnel, -the -Arkansas~~ Department of Finance and Administration personnel, or both during normal business hours.

Rule 36.713 Compliance

A tire generator is required to comply with this chapter and all other applicable portions of this rule and the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*

CHAPTER 8: RIM REMOVAL FEES

Rule 36.801 Registration

When a tire generator registers with the Department of Finance and Administration as a collector of the rim removal fee as required under this chapter, the registration will include a procedure for registering with DEQ to obtain an identifying number.

Rule 36.802 Rim Removal Fees Imposed

(A) Beginning on January 1, 2018, and pursuant to Ark. Code Ann. § 8-9-404, rim removal fees are imposed upon the transaction of removing a tire from a rim that is related to the sale of a replacement tire by a tire retailer.

(B) As used in this rule, “proceeds from rim removal fees” means all moneys collected and received by the ~~Arkansas~~ Department of Finance and Administration for rim removal fees imposed under ~~Ark. Code Ann. § 8-9-404(a) and interest and penalties on delinquent rim removal fees.~~

(C) A rim removal fee shall be charged by the tire retailer to the person who purchases:

- (1) A replacement tire for a rim that necessitates the removal of a different tire from the same rim; or
- (2) The service of removal of a tire from a rim and replacement with a tire that was not purchased from the tire retailer if the person requesting the rim removal cannot show proof of payment of the rim removal fee under this section for the replacement tire.

Rule 36.803 Amount of Rim Removal Fee

Beginning on January 1, 2018, the rim removal fee shall be imposed at the rate of:

- (1) Three dollars (\$3.00) for each new tire that replaces a tire removed from a rim; and
- (2) One dollar (\$1.00) for each used tire that replaces a tire removed from the rim.

Rule 36.804 Exclusions and Exemptions

(A) The rim removal fees imposed by this chapter do not apply to the sale of any of the following:

- (1) A solid wheel rim with an integral rubber covering;
- (2) A tire used on a nonmotorized bicycle, golf cart, or lawn mower;
- (3) Large retreaded tires;
- (4) Tires included as part of the equipment of a new motor vehicle; or
- (5) Tires included as part of the equipment of a used vehicle if included on the used vehicle at the time of sale and in the sales price of the used vehicle.

(B) Only one (1) of either the rim removal fee or the commercial generator fee shall be charged for the transaction of removing a tire from a rim that is related to the sale of a replacement tire. If a person establishes that he or she has paid either the rim removal fee or the commercial generator fee for a tire, the tire retailer or tire generator shall not charge an additional fee for that tire.

Rule 36.805 Duties

Each tire retailer shall:

- (1) Be registered with the Department of Finance and Administration as a collector of rim removal fees;
- (2) Collect the fees from the purchaser even if the purchaser elects to keep the used tire removed from the rim;
- (3) Pay on a monthly basis the rim removal fees that are collected each month to the Department of Finance and Administration;
- (4) Comply with all requirements related to collecting and reporting rim removal fees;
- (5) Be registered with DEQ as a tire retailer; and
- (6) Use the e-manifest system developed by DEQ to account for each used tire removed from the rim.

Rule 36.806 Fee Remittance Procedure

(A)(1) The rim removal fees shall be collected from the purchaser by the tire retailer and remitted to the ~~Secretary~~Director of the ~~Arkansas~~ Department of Finance and Administration.

- (2) However, ~~the~~ tire retailer may retain five percent (5%) of the rim removal fee imposed under this chapter for administrative costs.

(B)(1) Each tire retailer shall file a return with the ~~Director~~Secretary of the ~~Arkansas~~ Department of Finance and Administration on or before the twentieth of each month.

- (2) The return shall show the total rim removal fees collected for each new tire and used tire removed from the rim during the preceding calendar month.
- (3) The tire retailer shall remit the rim removal fees with the return.
- (4) The ~~Director~~Secretary of the Department of Finance and Administration shall prescribe the form and contents of the return.

(C)(1) Each tire retailer is subject to the Arkansas Tax Procedure Act, Ark. Code Ann. § 26-18-101 ~~et seq.~~, ~~and the business closure procedures under § 26-18-1001 et seq.~~, and any rules promulgated by the ~~Arkansas~~ Department of Finance and Administration.

(2) A ~~tire retailer that is not registered with the Department of Finance and Administration as required under this chapter~~ is subject to the Arkansas Tax Procedure Act, Ark. Code Ann. § 26-18-101 *et seq.*, the business closure procedures under § 26-18-1001 et seq., and any rules promulgated by the ~~Arkansas~~ Department of Finance and Administration if the tire retailer is required by law to collect the rim removal fee imposed under this chapter.

Rule 36.807 Fee Imposed After Sales Taxes Computed

The rim removal fees imposed by this chapter shall be added to the total cost charged by the tire retailer to the purchaser after all applicable gross receipts and compensating use taxes on the tires have been computed and shall be separately stated on the invoice or bill of sale.

Rule 36.808 No Additional Charge to Purchaser

The tire retailer shall accept at no additional cost to the purchaser other than those fees collected under this rule any or all used tires for which a purchaser paid the rim removal fee.

Rule 36.809 Revenues Deposited

(A) The ~~Arkansas~~ Department of Finance and Administration shall deposit the proceeds from rim removal fees collected under Ark. Code Ann. § 8-9-404 into the State Treasury as special revenues to the credit of the following funds in the following percentages:

- (1) Ninety-three percent (93%) to be deposited into the Used Tire Recycling Fund; and
- (2) Seven percent (7%) to be deposited into the Division of Environmental Quality Fee Trust Fund.

(B) The Used Tire Recycling Fund shall also consist of:

- (1) Penalties assessed and collected under the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*;
- (2) Interest, earnings, and any other revenues as may be authorized by law;
- (3) Any federal government moneys designated for deposit into the Used Tire Recycling Fund;
- (4) Any gift or donation to the Used Tire Recycling Fund; and
- (5) Those special revenues specified in Ark. Code Ann. §§ 8-9-404 and 19-6-301(165).

Rule 36.810 Administration of the Used Tire Recycling Fund

The Used Tire Recycling Fund shall be administered by DEQ for reimbursements and grants to used-tire programs and administrative expenditures as authorized by law and rule.

CHAPTER 9: COMMERCIAL GENERATORS AND COMMERCIAL GENERATOR FEES

Rule 36.901 Registration

When a commercial generator registers with the Department of Finance and Administration as a collector of the commercial generator fee as required under this chapter, the registration will include a procedure for registering with DEQ to obtain an identifying number.

Rule 36.902 Commercial Generator Fees Imposed

(A) Beginning on January 1, 2018, and pursuant to Ark. Code Ann. § 8-9-404, commercial generator fees are imposed upon the transaction of a commercial generator selling or delivering a new tire as part of fleet services.

(B) As used in this rule, “proceeds from commercial generator fees” means all moneys collected and received by the ~~Arkansas~~ Department of Finance and Administration under this chapter for commercial generator fees imposed under Ark. Code Ann. § 8-9-404(d) and interest and penalties on delinquent commercial generator fees.

(C) The commercial generator fee shall be charged by the commercial generator to a person who in the ordinary course of business is an end user that removes used tires from the rim and replaces them with a new tire.

Rule 36.903 Amount of Commercial Generator Fee

The commercial generator fee shall be imposed at the rate of three dollars (\$3.00) for each new tire that is sold or delivered to an end user that removes used tires from the rim and replaces them with a new tire.

Rule 36.904 Exclusions and Exemptions

(A) The commercial generator fees imposed by this chapter do not apply to the sale of any of the following:

- (1) A solid wheel rim with an integral rubber covering;
- (2) A tire used on a nonmotorized bicycle, golf cart, or lawn mower;
- (3) Large retreaded tires;
- (4) Tires included as part of the equipment of a new motor vehicle; or
- (5) Tires included as part of the equipment of a used vehicle if installed on the used vehicle at the time of sale and included in the sales price of the used vehicle.

(B) Only one (1) of either the commercial generator fee or the rim removal fee shall be charged for the transaction of removing a tire from a rim that is related to the sale of a replacement tire. If a person establishes that he or she has paid either the commercial generator fee or rim removal fee for a tire, the commercial generator shall not charge an additional fee for that tire.

(C) A commercial generator must use the e-manifest system when it delivers used tires to a used-tire program or tire processing facility for recycling or disposal.

Rule 36.905 Commercial Generator Duties

(A) Each commercial generator shall:

- (1) Be registered with the Department of Finance and Administration as a commercial generator;
- (2) -Collect the fees from the end user even if the end user elects to keep the used tire removed from the rim;
- (3) Pay on a monthly basis the commercial generator fees that are collected each month to the Department of Finance and Administration; and
- (4) Comply -with -all -requirements -related -to -collecting -and -reporting -commercial generator fees.

(B) A commercial generator who collects used tires from end users shall be registered with DEQ as a commercial generator with an identifying number issued by DEQ.

Rule 36.906 Fee Remittance Procedure

(A)(1) The commercial generator fees shall be collected from the end user by the commercial generator who sells the tires to the end user and bills the end user for the tires, fees, and any other applicable taxes related to the sale and remitted to the ~~Director~~Secretary of the ~~Arkansas~~ Department of Finance and Administration.

(2) However, the commercial generator who collects the commercial generator fee may retain five percent (5%) of the commercial generator fee imposed under this chapter for administrative costs.

(B)(1) Each -commercial -generator shall file a return with the ~~Director~~Secretary of the ~~Arkansas~~ Department of Finance and Administration on or before the twentieth of each month.

(2) The return shall show the total commercial generator fees collected for each tire sold to the end user during the preceding calendar month.

(3) The commercial generator shall remit the commercial generator fees with the return. (4) The ~~Secretary~~Director of the Department of Finance and Administration shall prescribe the form and contents of the return.

(C)(1) Each commercial generator is subject to the Arkansas Tax Procedure Act, Ark. Code Ann. § 26-18-101 *et seq.*, ~~and the business closure procedures under § 26-18-1001 -et -seq-~~, and any rules promulgated by the ~~Arkansas~~ Department of Finance and Administration.

(2) A commercial generator that is not registered with the Department of Finance and Administration remains subject to the Arkansas Tax Procedure Act, Ark. Code Ann. § 26-18-101 *et seq.*, the business closure procedures under § 26-18-1001 *et seq.*, and any rules promulgated by the ~~Arkansas~~ Department of Finance and Administration if the commercial generator is required by law to collect the commercial generator fee imposed under Ark. Code Ann. § 8-9-404(d).

Rule 36.907 Fee Imposed After Sales Taxes Computed

The commercial generator fees imposed by this chapter shall be added to the total cost charged by the commercial generator to the end user after all applicable gross receipts and compensating use taxes on the tires have been computed and shall be separately stated on the invoice or bill of sale.

Rule 36.908 No Additional Charge to End User

The commercial generator shall accept at no additional cost to the end user other than those fees collected under this rule any or all used tires for which an end user paid the commercial generator fee.

Rule 36.909 Revenues Deposited

(A) The ~~Arkansas~~ Department of Finance and Administration shall deposit the proceeds from commercial generator fees collected under Ark. Code Ann. § 8-9-404 into the State Treasury as special revenues to the credit of the following funds in the following percentages:

- (1) Ninety-three percent (93%) to be deposited into the Used Tire Recycling Fund; and
- (2) Seven percent (7%) to be deposited into the Division of Environmental Quality Fee Trust Fund.

(B) The Used Tire Recycling Fund shall also consist of:

- (1) Penalties assessed and collected under the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*;
- (2) Interest, earnings, and any other revenues as may be authorized by law;
- (3) Any federal government moneys designated for deposit into the Used Tire Recycling Fund;
- (4) Any gift or donation to the Used Tire Recycling Fund; and
- (5) Those special revenues specified in Ark. Code Ann. §§ 8-9-404 and 19-6-301(165).

Rule 36.910 Administration of Used Tire Recycling Fund

The Used Tire Recycling Fund shall be administered by DEQ for reimbursements and grants to used-tire programs and administrative expenditures as authorized by law and rule.

CHAPTER 10: PERSONS WHO IMPORT USED TIRES AND IMPORT FEES

Rule 36.1001 Registration

When a person who imports used tires registers with the Department of Finance and Administration as a collector of the import fee as required under this chapter, the registration will include a procedure for registering with DEQ to obtain an identifying number.

Rule 36.1002 Import Fees Imposed

(A) Beginning on January 1, 2018, and pursuant to Ark. Code Ann. § 8-9-404, import fees are imposed on all used tires imported into Arkansas.

(B) As used in this rule, “proceeds from import fees” means all moneys collected and received by the **Arkansas** Department of Finance and Administration for import fees imposed under Ark. Code Ann. § 8-9-404(c) and interest and penalties on delinquent rim removal fees.

Rule 36.1003 Amount of Import Fee

Beginning on January 1, 2018, the import fee shall be imposed at a rate of one dollar (\$1.00) for each used tire that is imported into Arkansas.

Rule 36.1004 Exclusions and Exemptions

The import fees imposed by this chapter do not apply to any of the following:

- (1) A solid wheel rim with an integral rubber covering;
- (2) A tire used on a nonmotorized bicycle, golf cart, or lawn mower;
- (3) Large retreaded tires;
- (4) Tires included as part of the equipment of a new motor vehicle; or
- (5) Tires included as part of the equipment of a used vehicle if included on the used vehicle at the time of sale and in the sales price of the used vehicle.

Rule 36.1005 Duties of Person Who Imports Used Tires

Each person who imports used tires shall:

- (1) Be registered with the Department of Finance and Administration as a person who imports used tires into Arkansas;
- (2) Pay on a monthly basis to the **Arkansas** Department of Finance and Administration the import fees for the used tires that are imported into Arkansas each month;
- (3) Comply with all requirements related to collecting and reporting import fees;
- (4) Be registered with DEQ as a person who imports used tires into Arkansas and have an identifying number used by the DEQ; and

- (5) Use the e-manifest system administered by DEQ to account for each used tire imported into Arkansas.

Rule 36.1006 Fee Remittance Procedure

(A) The import fee imposed under this chapter shall be paid by the person who imports the used tire into Arkansas to the ~~Arkansas~~ Department of Finance and Administration in accordance with the Arkansas Tax Procedure Act, Ark. Code Ann. § 26-18-101 *et seq.*, shall be subject to the business closure procedures under § 26-18-1001 —et —seq. and shall be subject to any rules promulgated by the ~~Arkansas~~ Department of Finance and Administration.

(B)(1) Each person who imports used tires shall file a return with the ~~Director~~Secretary of the ~~Arkansas~~ Department of Finance and Administration on or before the twentieth of each month.

- (2) The return shall show the total import fees collected for each used tire imported into Arkansas during the preceding calendar month.

- (3) The person who imports used tires shall remit the import fees with the return.

- (4) The ~~Director~~Secretary of the Department of Finance and Administration shall prescribe the form and contents of the return.

(C)(1) Each person who imports used tires into Arkansas is subject to the Arkansas Tax Procedure Act, Ark. Code Ann. § 26-18-101 *et seq.*, and any rules promulgated by the ~~Arkansas~~ Department of Finance and Administration.

- (2) A person who imports used tires into Arkansas that is not registered with the Department of Finance and Administration ~~is~~ remains subject to the Arkansas Tax Procedure Act, Ark. Code Ann. § 26-18-101 *et seq.*, and any rules promulgated by the ~~Arkansas~~ Department of Finance and Administration if the person is required by law to collect the import fee.

Rule 36.1007 Revenues Deposited

(A) The ~~Arkansas~~ Department of Finance and Administration shall deposit the proceeds from import fees collected under Ark. Code Ann. § 8-9-404 into the State Treasury as special revenues to the credit of the following funds in the following percentages:

- (1) Ninety-three percent (93%) to be deposited into the Used Tire Recycling Fund; and
- (2) Seven percent (7%) to be deposited into the Division of Environmental Quality Fee Trust Fund.

(B) The Used Tire Recycling Fund shall also consist of:

- (1) Penalties assessed and collected under the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*;
- (2) Interest, earnings, and any other revenues as may be authorized by law;
- (3) Any federal government moneys designated for deposit into the Used Tire Recycling Fund;
- (4) Any gift or donation to the Used Tire Recycling Fund; and
- (5) Those special revenues specified in Ark. Code Ann. §§ 8-9-404 and 19-6-301(165).

Rule 36.1008 Administration of the Used Tire Recycling Fund

The Used Tire Recycling Fund shall be administered by DEQ for reimbursements and grants to used-tire programs and administrative expenditures as authorized by law and rule.

CHAPTER 11: DISBURSEMENTS FROM THE USED TIRE RECYCLING FUND

Rule 36.1101 Applicability Generally

The DEQ establishes the Tire Accountability Program to:

- (1) Reimburse used-tire programs for used tire recycling and disposal costs;
- (2) Incentivize ~~recycling used tires collected under the Used Tire Recycling and~~ Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*;
- (3) Provide accountability for the disbursement of moneys to used-tire programs; and
- (4) Otherwise improve the sustainability of used-tire programs.

Rule 36.1102 Eligibility for Reimbursement

To ~~be~~ eligible for reimbursements under this rule and the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 *et seq.*, a used-tire program shall:

- (1) Be included in the solid waste management system under Ark. Code Ann. § 8-9-101 *et seq.* for each regional solid waste management district that the used-tire program serves;
- (2) Have a used tire management plan, as found in Commission Rule 36.3~~409~~, for each regional solid waste management district ~~and tire accountability board~~ that the used-tire program serves, including a schedule for identification and cleanup of waste tire sites that is updated until abatement of each identified waste tire site is completed;
- (3) Be included in each solid waste management district's recycling program under Ark. Code Ann. § 8-9-203 that the used-tire program serves;
- (4) If operated by a political subdivision of the state or other public entity:
 - (a) Use the financial management system under Ark. Code Ann. § 14-21-101 *et seq.*;
 - (b) Comply with the county purchasing procedures under Ark. Code Ann. § 14-22-101 *et seq.*;
 - (c) Comply with the Arkansas County Accounting Law of 1973, Ark. Code Ann. § 14-25-101; and
 - (d) Comply with the Local Fiscal Management Responsibility Act, Ark. Code Ann. § 14-77-101 *et seq.*;
- (5) Operate ~~in compliance with all laws and rules related to the~~ administration of solid waste management systems and recycling programs in Arkansas;
- (6) Encourage the voluntary establishment of tire collection centers at tire retailers, tire processing facilities, and solid waste disposal facilities for the deposit of tires generated in the state;

(7) Provide DEQ with business plan information required under Chapter 4 (Ark. Code Ann. § 8-9-408);

(8) Provide DEQ with quarterly reports including:

- (a) The quantity of tires recycled;
- (b) The quantity of waste tires disposed in a landfill;
- (c) The ~~number of reported waste tire sites~~ located within in your the geographic area of the regional solid waste management districts used tire program;
- (d) Administrative expenses;
- (e) Transportation expenses;
- (f) Building, warehouse, and other facility expenses;
- (g) Revenue sources and the amount of revenue received from each source;
- (h) The number, location, and type of tire collection centers located within in the geographic area of the your regional solid waste management districts used tire program;
- (i) Any operational issues for the reporting quarter;
- (j) The number of enforcement cases brought against the used-tire program during the reporting quarter;
- (k) A statement of certification you are complying with the e-manifest system; and
- (l) Any other performance indicators that is associated with efficiency measures;

and

(9)(a) Establish at least one (1) tire collection center within each county served by the used-tire program that accepts tires from tire retailers at no charge if the tire retailer establishes that it:

- (i) Collects the rim removal fee required under Chapter 8 of this rule (Ark. Code Ann. § 8-9-404(a)); and
 - (ii) Complies with the e-manifest system under Chapter 6 of this rule (Ark. Code Ann. § 8-9-407).
- (b) The tire collection centers may be at any one (1) or more of the following:
- (i) A solid waste disposal facility;
 - (ii) A tire processing facility; or
 - (iii) A tire retailer.

Rule 36.1103 Optional Used-Tire Program Activities

A used-tire program that receives reimbursements under this section may:

- (1) Contract with a tire processing facility that is permitted by DEQ;

- (2) Remove or contract for the removal of waste tires from illegal waste tire sites within the ~~applicable regional solid waste management districts~~ used tire program;
- (3) Provide incentives for establishing privately operated tire collection centers for the public; and
- (4) ~~Form an inter-district~~ Enter interlocal agreements with other -used-tire programs.

Rule 36.1104 Compliance

Moneys disbursed from the Used Tire Recycling Fund by DEQ for reimbursements under this rule shall be distributed only to the used-tire programs that comply with all applicable requirements in this rule related to the operation of used-tire programs.

Rule 36.1105 Disbursements Contingent Upon Available Funding

(A) All ~~-reimbursements -and -distributions -claimed -by -used-tire -programs-or -inter-district programs~~ will be:

- (1) Based on moneys available ~~in the funds~~ for disbursement in that quarter;
- (2) According to funding levels in Commission Rule 36.1106;
- (3) According to the rates established by the approved business plan; and
- (4) Funding priorities in Commission Rule 36.1107.

(B) Nothing in this rule shall be construed as requiring the State of Arkansas or DEQ to accrue liabilities in excess of available funding.

Rule 36.1106 Funding Levels

Based on data received from the e-manifest system and quarterly reports, the following funding may be available for disbursement from the Used Tire Recycling Fund for used-tire programs ~~-or -inter-district used-tire programs~~ that are in compliance with all applicable requirements of this rule:

- (1) Level One Funding - for used tires at the approved business plan rate;
- (2) Level Two Funding - for ~~an eligible inter-district~~ used-tire program ~~under Ark. Code Ann. § 8-9-410(b)~~ for assistance with funding an ~~illegal dumps control~~ Environmental officer position; and
- (3) Level Three Funding - to an eligible used-tire program that is in compliance with Ark. Code Ann. § 8-9-408 for equipment purchases, repairs, or maintenance that are scheduled or planned at least six (6) months before and included in the business plan or revised business plan of the used-tire program.

Rule 36.1107 Priority Funding

The following funding levels for quarterly disbursements from the Used Tire Recycling Fund are established:

- (1) Level One Funding shall be paid first each quarter from all ~~available~~ moneys

~~collected and~~ available for disbursement in that quarter;

- (2) Level Two Funding shall be paid each quarter only if any moneys are available after all Level One Funding obligations are paid in full for that quarter; and
- (3) Level Three Funding shall be paid each quarter only if any moneys are available after all Level One Funding and Level Two Funding obligations are paid in full for that quarter and a grant application has been approved by DEQ.

Rule 36.1108 Pro Rata Disbursements

If there are insufficient moneys available in a quarter to make reimbursements or grant awards for all submitted requests under any funding level, DEQ shall calculate the total remaining funds available and allocate the moneys to each used-tire program based on a pro rata share of each used-tire program's reimbursement or equipment grant request.

Rule 36.1109 Administrative Increases in the Reimbursement Rate

(A) The Arkansas Pollution Control and Ecology Commission may increase reimbursement rates if the Director of DEQ recommends an increase because of one (1) or more of the following:

- (1) The relevant Consumer Price Index for the preceding calendar year exceeded the Consumer Price Index for calendar year 2018; or
- (2) The used-tire programs have established an increase in operation costs.

(B) An increase to any reimbursement rate shall not exceed ten percent (10%) each calendar year.

(C) If the Director determines an administrative increase in reimbursement rate is necessary and sufficient funds are appropriated and available, DEQ shall uniformly apply the increase to each Used-Tire Program's approved business plan rate.

(D) A business plan or revised business plan that results in a business plan rate increase is subject to review by Legislative Council.

Rule 36.1110 Level One Funding Reimbursements

(A) Level One funding reimbursements shall be provided to used-tire programs based on the quantity of used tires managed from collection to final recycling or disposal by the used-tire program.

(B)(1) A used-tire program shall submit to DEQ a Quarterly Report no later than thirty (30) calendar days after the last day of each calendar quarter on Form TAP-9 to include:

- (a) A statement that all information has been submitted to the e-manifest system or an explanation of any discrepancy reports related to e-manifest system data; and
 - (b) If applicable, documentation that supports its explanation of any discrepancy report during that calendar quarter.
- (2) If the used-tire program is unable to submit its reimbursement request and all

applicable documentation within the five (5) calendar days after the last day of each calendar quarter, the used-tire program shall request an extension from the Director or designee.

(C) DEQ shall evaluate the Quarterly Reports and may use any of the following additional sources to determine Level One funding reimbursements to eligible used-tire programs:

- (1) Data from the e-manifest system including the quantity of used tires managed and any data related to the verification of the claimed quantity of used tires managed;
- (2) Quarterly progress reports;
- (3) Approved business plan rates;
- (4) Total reimbursement requests from all used-tire programs; and
- (5) Total available funding for quarterly disbursements.

(D) Formula for Level One funding reimbursements:

- (1) For each used-tire program each calendar quarter determine:
 - (a) The total approved quantity of small tires, large tires, and extra-large tires managed;
 - (b) The total approved business plan rate for small tires, large tires, and extra-large tires;
- (2) Multiply the total approved quantity of each size of tires managed by the used-tire program's approved business plan rate for each size of tires;
- (3) Calculate the cumulative total of the used-tire program's approved reimbursement requests for Level One funding from all used-tire programs; and
- (4)(a) Compare the total approved reimbursement requests from all used-tire programs with the total moneys available for the calendar quarter.
 - (b) If the total approved reimbursement requests for Level One funding are equal to or less than the moneys available for the calendar quarter, DEQ will issue disbursements for the amounts.
 - (c) If the total claimed reimbursement requests for Level One funding exceed the moneys available for that calendar quarter, DEQ shall allocate the moneys available for reimbursement to each used-tire program based on a pro rata share of each used-tire program's reimbursement request compared to the total moneys available for Level One funding distribution for that calendar quarter.

Rule 36.1111 Level Two Funding Reimbursements

(A) Level Two funding reimbursements shall be provided to an ~~eligible inter-district~~ used-tire program for assistance with funding one (1) ~~Environmental illegal dumps control~~ officer position.

(B) An ~~eligible inter-district~~ used-tire program shall submit to DEQ a reimbursement request no later than five (5) calendar days after the last day of each applicable calendar quarter on a form developed by DEQ within five (5) calendar days after the end of the calendar quarter that includes

at least the following information:

(1)(a) A copy of a remuneration statement with the person who is employed as an ~~illegal dumps control~~ Environmental officer that establishes employment during that calendar quarter.

(b) All confidential information shall be redacted including the employee's address, social security number, and date of birth; and

(2) The ~~Illegal Dump Control Environmental~~ Officer (~~IDCOEO~~) license number;

(3) All current applicable ~~inter-district~~-used-tire program interlocal agreements; and

(4) A -statement that the ~~inter-district~~-used-tire program serves a population of four hundred thousand (400,000) or more based on the most recent federal decennial census.

(C) If the ~~inter-district~~-used-tire program is unable to submit all necessary data within the five (5) calendar days after the end of the calendar quarter, the ~~inter-district~~-used-tire program shall request an extension from the Director or designee.

(D) DEQ shall evaluate the reimbursement request and may request additional information or documents to determine whether an ~~inter-district~~-used-tire program is eligible to receive Level Two funding reimbursements for that calendar quarter.

(E) DEQ -will issue disbursements for the amounts if the total claimed reimbursement requests are equal to or less than the moneys available for the calendar quarter.

(F) Subject to availability and appropriation of funding, an ~~eligible inter-district~~-used-tire program shall not receive more than six thousand-two hundred fifty dollars (\$6,250) in a calendar quarter with a total not to exceed twenty-five thousand dollars (\$25,000) in a calendar year.

(G) Formula for Level Two Funding reimbursements:

(1) DEQ makes the determination that moneys are available for disbursement after all claimed Level One reimbursement requests are fully funded;

(2) Calculate the total of all claimed reimbursement requests for Level Two funding;

(3)(a) If the total claimed reimbursement requests for Level Two funding equals or is less than the moneys available for that calendar quarter, DEQ will issue disbursements for the amounts.

(b) If the total claimed reimbursement requests for Level Two funding exceed the moneys available for that calendar quarter, DEQ shall allocate the moneys available for reimbursement to each ~~inter-district~~-used-tire program based on a pro rata share of each ~~inter-district~~-used-tire program's reimbursement request compared to the total moneys available for Level Two funding distribution for that calendar quarter.

Rule 36.1112 Level Three Funding Reimbursements

(A) Level Three funding reimbursements shall be provided to an eligible used-tire program for equipment purchases, repairs, or maintenance that are scheduled or planned at least six (6) months -before and included in the business plan or revised business plan of the used-tire program.

(B) DEQ shall use the following sources to determine whether a used-tire program is eligible to

receive Level Three funding reimbursements for that calendar quarter:

- (1) Verification that equipment purchases, repairs, or maintenance is outlined in the approved business plan;
- (2) Bid-quote specifications for equipment purchases, repairs, or maintenance when the cost exceeds twenty-five thousand dollars (\$25,000);
- (3) Verification that the used-tire program has complied with all applicable procurement laws on the purchase of equipment to be secured with state funds; and
- (4) Copies of specifications for any applicable contract and documentation of actual costs.

(C) Formula for Level Three Funding reimbursements:

- (1) DEQ makes the determination that moneys are available for disbursement after all claimed Level One and Level Two reimbursement requests are fully funded;
- (2) Calculate the total of all claimed reimbursement requests for Level Three funding;
- (3)(a) If the total claimed reimbursement requests for Level Three funding equals or is less than the moneys available for that calendar quarter, DEQ will issue disbursements for the amounts.
- (b) If the total claimed reimbursement requests for Level Three funding exceed the moneys available for that calendar quarter, DEQ shall allocate the moneys available for reimbursement to each used-tire program based on a pro rata share of each used-tire program's reimbursement request compared to the total moneys available for Level Three funding distribution for that calendar quarter.

(D) DEQ reserves the right of title or to order the transfer or sale of equipment that is purchased with funding from the Used Tire Recycling Fund but is no longer used for the general purposes stated in the approved business plan.

Rule 36.1113 Reporting and Oversight Requirements

(A)(1) The used-tire program ~~or inter-district used tire program~~ shall follow a budget and maintain an orderly accounting system to document used tire revenues and expenditures.

(2) The used-tire program ~~or inter-district used tire program~~ shall observe all applicable accounting procedures and rules in the management of funds received from the Used Tire Recycling Fund.

(3) Used-tire program funds shall be accounted for separate from other types of funds held by the used-tire program.

(B) Pursuant to Ark. Code Ann. § 8-6-704(d), expenditures, reimbursement funds, and grant funds received from the Used Tire Recycling Fund shall be listed in each used tire program District's annual financial audit separately from other ~~District~~used tire program revenues. Interest accrued as a result of the Used Tire Recycling Fund shall be delineated from other ~~District~~used tire program revenues.

(C) Within thirty (30) calendar days from the end of each calendar quarter, using Form TAP-9 to be provided by DEQ, each used-tire program shall, at the least, provide DEQ with quarterly reports summarizing progress in the project and expenditures from moneys from the Used Tire Recycling Fund, as well as all revenue received or generated as a result of the used-tire program's implementation of the Tire Accountability Program. The report shall include the quantity and types of fee-paid tires processed and the quantity and types of fee-waived tires processed, as well as any other information, as determined by DEQ, including documentation of revenues and expenditures for the calendar quarter and reserve funds.

Rule 36.1114 Administrative and Incentive Grants

(A) The Director of DEQ may use not more than ten percent (10%) of the moneys available in the Used Tire Recycling Fund each fiscal year:

- (1) For waste tire site abatement aid to be used only when the responsible person is either unable or unwilling to properly and timely abate the waste tire site;
- (2) For the development, implementation, and maintenance of the e-manifest system; and
- (3) To provide market and economic stimulus incentives.

(B) Eligible applicants for an abatement aid grant or market and economic stimulus incentive grant under this section include:

- (1) An eligible used-tire program;
- (2) A local government; or
- (3) A state agency, ~~board, or~~ commission, or other governmental unit created by the Arkansas General Assembly.

(C)(1) Abatement funds may be used only when the person(s) responsible for abatement of a site is either unable or unwilling to properly and timely abate the site.

- (2) The responsible person is not relieved from any financial liability for abatement of a waste tire site.
- (3) If an abatement aid grant under this section is provided, the funds recovered by DEQ or the used-tire program from the responsible person shall be returned to the Used Tire Recycling Fund.

(D)(1) The DEQ shall review and evaluate all grant applications, changes, and proposed projects in order to determine eligible project and contract costs, the merit and ranking of proposed grant projects, the amount of the award, and the conditions of approval for a grant award.

- (2) Application forms, changes, contracts, or other documents must be fully completed when submitted to DEQ. Additional materials may be required to include:
 - (a) A project budget summarizing the approximate costs of grant-eligible items or contract services to be funded and costs of facilities and activities not grant funded but an integral part of the proposed project;

- (b) Specifications and designs, approved by a professional engineer registered in the State of Arkansas, unless otherwise approved by DEQ, for grant-funded construction of facilities or bid-quote specifications for equipment when the cost of construction or equipment exceeds twenty-five thousand dollars (\$25,000);
 - (c) Copies of proposed specifications for a service contract and an estimate of the cost of the services to be contracted; and
 - (d) Verification that the applicant has conformed to all applicable procurement laws on ~~contracting~~ for services and on the purchase, use, or sale of equipment and facilities to be secured with state funds.
- (E) If an application, contract, change, or proposed project is rejected for incompleteness or lack of documentation, DEQ shall return it to the applicant with a written explanation of its deficiencies.
- (F) The eligibility of specific project or contract costs for funding shall be determined DEQ. The DEQ shall only make a final determination on an administratively complete application.
- (G) The DEQ shall notify an applicant in writing of the approval or disapproval of its applications, contracts, changes, or proposed projects for funding. If an application, contract, change, or proposed project is not approved for funding, an explanation of the rationale for not funding the applicant shall accompany the notice.

Rule 36.1115 Conditions of Grant Award

- (A) The DEQ may attach conditions to the award to ensure all grant projects:
- (1) Promote recycling or beneficial use;
 - (2) Do not pose a potential threat to human health, safety, or the environment;
 - (3) Will not encourage a breeding habitat for disease-transmitting vectors; and
 - (4) Do not pose a fire hazard.
- (B) These conditions shall include, at the minimum:
- (1) Before awarding any grant funds, the applicant or their contractors must possess and be in compliance with current necessary permits and licenses required by state law;
 - (2) The applicant must conform to all applicable procurement laws on contracting for services and on the purchase, use or sale of equipment and facilities secured with state funds;
 - (3) The DEQ reserves the right of title or to order the transfer or sale of equipment that is purchased with grant funds but is no longer used for the general purposes stated in the grant application;
 - (4) Division personnel shall have the right of entry to the premises of any grant-funded-facility and the right of access to all records pertaining to any grant-funded project. Denial of access shall result in automatic suspension of the grant;
 - (5) It shall be the responsibility of the grantee to immediately notify DEQ in writing in the event that the grantee cannot meet the implementation schedule outlined in the conditions of

a grant award; and

(6) After a grant award has been made, modifications may be made to the grant project only if the grantee submits adequate documentation with a change order to DEQ. The change order will be on a form provided by DEQ. The DEQ will review any changes requested and will determine if any modifications are to be allowed.

Rule 36.1116 Suspension or Termination of Funding Decisions or Grant Decisions

(A) Upon written notice by the Director or designee to the affected used-tire program, ~~inter-district used-tire program~~, or grantee, a reimbursement or grant may be suspended or terminated if the Director or designee determines that because of the used-tire program, ~~inter-district used-tire program~~, or grantee's inability or unwillingness to complete or meet the conditions of the reimbursement or grant there is just cause for suspending or terminating the reimbursement or grant. The notice shall be sent by certified mail no later than thirty (30) calendar days before the effective date of suspension or termination. The notice shall include:

- (1) The Director's decision to suspend or terminate the reimbursement or grant, the date of the Director's decision, and the effective date of the suspension or termination;
- (2) A statement giving the explanation for the suspension or termination;
- (3) Notice of any applicable conditions;
- (4) -If the action taken is suspension, a statement that the used-tire program, ~~inter-district used-tire program~~, or grantee's failure to address the reasons for suspension in a timely manner may result in termination of the reimbursement or grant; and
- (5) A statement that the used-tire program, ~~inter-district used-tire program~~, or grantee may request an adjudicatory hearing and Commission review on whether the decision of the Director should be reversed or modified.

(B) Suspension shall be for a period of time to be approved by DEQ after negotiations with the used-tire program, ~~inter-district used-tire program~~, or grantee, but not to exceed twelve (12) months. During the period of suspension no funds shall be disbursed to the used-tire program, ~~inter-district used-tire program~~, or grantee and the used-tire program, ~~or inter-district used-tire program~~, or grantee must demonstrate to DEQ's satisfaction that the reasons for suspension have been addressed and corrected in order for the reimbursement or grant funding to be reinstated. If, at the end of the specified suspension period, the Director or designee determines that the used-tire program, ~~inter-district used-tire program~~, or grantee's grant project and conditions cannot be continued or completed, the reimbursement or grant shall be automatically terminated and the Director or designee shall notify the used-tire program, ~~or inter-district used-tire program~~, or grantee of termination in writing.

(C) Termination of a reimbursement or grant need not be preceded by suspension proceedings as described in this chapter.

(D) If a suspension or termination has been executed, DEQ may designate another qualified entity to assume the administration of the used tire management system within the used-tire program receiving the suspension or termination.

Rule 36.1117 Reimbursement of Funds to DEQ

(A) The Director may order the used-tire program, ~~inter-district used tire program~~, or grantee to reimburse -DEQ a part of or all of the funds awarded if the Director determines that the used-tire program, ~~inter-district used tire program~~, or grantee has not met the conditions of the reimbursement or grant.

(B) Written -notice of the Director's decision to order reimbursement shall be sent to the affected used-tire program, ~~inter-district used tire program~~, or grantee by certified mail with a statement notifying the used-tire program, ~~inter-district used tire program~~, or grantee that the used-tire program, ~~inter-district used tire program~~, -or -grantee -may -request -an -adjudicatory hearing and Commission review on whether the decision of the Director should be reversed or modified.

CHAPTER 12: BENEFICIAL USE

Rule 36.1201 Project Approval

(A) Proposed ~~beneficial~~ use projects shall require written approval by both the used-tire program and DEQ.

(B) The used-tire program, where used tires or residuals will be used, shall set any policies, form any standards, and develop any review process that it feels appropriate that do not conflict with any law or rule. The used-tire program shall be responsible for the initial review and written approval of specific sites and corresponding construction specification and details of beneficial use projects.

(C) Upon approval by the used-tire program, a complete copy of the proposed beneficial use project and the used-tire program's written approval shall be submitted to DEQ for the second level of review. The DEQ's review will include, at a minimum, environmental protection, technical adequacy, and regulatory compliance.

Rule 36.1202 Project Proposal Requirements

The DEQ, at its discretion, may require the beneficial use proposal to be prepared by a professional engineer registered in the State of Arkansas. The beneficial use proposal shall include the following information unless otherwise specified by DEQ in writing:

- (1) Legal description, address, and directions to the proposed beneficial use site;
- (2) A map or aerial photograph indicating land use within a one-fourth (1/4) mile radius of the proposed beneficial use site which shall be of adequate scale to show all residences, structures, surface waters, public and private water supply sources, access roads, historic sites, and other existing man-made features relating to the beneficial use site;
- (3) Maps indicating the existence of any regulated wetlands or flood plains on or adjacent to the beneficial use site;
- (4) A site plan map that delineates survey boundary locations, the location of existing or proposed access roads, existing buildings and improvements including any staging and storage areas for incoming used tires, general site topography, and existing and proposed drainage characteristics including any run-on/run-off control systems;
- (5) A list of the tire generators including both name, location, and mailing address;
- (6) Concurrence of the landowner indicating acceptance and responsibility of the used tires or residuals and an agreement to indemnify DEQ from any future liability resulting from the beneficial use project;
- (7) Statement(s) that the beneficial use project complies with all applicable rules from any local regulatory body having jurisdiction over the beneficial use project to include any one (1) or more of the following: planning, building, code enforcement, or drainage departments;

- (8) Any applicable environmental permits;
- (9) Project specifications and details including a description of the proposed application, the quantity of used tires anticipated to be used in the project, construction methods and materials, construction drawings and details, and a project schedule. An explanation shall be provided demonstrating how the engineering properties of these materials will be beneficial to the project; and
- (10) An explanation of how the beneficial use project will comply with all applicable provisions of this rule.

Rule 36.1203 Review Considerations

The following conditions shall be considered in determining the appropriateness of proposed beneficial use project applications:

- (1) The level of engineering, technical detail, or both provided as compared to the complexity of the beneficial use project. Relatively simple uses of the used tires for erosion control may require only a minimum amount of pre-project planning and construction drawing detail. Projects that will use used tires in a manner that their failure could endanger life or damage property shall require more engineering effort and detail. The DEQ may require detailed construction drawings and specifications that are signed and stamped by a registered professional engineer licensed in the State of Arkansas;
- (2) Availability or lack of availability of more cost effective, efficient, or dependable materials that could be used instead of the used tires. This factor recognizes that in most cases, cost, efficiency, and dependability are important factors in the selection of materials to incorporate into a beneficial use project. When used tires are superior to other materials in these respects, incorporating them into the project is a reasonable alternative. When they are not, the legitimacy of their use cannot be substantiated;
- (3) The probability of injury or damage should be balanced against the risk of environmental failure, structural failure, or both; and
- (4) Where used tires are proposed as a substitute for another material, the applicant shall demonstrate that the used tires will perform in a manner similar to the material for which it is substituted. In addition, if tire bales are used as structural members, a demonstration must be submitted showing that the tire bales exhibit adequate properties to perform as structural members. The demonstration may include previous projects where the tire bales performed satisfactorily under similar conditions, literature describing similar installations, or test data showing that the material meets required performance standards.

Rule 36.1204 Additional Safeguards

The DEQ reserves the right to grant written conditional approval for beneficial use projects and impose additional operating requirements, design requirements, or both, as needed to ensure structural integrity, technical adequacy, and protection of the environment.

Rule 36.1205 Financial Assurance

The DEQ may require separate financial assurance for any approved beneficial use project. If DEQ determines a beneficial use project requires financial assurance, the financial assurance mechanism must be submitted and approved by DEQ prior to approval of the beneficial use project and commencement of construction.

Rule 36.1206 Exemptions

The following uses of used tires may be exempted from the review and approval requirements of this Chapter as determined by DEQ on a case-by-case basis:

- (1) A person who owns or leases real property may use five hundred (500) or less used tires for soil erosion control, drainage improvements, or to secure covers over silage, hay, straw, or agricultural products;
- (2) The use of used tire chips as leachate collection media under solid waste landfills in place of traditional aggregate, if the proposed beneficial use is approved during the permitting process or subsequent modifications;
- (3) The use of used tire chips in on-site wastewater soil absorption systems in place of traditional aggregate if the material meets the ~~Arkansas~~ Department of Health specifications and guidelines;
- (4) The use of shredded used tires, baled tires, or crumb rubber in road or highway construction projects if beneficial use projects are conducted by, in association with, or under the guidance of the Arkansas ~~Highway and Transportation~~ Department of Transportation or other roadway authority, as applicable; and
- (5) Suitable processed used tire materials may be used in the construction of daily cover systems for all landfills if the use is authorized by DEQ; shown to not present a threat to human health and the environment; and shown to control disease vectors, fires, odors, blowing litter, or scavenging.

CHAPTER 13: WASTE TIRE SITES

Rule 36.1301 Prohibited Activities

- (A) A person shall not maintain a waste tire site.
- (B) It is illegal for any person to dispose of tires, used tires, or portions of tires in the state unless the tires, used tires, or portions of tires are disposed of for processing or collected for processing at a permitted tire processing facility, a tire collection center, or a permitted solid waste disposal facility.
- (C) A person shall not transport, transfer, store, collect, recycle, or otherwise manage used tires, processed tires, or residuals in any manner that:
 - (1) Creates a nuisance;
 - (2) Breeds ~~-or -harbors -mosquitos, -snakes, -insects, -rodents, -or -other -disease-causing~~ vectors;
 - (3) Causes a discharge of any constituent derived from used tires into the air or waters of the State unless permitted otherwise by DEQ; or
 - (4) Creates other hazards to the public health, safety, or the environment as determined by DEQ.

Rule 36.1302 Waste Tire Sites

- (A) This section applies to any one (1) or more of the following:
 - (1) An owner or operator of a waste tire site;
 - (2) Any ~~-facility~~ permitted under this rule that no longer accepts, collects, or processes tires; or
 - (3) Any individual responsible for creating unpermitted waste tire piles.
- (B)(1) Within thirty (30) calendar days of receiving written notice by DEQ or a local government that the waste tire site must be closed, the owner or operator shall provide DEQ and the applicable used-tire program~~regional solid waste management district~~ with:
 - (a) Information ~~-concerning -the -waste -tire -site's -location -and -size -and -the~~ approximate quantity of tires that are accumulated at the waste tire site; and
 - (b) A written plan specifying a method and time schedule for the removal, disposal, or recycling of tires, subject to approval by DEQ.
- (2) The ~~-owner~~ or operator shall implement the written plan approved by DEQ according to the schedule.
- (C) To close a waste tire site, the owner or operator shall:
 - (1) Stop public access to the site, including without limitation physically restricting entry to the site;

- (2) Post a notice that indicates the site is closed and provides the nearest location where unwanted used tires can be deposited;
- (3) Notify DEQ and local governments that have jurisdiction of the onset of closure;
- (4) Remove all waste tires, recyclable tires, used tires culled for resale, processed tires, and residuals and deliver to one (1) or more of the following as applicable:
 - (a) A used-tire program;
 - (b) A permitted tire processing facility;
 - (c) A permitted solid waste management facility;
 - (d) A location approved by DEQ for beneficial use of tires;
- (5) Repair the waste tire site to effectively promote surface water flow and remove any soil contamination; and
- (6) Notify DEQ in writing within five (5) calendar days of completing closure.

CHAPTER 14: LANDFILLING OF WASTE TIRES

Rule 36.1401 Requirements

- (A) The disposal facility shall be constructed, operated, and maintained according to final plans, specifications, and operation narrative as approved by DEQ and in compliance with applicable provisions of the Solid Waste Management Act, Ark. Code Ann. § 8-6-201 *et seq.*, Commission Rule 22, and all other applicable rules.
- (B) The disposal facility shall be maintained in good condition at all times.
- (C) The disposal facility operations shall be conducted by licensed, qualified on-site operators holding the appropriate license as required under Commission Rule 27.
- (D) For purposes of disposal, “sufficiently small part” means that the tire has been cut into four (4) substantially equal pieces or into two (2) pieces around the circumference of the tread.
- (E)(1) Whole tires shall not be deposited into a landfill or a waste tire monofill as a method of final disposal unless shredded or split into sufficiently small parts to assure their proper disposal or unless otherwise allowed in the facility permit.
- (2) Only small tires that have been processed by cutting, shredding, or splitting into sufficiently small parts to assure proper disposal or small tires processed by baling may be disposed of at a tire disposal facility that has a permit issued for a landfill designed and operated as a waste tire monofill.
- (F) Landfills that receive waste tires must also meet and comply with the conditions and standards contained in ~~Arkansas Pollution Control and Ecology~~ Commission Rule 22.
- (G) A landfill may store processed tire materials outdoors if:
- (1) The DEQ has authorized the use of the processed tire materials as suitable for use in the construction of daily and intermediate cover systems;
- (2) The use of the processed tire materials does not present a threat to human health and the environment; and
- (3) The use of the processed tire materials has been shown to control disease, vectors, fires, odors, blowing litter, or scavenging.
- (H) Financial assurance must be obtained as required in Commission Rule 22, and annual adjustments must be made based on the estimated cost for a third party to perform post closure care.
- (I) An initial permit fee must be submitted with the initial permit application. Annual permit fees shall be assessed according to Commission Rule 9. Any disposal facility permitted under this Chapter and owned or operated by a used-tire program shall not be required to remit a disposal facility permit fee to DEQ.
- (J) The quality assurance and quality control procedures for construction shall be according to Commission Rule 22 and DEQ-approved design requirements of the permit application.
- (K) Measures to control and prevent storm water from running through or into the active fill

area shall be constructed and maintained at the site. No tires shall be deposited in standing water or within the seasonal groundwater. The permittee shall obtain any required storm water permits from DEQ's Office of Water Quality and pay any required fees associated with these permits.

(L) Best management practices shall be implemented to control erosion and to prevent off-site deposition of sediment, leachate, and waste.

Rule 36.1402 Cover Requirement

Tires shall be covered at least weekly, or as required by the permit, with earthen cover material or other alternate cover as approved by DEQ.

Rule 36.1403 Recordkeeping

(A) The owner or operator of a permitted solid waste disposal site shall record and maintain for three (3) years information regarding their activities.

(B) The records shall be made available for inspection by Division personnel during normal business hours and include, at a minimum, all test results, inspection results, maps, certifications, quality assurance/quality control criteria, and operation and development plans.

Rule 36.1404 Annual Reporting

Owners and operators of waste tire disposal facilities shall submit to DEQ an annual report by June 30 that summarizes the information collected regarding their activities. In addition, tire disposal facilities shall meet annual reporting requirements under Commission Rule 22.

CHAPTER 15: TIRE COLLECTION CENTERS

Rule 36.1501 Tire Collection Centers

(A) To be eligible for reimbursements under this rule and the Used Tire Recycling and Accountability Act, Ark. Code Ann. § 8-9-401 et seq., Each Regional Solid Waste Management Regional Board or tire accountability board used tire program shall establish at least one (1) tire collection center in each county that is served by the used-tire program. The tire collection centers shall be access controlled.

(B) A board may establish annually a one-time event for a temporary open-collection center for non-profit or household collection events. Any additional events the board wants to establish that same calendar year must be approved by the Director. The approved length of time to operate a temporary open-collection center will be determined on a case-by-case basis.

Rule 36.1502 Permit Required

- (A) A tire collection center general permit is required for any one (1) or more of the following:
- (1) A tire retreading business where tires from tire generators, tire transporters, or the public are kept on any real property owned, leased, or otherwise controlled by the tire retreading business prior to being recycled or disposed of by the used-tire program;
 - (2) A person who in the ordinary course of business removes tires from rims and the tires removed from rims are stored for more than ninety (90) calendar days on any real property owned, leased, or otherwise controlled by the person;
 - (3) A tire retailer that keeps tires from other tire generators, tire transporters, or the public prior to being recycled or disposed of by the used tire generator on any real property owned, leased, or otherwise controlled by the tire retailer; or
 - (4) A used-tire program.
- (B) The permit shall specify that the tire collection center is an access-controlled collection center and provide details on how the tires are managed.

Rule 36.1503 Application

- (A) Before ~~beginning~~ operation, a tire collection center shall submit a general permit application to DEQ using Form TAP-6 (General Permit Notification Application) requesting coverage under the General Permit prior to operating.
- (B) General permits are valid for a period of five (5) years. A new general permit application must be submitted using Form TAP-6 within forty-five (45) days of the initial general permit's expiration date.

Rule 36.1504 Disposal Fees

(A) A resident of the ~~District~~used tire program shall not be charged a fee for discarding four (4) or fewer used tires of any size at a tire collection center each month or more often at the discretion of the ~~District~~used tire program.

(B) A tire generator shall not be charged a fee for discarding at a tire collection center the quantity of small tires and large tires equal to the quantity of tires that the tire generator has collected and paid the rim removal fee.

(C) A commercial generator shall not be charged a fee for discarding at a tire collection center the quantity of small tires and large tires equal to the quantity of tires that the commercial generator has collected and paid the commercial generator fee.

(D) Any state or other governmental entity within this state that is required to purchase tires on state contract shall not be charged a fee for discarding at a tire collection center the quantity of small tires and large tires equal to the quantity of tires that the entity can establish that it has paid to a tire generator or commercial generator that is registered with the ~~Arkansas~~ Department of Finance and Administration to collect and pay the rim removal fee or commercial generator fee. The entity may discard the small tires and large tires ~~in a~~outside of the geographic area of the used tire ~~Regional Solid Waste Management District or Tire Accountability Board other than the District where the tires were purchased without~~program without being charged ~~an additional fee~~.

Rule 36.1505 Recordkeeping and Annual Reporting

(A) The owner or operator of a tire collection center shall record and maintain for three (3) years information regarding their activities, which shall be used to annually complete Form TAP-5 (Tire Collection Center and Processing Facility Annual Report) due by June 30 to DEQ.

(B) Records shall be maintained onsite and available for inspection by DEQ personnel during normal business hours. Activities to be recorded and maintained include at a minimum:

- (1) Any ~~demonstration, certification, finding, monitoring, testing, or analytical data~~ required;
- (2) Closure cost estimates and any monitoring, testing, financial assurance records, or analytical data;
- (3) Any other records required by Commission Rule 36; and
- (4) All records and schedules shall also be available for review.

Rule 36.1506 Inspections

(A)(1) The owner or operator ~~must inspect its facility for malfunctions and deterioration, operator errors, and discharges that may be causing or lead to:~~

- (a) Release of hazardous constituents to the environment; or
- (b) A potential threat to human health or the environment.

(2) The owner or operator must conduct these inspections to identify problems in time to correct them before harm to human health or the environment occurs.

(B)(1) The owner or operator must develop and follow a written schedule for inspecting all equipment, safety and emergency equipment, security devices, operating equipment, and site conditions, including tire storage areas, vegetative growth, berms, and buildings that are important to preventing, detecting, or responding to environmental or human health hazards.

(2) The inspection frequency should be no less than monthly. These inspection records must include the date and time of the inspection, the name of the employee conducting the inspection, a notation of the observations made, and the date and nature of any repairs or other remedial actions.

(3) The inspection records must be maintained on-site for a period of three (3) calendar years.

(4) The owner or operator must remedy any deterioration or malfunction of equipment, security devices, emergency equipment, or structures which the inspection reveals on a schedule which ensures that the problem does not lead to an environmental or human health hazard. Where a hazard is imminent or has already occurred, remedial action must be taken immediately in accordance with DEQ-approved emergency preparedness plan.

Rule 36.1507 Permit Fee

(A) An initial permit fee of two hundred dollars (\$200) is due at the time of submitting the general permit notification Form TAP-6. A used-tire program shall not be required to pay this permit fee.

(B) An annual tire collection center permit fee of fifty dollars (\$50) is due on June 30 along with the submittal of the annual report (Form TAP-5). A used-tire program shall not be required to pay this permit fee.

Rule 36.1508 Storage

(A) A permitted tire collection center may collect a maximum of five thousand (5,000) loose tires or a maximum of ten thousand (10,000) compacted and baled tires at the site.

(B) A ~~tire collection center must comply with the following technical and operational standards:~~

(1)(a) A tire collection center shall ~~Not~~ be constructed, maintained, or operated in or within two hundred feet (200') of any wetland, transitional wetland, or isolated wetlands.

(b) A person may maintain a tire storage area within the two hundred-foot setback upon demonstration to DEQ that permanent control methods for residuals will result in compliance with water quality standards of DEQ.

(c) Storm water control methods shall comply with all applicable federal and state laws, regulations, rules, and permits.

(d)(i) The tire storage area shall be designed and managed to divert storm water or

flood waters around and away from the tire storage areas.

(ii) Specifically, if an open-top container or trailer is used as a tire storage area at a tire collection center, a storm water permit will not be required if the container or trailer is covered with a tarp or placed under some type of constructed cover during inclement weather or when the business is closed.

(iii) If the tire storage area is open, uncovered, or not enclosed on all sides of the container or trailer, a storm water permit ~~may be~~ is required unless written notice is received from the Division that a permit is not required.

(C) Tire storage areas must have clear signage that indicates the type of used tire in the tire storage areas. The types of tires are waste tires, used tires culled for resale, and recyclable tires. If the tires are not segregated with clear signage, used tires culled for resale and recyclable tires shall be determined to be waste tires for enforcement purposes under this rule.

(D) Tire storage areas must have dimensions that are no greater than the following maximum dimensions:

- (1) Width: Fifty feet (50');
- (2) Length: One hundred feet (100'); and
- (3) Height: Fifteen feet (15').

(E) Tire storage areas must have a fire lane that is fifty feet (50') wide around the perimeter of each tire storage area and unobstructed access to the fire lane for emergency vehicles at all times.

(F)(1) The owner or operator shall develop and implement a program to control mosquitoes and rodents or request control measures from the local mosquito and vector control office to protect the public health and welfare.

(2) Mosquito control measures may include any one (1) or more of the following to be used during inclement weather or when the business is closed:

- (a) Covering the storage site, tire pile, container, or trailer used for the collection and storage of any combination of waste tires, used tires culled for resale, and recyclable tires with a tarp; or
- (b) Placing any used tires under some type of constructed cover.

(G) If the storage site receives tires from persons other than the operator of the storage site, a sign shall be posted at the entrance that is legible from a distance of twenty feet (20') and that states operating hours, cost of disposal, and storage site rules.

(H) Operations involving the use of open flames shall not be conducted within twenty-five feet (25') of a tire storage area.

(I) An approach and all weather access road to the tire storage areas shall be kept passable for any motor vehicle at all times.

(J) Access to the site shall be controlled through the use of fences, gates, natural barriers, or other ~~means approved by DEQ. However, at tire collection centers where used tires are~~ collected and stored in containers and trailers, the installation of a fence will not be necessary if the tire collection center uses another method that is approved by DEQ.

(K)(1) Tire storage areas must have surface water run-on/run-off controls, such as berms and ditches, to prevent surface water from entering the area and to prevent liquid runoff from a potential tire fire from leaving the site or entering surrounding water bodies.

(2)(a) A tire collection center that allows tires to be deposited on the ground or a concrete slab must have surface water run-on/run-off controls.

(b) A tire collection center that uses any type of container or trailer for collection and storage is not required to berm the tire storage areas.

(L) Fire protection services for the site shall be assured and documented in the operating records through notification to local fire protection authorities. A fire safety survey shall be conducted by the local fire protection authorities annually.

(M) Communication equipment shall be maintained to assure that the operator can contact local fire protection and emergency authorities in case of a fire.

(N) Tire storage areas must be kept free of grass, underbrush, and other potentially flammable vegetation at all times.

(O) The operator shall prepare and keep at the site an emergency preparedness manual. The manual shall be updated ~~at least once a year and~~ more frequently if there are changes in operations at the site.

(P) The operator of the site shall immediately notify DEQ of a fire or other emergency if that emergency has potential off-site effects and submit a written report within two (2) weeks of the fire or other emergency.

(Q) The operator shall provide and maintain Adequate-adequate equipment to aid in the control of fires ~~-shall be provided and maintained-~~ at the facility at all times.

(R) The operator of the site shall maintain records of the quantity of used tires and used tire materials received at the site, stored at the site, and shipped from the site.

(S) The minimum separation distances between exposed buildings and tire piles or between isolated tire piles shall comply with National Fire Protection Association Standards.

Rule 36.1509 Entry

Access to the site shall be controlled through the use of fences, gates, natural barriers, or other means approved by DEQ. However, at tire collection centers where used tires are collected and stored in containers and trailers, the installation of a fence will not be necessary if the tire collection center uses another method of control that is approved by DEQ.

Rule 36.1510 Vector Control

An approved vector control program must be operational at all times for tires stored outdoors.

Rule 36.1511 Permit Transfers

General permits are not transferrable.

Rule 36.1512 Financial Assurance

(A) Financial assurance is not required for tire collection centers at the time of applying for and receiving a general permit. However, during the period of general permit coverage, DEQ may determine ~~financial assurance is warranted and require the permittee to file and maintain~~ financial assurance.

(B) If the permittee is notified in writing by DEQ to provide financial assurance, the amount to be acquired will be based on the estimated cost of third party closure.

(C) If the permittee has been notified financial assurance is required, the permit coverage is only effective after the financial assurance documents have been filed with DEQ and approved.

(D) Financial ~~assurance mechanisms should be selected from those listed in~~ Commission Rule 22.

CHAPTER 16: TIRE PROCESSING FACILITIES

Rule 36.1601 Permit Required

(A) A ~~tire processing facility shall obtain a site-specific permit prior to construction or~~ operation commencement using Form TAP-4.

(B) A tire processing facility used for processing not more than five hundred (500) used tires during any thirty (30) calendar days using mobile equipment shall operate pursuant to a general permit.

(C) To obtain coverage under a general permit, the owners and operators of qualifying facilities or mobile equipment shall notify DEQ on Form TAP-6 thirty (30) calendar days before the operation begins.

(D) Owners ~~or operators of mobile baling, chopping, cutting, shredding, or any other~~ processing equipment must annually report to DEQ by June 30 describing their activities from the period of July 1 through June 30 of the previous state fiscal year. This annual report shall be submitted using Form TAP-5. The annual permit fee is one hundred dollars (\$100) and shall be submitted to DEQ at the time of the annual report submission. A used-tire program shall not be required to pay this permit fee.

(E) The general permits issued under this chapter are valid for five (5) years. A new notice of intent, using Form TAP-6, shall be submitted to DEQ within forty-five (45) calendar days of the existing general permit expiring.

(F) Within thirty (30) calendar days after the completion of the chopping, cutting, or shredding operation, all processed used tires and residuals are:

- (1) Removed from the waste tire site or tire collection center for recycling or further processing; or
- (2) Disposed of in a permitted solid waste management facility.

Rule 36.1602 Storage

(A) All whole tires, used tires, waste tires, recyclable tires, used tires culled for resale, tire bales, processed tires, and residuals shall be stored in accordance with the tire storage requirements in this rule. Tires received for processing, but remaining on trailers for a period of time, are also subject to the tire storage requirements of this rule.

(B) A tire processing facility may not accept any used tires for processing if it has reached its storage ~~limit, whether stored outdoor, indoor, or on a trailer. The storage limit for a tire processing facility is thirty (30) times the daily capacity of the processing equipment used.~~ Owners or operators of tire processing facilities shall provide processing equipment specifications in their permit application or permit modifications from which daily capacity may be determined. In extraordinary cases, such as where a specific project requires a large accumulation of baled or shredded tires to complete an alternative end use initiative, DEQ shall have the authority to increase the storage limit if all other requirements of this rule are met.

(C) A tire processing facility must comply with the following technical and operational standards:

(1)(a) A tire processing facility shall not be constructed, maintained, or operated in or within two hundred feet (200') of any wetland, transitional wetland, or isolated wetlands.

(b) A person may maintain a tire storage area within the two hundred-foot setback upon demonstration to DEQ that permanent control methods for residuals will result in compliance with water quality standards of DEQ.

(c) Storm water control methods shall meet storm water requirements of DEQ.

(d)(i) The tire storage area shall be designed and managed to divert storm water or flood waters around and away from the tire storage areas.

(ii) If the tire storage area is open, uncovered, or not enclosed on all sides of the container or trailer, a storm water permit from the Office of Water Quality of DEQ will be required unless approval is received, in writing, from the Office of Water Quality that a permit is not required.

(D) Tire storage areas must have clear signage that indicates the type of used tire in the tire storage areas. The types of tires are waste tires, used tires culled for resale, and recyclable tires. If the tires are not segregated with clear signage, used tires culled for resale and recyclable tires shall be determined to be waste tires for enforcement purposes under this rule.

(E) Tire storage areas must have dimensions that are no greater than the following maximum dimensions:

- (1) Width: fifty feet (50');
- (2) Length: one hundred feet (100'); and
- (3) Height: fifteen feet (15').

(F) Tire storage areas must have a fire lane that is fifty feet (50') wide around the perimeter of each tire storage area and unobstructed access to the fire lane for emergency vehicles at all times.

(G)(1) The owner or operator shall develop and implement a program to control mosquitoes and rodents or request control measures from the local mosquito and vector control office to protect the public health and welfare.

(2) Mosquito control measures may include any one (1) or more of the following to be used during inclement weather or when the business is closed:

(a) Covering the storage site, tire pile, container, or trailer used for the collection and storage of any combination of waste tires, used tires culled for resale, and recyclable tires with a tarp; or

(b) Placing any used tires under some type of constructed cover.

(H) If the storage site receives tires from persons other than the operator of the storage site, a sign shall be posted at the entrance that is legible from a distance of twenty feet (20') and that states operating hours, cost of disposal, and storage site rules.

(I) Operations involving the use of open flames shall not be conducted within twenty-five feet (25') of a tire storage area.

(J) An approach and all weather access road to the tire storage areas shall be kept passable for any motor vehicle at all times.

(K) Access to the site shall be controlled through the use of fences, gates, natural barriers, or other means approved by DEQ. However, at tire processing facilities where used tires are collected and stored in containers and trailers, the installation of a fence will not be necessary if the tire collection center uses another method that is approved by DEQ.

(L)(1) Tire storage areas must have surface water run-on/run-off controls, such as berms and ditches, to prevent surface water from entering the area and to prevent liquid runoff from a potential tire fire from leaving the site or entering surrounding water bodies.

(2)(a) A tire processing area that allows tires to be deposited on the ground or a concrete slab must have surface water run-on/run-off controls.

(b) A tire processing area that uses any type of container or trailer for collection and storage is not required to berm the tire storage areas.

(M) Fire protection services for the site shall be assured and documented in the operating records through notification to local fire protection authorities. A fire safety survey shall be conducted by the local fire protection authorities annually.

(N) Communication equipment shall be maintained to assure that the operator can contact local fire protection and emergency authorities in case of a fire.

(O) Tire storage areas must be kept free of grass, underbrush, and other potentially flammable vegetation at all times.

(P) The operator shall prepare and keep at the site an emergency preparedness manual. The manual shall be updated -at least once a year and more frequently if there are changes in operations at the site.

(Q) The operator of the site shall immediately notify DEQ of a fire or other emergency if that emergency has potential off-site effects and submit a written report within two (2) weeks of the fire or other emergency.

(R) The operator shall provide and maintain Adequate equipment to aid in the control of fires ~~shall be provided and maintained~~ at the facility at all times.

(S) The operator of the site shall maintain records of the quantity of used tires and used tire materials received at the site, stored at the site, and shipped from the site.

(T) The minimum separation distances between exposed buildings and tire piles or between isolated tire piles shall comply with National Fire Protection Association Standards.

Rule 36.1603 Duration

At least seventy-five percent (75%) of both the used tires and processed tires that are contained on the property of the tire processing facility must either be processed and removed from the

facility during the year received for recycling or disposal or disposed of at an off-site permitted solid waste management facility.

Rule 36.1604 Recordkeeping

(A) The owner or operator of a tire processing facility shall record and maintain information regarding their activities for three (3) years. The records shall be available for inspection by Division personnel during normal business hours.

(B) Activities to be recorded and maintained include, at a minimum:

- (1) Any demonstration, certification, finding, monitoring, testing, or analytical data required;
- (2) Closure and post-closure care plans, cost estimates, and any monitoring, testing, financial assurance records, or analytical data;
- (3) Any other records required by Commission Rule 36; and
- (4) All records and schedules shall also be available for review.

Rule 36.1605 Inspections

(A)(1) The owner or operator ~~must inspect its facility for malfunctions and deterioration, operator errors, and discharges which may be causing or lead to:~~

- (a) Release of hazardous constituents to the environment; or
- (b) A potential threat to human health or the environment.

(2) The owner or operator must conduct these inspections to identify problems in time to correct them before harm to human health or the environment occurs.

(B)(1) The owner or operator must develop and follow a written schedule for inspecting all equipment, safety and emergency equipment, security devices, operating equipment, and site conditions, including tire storage areas, vegetative growth, berms, and buildings that are important to preventing, detecting, or responding to environmental health or human health hazards.

(2) The inspection frequency should be no less than weekly. These inspection records must include the date and time of the inspection, the name of the employee conducting the inspection, a notation of the observations made, and the date and nature of any repairs or other remedial actions.

(3) The inspection records must be maintained on-site for a period of three (3) calendar years.

(4) The owner or operator must remedy any deterioration or malfunction of equipment, security devices, emergency equipment, or structures which the inspection reveals on a schedule which ensures that the problem does not lead to an environmental or human health hazard. Where a hazard is imminent or has already occurred, remedial action must be taken immediately in accordance with DEQ-approved emergency preparedness plan.

Rule 36.1606 Vector Control

An approved vector control program must be operational at all times for tires stored outdoors.

Rule 36.1607 Emergency Preparedness

(A) The owner or operator of a tire processing facility shall submit for review and approval an emergency preparedness plan that adequately mitigates all fire hazards and provides for the safety and health of all persons who may be potentially affected by a fire event at the tire processing facility. Once approved by DEQ, the plan shall be implemented in the event of an emergency.

(B) Communication equipment shall be maintained at all tire processing facilities to ensure that the site operator can contact local fire protection authorities in the event of fire.

(C) Equipment to aid in the control of fires must be provided and maintained at the tire processing facility at all times. An adequate water supply shall be available for use by the local fire authority.

Rule 36.1608 Operator License Requirement

An operator at a tire processing facility shall be licensed as solid waste management facility operator in accordance with Arkansas Pollution Control and Ecology Commission Rule No. 27.

Rule 36.1609 Application and Annual Permit Fees

(A) Applications for a site-specific tire processing facility permit shall be submitted to DEQ using Form TAP-4 (Used Tire Collection and Processing Facility Permit Application). Engineering components of the tire processing facility shall be designed and approved by a professional engineer licensed in the State of Arkansas.

(B) Notification for a general permit for mobile tire processing equipment shall be submitted to DEQ using Form TAP-6 (General Permit Notification).

(C) The site-specific tire processing facility initial permit fee is two hundred fifty dollars (\$250). The permit fee is to be submitted with the permit application. A used-tire program shall not be required to pay this permit fee.

(D) The site-specific tire processing facility annual permit fee is two hundred fifty dollars (\$250) and is due each year on June 30 with the annual report (Form TAP-5). A used-tire program shall not be required to pay this permit fee.

(E) The mobile tire processing equipment initial general permit fee is two hundred dollars (\$200). The general permit fee is to be submitted with the permit notification (Form TAP-6). A used-tire program shall not be required to pay this permit fee.

(F) The mobile tire processing equipment annual general permit fee is fifty dollars (\$50) and is

due each year on June 30 with the annual report (Form TAP-5). A used-tire program shall not be required to pay this permit fee.

Rule 36.1610 Disclosure Statement

(A) Except as provided under subsection (B) of this section, the applicant shall file a disclosure statement at the time the application is submitted.

(B) The following entities are exempt from filing a disclosure statement under this section:

- (1) The federal government;
- (2) Other state government agencies, ~~boards, and~~ commissions, and other governmental units created by the Arkansas General Assembly;
- (3) Local governments including counties, cities, and municipalities; and
- (4) Regional solid waste districts authorized under the laws of the State of Arkansas.

Rule 36.1611 Permit Transfers

A site-specific permit for a tire processing facility may be transferred if the current permittee submits an administratively and technically complete application including the following:

- (1) A written request for the permit transfer;
- (2) ~~— A certification by the current permittee that all facility engineering designs, operational plans, and other permit application documents have or will be furnished to the proposed permittee prior to permit transfer, as well as certification that the facility was constructed according to design;~~
- (3) Adequate documentation from the current permittee showing that the proposed permittee shall have ownership or control of the site for which transfer of permits is being requested;
- (4) A completed disclosure statement of the proposed permittee;
- (5) A permit transfer fee in accordance with DEQ's current fee schedule as found in the Arkansas Pollution Control and Ecology Commission Rule No. 9; and
- (6) Proof financial assurance is submitted within thirty (30) calendar days of the documented date prior to asset transfer.

A used-tire program shall not be required to pay a permit transfer fee.

Rule 36.1612 Annual Reporting

An owner or operator of a tire processing facility shall submit to DEQ an annual report by June 30 that summarizes information on the activities of the tire processing facility. The report shall be submitted to DEQ using Form TAP-5 (Used Tire Collection and Processing Facility Annual Report).

Rule 36.1613 Closure Plan

- (A) All site-specific permits shall include a closure plan.
- (B) The closure plan shall include:
 - (1) A written description of how the closure requirements will be met;
 - (2) A closure schedule, including time period for completion;
 - (3) A plan for site rehabilitation;
 - (4) Proof of financial assurance; and
 - (5) Measures for submitting annual cost estimate adjustments using the current inflation factor.

Rule 36.1614 Closure Approval

After receiving written notification that site closure is complete, DEQ shall inspect the site. If the closure is found to meet the terms of the approved closure plan and rules, DEQ shall approve the closure in writing. The Director or designee shall release the financial instruments within thirty (30) calendar days of DEQ approving closure.

Rule 36.1615 Financial Assurance

(A) Owners or operators of used tire processing facilities must file and maintain financial assurance of closure with DEQ as set forth in Commission Rule 22. Owners or operators of mobile tire processing equipment, that are required by the Director to post financial assurance, shall select a financial assurance mechanism from those allowable mechanisms identified in Rule 22.

(B) The amount of financial assurance required of the owner or operator shall be established by the Director or designee based upon the estimated closure costs. This required amount may be adjusted to take into account any changes in the requirements of the permit.

(C) Within ten (10) calendar days after the final decision to issue a permit for a new used tire processing facility, the Director shall notify the permittee in writing of the amount of financial assurance required. Before the permit can be effective, the permittee must file with DEQ, the amount of financial assurance required.

(D) For used tire processing facilities that seek to utilize an incremental plan, the permittee may initially request financial assurance covering only closure cost. The permittee must, at least thirty (30) calendar days prior to beginning operation of a subsequent increment not covered by financial assurance, file adequate assurance for that increment with DEQ.

(E) Financial assurance is not required for mobile tire processing equipment at the time of applying for and receiving a general permit. However, during the period of general permit coverage, DEQ may determine financial assurance is warranted and require the permittee to file and maintain financial assurance. If the general permittee is notified in writing by DEQ to provide financial assurance, the amount to be acquired will be based on the estimated cost of third party closure. If the general permittee has been notified financial assurance is required, the general permit coverage is only effective after the financial assurance documents have been filed with DEQ and

|

approved.

CHAPTER 17: REPEALER, SEVERABILITY, AND EFFECTIVE DATES

Rule 36.1701 Repealer

All rules and parts of rules currently promulgated by the Arkansas Pollution Control and Ecology Commission that are in conflict with this rule are repealed to the extent of the conflict.

Rule 36.1702 Severability

The provisions of this rule are severable. If any part of this rule is declared invalid or unenforceable by a court, the remainder of the rule will continue to be valid and enforceable.

Rule 36.1703 Effective Date

This rule shall be effective ten (10) days after filing with the Secretary of State, the State Library, and the Bureau of Legislative Research.

State of Arkansas *As Engrossed: S3/29/23 H4/5/23 H4/6/23*

94th General Assembly

Regular Session, 2023

A Bill

SENATE BILL 508

By: Senators J. Payton, *Irvin*

By: Representative *Gonzales*

For An Act To Be Entitled

AN ACT TO AMEND THE USED TIRE RECYCLING AND
ACCOUNTABILITY ACT; TO AMEND THE USED TIRE PROGRAMS;
TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE USED TIRE RECYCLING AND
ACCOUNTABILITY ACT; TO AMEND THE USED
TIRE PROGRAMS; AND TO DECLARE AN
EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

*SECTION 1. Arkansas Code § 8-9-404(a)(6)(A), concerning the collection
of rim removal fees under the Used Tire Recycling and Accountability Act, is
amended to read as follows:*

*(6)(A) The rim removal fees remitted under subdivision (a)(5)(A)
of this section shall be collected by the secretary and shall be subject to
the Arkansas Tax Procedure Act, § 26-18-101 et seq. and the business closure
procedures under § 26-18-1001 et seq.*

*SECTION 2. Arkansas Code § 8-9-404(c)(2), concerning the payment of
import fees under the Used Tire Recycling and Accountability Act, is amended
to read as follows:*

*(2) The import fee imposed under this subsection shall be paid
by the person who imports the used tire to the department in accordance with
the Arkansas Tax Procedure Act, § 26-18-101 et seq., the business closure*



1 procedures under § 26-18-1001 et seq., and any rules promulgated by the
2 department.

3
4 SECTION 3. Arkansas Code § 8-9-404(d)(6)(A), concerning the collection
5 of commercial generator fees under the Used Tire Recycling and Accountability
6 Act, is amended to read as follows:

7 (6)(A) The commercial generator fees remitted in subdivision
8 (d)(5)(A) of this section shall be collected by the secretary and shall be
9 subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq. and the
10 business closure procedures under § 26-18-1001 et seq.

11
12 SECTION 4. Arkansas Code § 8-9-405(e)(1), concerning quarterly
13 disbursements from the Used Tire Recycling Fund, is amended to read as
14 follows:

15 (e)(1) Quarterly disbursements from the fund shall be paid each
16 quarter from all ~~available~~ moneys ~~collected and~~ available for disbursement in
17 that quarter.

18
19 SECTION 5. Arkansas Code § 8-9-408, concerning accountability
20 requirements and business plans for used tire programs, is amended to add an
21 additional subsection to read as follows:

22 (f) A business plan or revised business plan that results in a
23 business plan rate increase is subject to review by Legislative Council.

24
25 SECTION 6. Arkansas Code § 8-9-410 is amended to read as follows:

26 8-9-410. ~~Consolidation of used~~ Used tire programs.

27 ~~The General Assembly finds:~~

28 ~~(1) The smaller the population and geographical area that a used~~
29 ~~tire program serves, the more unsustainable the used tire program is;~~

30 ~~(2) In contrast, it has been noted nationally and within the~~
31 ~~state that used tire programs that serve a larger population and greater~~
32 ~~geographical area collect and process a large number of tires, are~~
33 ~~sustainable, and optimize the use of economies of scale;~~

34 ~~(3) Before January 1, 2017, there were eleven (11) waste tire~~
35 ~~districts in the state; and~~

36 ~~(4) It is in the best interest of the state for the used tire~~

~~programs to combine to form inter-district used tire programs to operate in an efficient and financially sustainable manner~~ (a)(1) In order to address efficiency in tire processing, including without limitation transportation, there is created four (4) used tire programs in the state.

(2) The four (4) used tire programs created under subdivision (a)(1) of this section are composed as follows:

(A) Used Tire Program 1 consists of the following counties: Benton, Carroll, Boone, Marion, Baxter, Washington, Madison, Newton, Searcy, Crawford, Franklin, Johnson, Pope, Van Buren, Sebastian, Logan, Conway, Scott, Yell, and Perry;

(B) Used Tire Program 2 consists of the following counties: Fulton, Sharp, Randolph, Clay, Izaard, Lawrence, Greene, Stone, Independence, Jackson, Craighead, Mississippi, Cleburne, Faulkner, White, Poinsett, Woodruff, Cross, Pulaski, and Crittenden;

(C) Used Tire Program 3 consists of the following counties: Polk, Montgomery, Sevier, Howard, Pike, Clark, Little River, Hempstead, Nevada, Miller, Lafayette, Saline, Dallas, Ouachita, Union, Garland, Hot Spring, and Columbia; and

(D) Used Tire Program 4 consists of the following counties: Grant, Jefferson, Arkansas, Phillips, Cleveland, Lincoln, Desha, Calhoun, Bradley, Drew, Ashley, Lonoke, Prairie, Monroe, St. Francis, Lee, and Chicot.

(b)(1) Each new used tire program is governed by a tire accountability board that is composed of eleven (11) members:

(A) Five (5) county judges, elected by the county judges of the used tire program;

(B) Two (2) county judges, appointed from the two (2) most populous counties in the used tire program according to the most recent federal census; and

(C) Four (4) mayors, elected by the mayors of all of the cities in the used tire program.

(2) Each member of the tire accountability board shall serve for a term of three (3) years.

(3) The members of the tire accountability board shall draw lots for staggered terms at the first organizational meeting.

(4) A vacancy on the tire accountability board shall be filled

1 through the process described in the bylaws of the tire accountability board.

2 (c)(1) A tire accountability board shall:

3 (A) Elect a chair and a vice-chair at an organizational
4 meeting;

5 (B) Develop bylaws to govern the tire accountability
6 board, including without limitation rules related to the replacement of
7 members of the tire accountability board in the event of a vacancy; and

8 (C) Submit a business plan to the Division of
9 Environmental Quality for approval on or before September 1, 2023.

10 (2) The division shall approve or seek additional information
11 regarding the business plan submitted under subdivision (c)(1)(C) of this
12 section within sixty (60) days.

13 (d) The tire accountability board in each of the used tire programs
14 enter into an interlocal agreement to determine the highest level of
15 efficiency regarding tire processing in the respective used tire program.

16 (e) Arkansas Legislative Audit shall audit the four (4) used tire
17 program on the following schedule:

18 (1) Used Tire Program 1 and Used Tire Program 3 every odd-
19 numbered year; and

20 (2) Used Tire Program 2 and Used Tire Program 4 every even-
21 numbered year.

22
23 **SECTION 7. DO NOT CODIFY. TEMPORARY LANGUAGE.**

24 (a) Upon the effective date of this act, reimbursements from the Used
25 Tire Recycling Fund shall be made by the Division of Environmental Quality in
26 accordance with a business plan previously approved by the division until a
27 new business plan is approved by the division.

28 (b) A current tire district shall not enter into a new contract or
29 extend an existing contract unless approved by the new used tire programs
30 created under this act.

31 (c)(1) The County Judges Association of Arkansas and the Arkansas
32 Municipal League shall assist the used tire programs by facilitating an
33 election for the tire accountability board required under Section 6 of this
34 act.

35 (2) The County Judges Association of Arkansas and the Arkansas
36 Municipal League shall facilitate the first election process within thirty

1 (30) days of the effective date of this act.

2 (3)(A) The County Judges Association of Arkansas and the
3 Arkansas Municipal League shall report the outcome of the tire accountability
4 board member elections of each used tire programs to the Arkansas Pollution
5 Control and Ecology Commission.

6 (B) The tire accountability board shall hold an
7 organizational meeting within thirty (30) days of the notification to the
8 commission required under subdivision (c)(3)(A) of this section.

9
10 SECTION 8. Arkansas Code § 8-9-414, concerning the powers and duties
11 of the Arkansas Pollution Control and Ecology Commission under the Used Tire
12 Recycling and Accountability Act, is amended to add an additional subsection
13 to read as follows:

14 (f) The commission shall waive the imposition of any permit fee
15 imposed under this subchapter on any used tire program created by § 8-9-410.

16
17 SECTION 9. Effective date.

18 Sections 1 through 3 of this act are effective on and after October 1,
19 2023.

20
21 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
22 General Assembly of the State of Arkansas that the State of Arkansas is
23 responsible for the appropriate disposal of waste tires and for protecting
24 the public health and our shared environment; that discarded, uncollected,
25 and unprocessed waste tires are breeding habitats for disease-carrying
26 vectors and pose toxic-fume fire hazards; that it is more appropriate to
27 process waste tires rather than continue to exhaust our landfills and
28 monofills; that the tire processing capacity within the State of Arkansas is
29 at capacity and is not sufficient to address our waste tire responsibility;
30 that transportation of the waste tires to neighboring states is too costly to
31 pursue; and that without increasing the capacity for processing tires within
32 the State of Arkansas, a public health and safety emergency exists.
33 Therefore, an emergency is declared to exist, and Sections 4 through 8 of
34 this act being immediately necessary for the preservation of the public
35 peace, health, and safety shall become effective on:

36 (1) The date of its approval by the Governor;

1 (2) If the bill is neither approved nor vetoed by the Governor,
2 the expiration of the period of time during which the Governor may veto the
3 bill; or

4 (3) If the bill is vetoed by the Governor and the veto is
5 overridden, the date the last house overrides the veto.

6
7 /s/J. Payton
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10 **APPROVED: 4/11/23**
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