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2 95th General Assembly
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4

As Engrossed: S2/27/25

A Bill

SENATE BILL 238

5 By: Senator J. Payton
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For An Act To Be Entitled

9 AN ACT TO AMEND THE USED TIRE RECYCLING AND
10 ACCOUNTABILITY ACT; AND FOR OTHER PURPOSES.

Subtitle

14 TO AMEND THE USED TIRE RECYCLING AND
15 ACCOUNTABILITY ACT.
16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 SECTION 1. Arkansas Code § 8-9-404, concerning rim removal fees,
20 import fees, and commercial generator fees under the Used Tire Recycling and
21 Accountability Act, is amended to read as follows:

22 8-9-404. ~~Rim removal~~ Tire recycling fees - ~~Import fees~~ - ~~Commercial~~
23 ~~generator fees~~ - ~~Definitions~~ Definition.

24 ~~(a)(1) There is imposed a rim removal fee upon the transaction of~~
25 ~~removing a tire from a rim that is related to the sale of a replacement tire~~
26 ~~by a tire retailer.~~

27 ~~(2) The rim removal fee shall be charged by the tire retailer to~~
28 ~~a person who:~~

29 ~~(A) Purchases a replacement tire for a rim that~~
30 ~~neecessitates the removal of a different tire from the same rim; or~~

31 ~~(B) Purchases the service of removal of a tire from a rim~~
32 ~~and replacement with a tire that was not purchased from the tire retailer if~~
33 ~~the person requesting the rim removal cannot show proof of payment of the rim~~
34 ~~removal fee under this section for the replacement tire.~~

35 ~~(3)(A) The rim removal fee shall be imposed at the rate of three~~
36 ~~dollars (\$3.00) for each new tire that replaces a tire removed from a rim and~~



1 ~~one dollar (\$1.00) for each used tire that replaces the tire removed from the~~
2 ~~rim.~~

3 ~~(B) Except for the rim removal fees imposed under this~~
4 ~~section, a tire retailer shall not charge any other fee to a person who~~
5 ~~purchases the service of removal of a tire from a rim.~~

6 ~~(C) For any tires collected by a tire retailer, the tire~~
7 ~~retailer shall ensure that the tires are transported by a licensed tire~~
8 ~~transporter to a permitted tire collection center, a solid waste management~~
9 ~~facility, a tire processing facility, or another tire retailer.~~

10 ~~(D) The tire retailer shall account for each tire removed~~
11 ~~from a rim in the manner prescribed by the Department of Finance and~~
12 ~~Administration.~~

13 ~~(E) Each tire retailer shall register with the department~~
14 ~~and comply with all requirements related to collecting and reporting rim~~
15 ~~removal fees.~~

16 ~~(4) The rim removal fees imposed under this section shall be~~
17 ~~added to the total cost charged by the tire retailer to the purchaser after~~
18 ~~all applicable gross receipts or compensating use taxes on the tires have~~
19 ~~been computed and shall be separately stated on the invoice or bill of sale.~~

20 ~~(5)(A) The rim removal fees imposed under this section shall be~~
21 ~~paid monthly to the Secretary of the Department of Finance and~~
22 ~~Administration.~~

23 ~~(B) However, the tire retailer may retain five percent~~
24 ~~(5%) of the rim removal fee imposed under subdivision (a)(3)(A) of this~~
25 ~~section for administrative costs.~~

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

30 ~~(B)(i) Each tire retailer shall file a return with the~~
31 ~~secretary on or before the twentieth of each month.~~

32 ~~(ii) The return shall show the total rim removal fees~~
33 ~~collected for each tire removed from the rim during the preceding calendar~~
34 ~~month.~~

35 ~~(iii) The tire retailer shall remit the rim removal~~
36 ~~fees with the return.~~

1 ~~(iv) The secretary shall prescribe the form and~~
2 ~~contents of the return.~~

3 (a)(1)(A)(i) A tire recycling fee of three dollars (\$3.00) is imposed
4 for each new small tire sold by a tire retailer in Arkansas, including
5 without limitation new small tires sold as part of fleet services.

6 (ii) A tire retailer may charge a fee of up to ten
7 percent (10%) over the tire recycling fee for each new small tire sold by the
8 tire retailer and retain the excess over the tire recycling fee to cover
9 administrative costs of the tire retailer.

10 (B) A tire retailer shall obtain a tire recycling account
11 number from the Department of Finance and Administration and remit the tire
12 recycling fees collected by the tire retailer to the department on a monthly
13 basis.

14 (C) A tire retailer shall:

15 (i) Track all new small tires sold by the tire
16 retailer; and

17 (ii) Provide an accounting to the department that
18 includes the number and category of new small tires sold in Arkansas and to
19 whom the new small tires were sold.

20 (D) A tire retailer is subject to field audits by the
21 department.

22 (E)(i) If a person or entity brings a new small tire
23 purchased from an entity other than the tire retailer to the tire retailer to
24 be placed on a motor vehicle, the tire retailer shall require the person or
25 entity to pay the tire recycling fee under subdivision (a)(1)(A) of this
26 section unless the person or entity can show that the tire recycling fee was
27 already paid.

28 (ii) The tire retailer shall not collect the tire
29 recycling fee or require proof of payment of the tire recycling fee under
30 subdivision (a)(1)(E)(i) of this section unless the small tire has eighty
31 percent (80%) or more of the small tire's vent spews remaining.

32 (F) No later than the tenth business day of each month, a
33 tire retailer shall submit a report to the department that reflects all new
34 small tires sold by the tire retailer for the previous month and the
35 corresponding tire recycling fees remitted to the department.

36 (2)(A) A tire recycling fee is imposed for each new small tire

1 equipped in or on a new motor vehicle or trailer sold to a purchaser.

2 (B) The tire recycling fee under subdivision (a)(2)(A) of
3 this section shall be three dollars (\$3.00) for each new small tire equipped
4 in or on the new motor vehicle or trailer, including a new small tire used as
5 a spare in or on the new motor vehicle or trailer.

6 (C) Tire recycling fees under subdivision (a)(2)(B) of
7 this section shall be collected by the department at the same time as the new
8 motor vehicle or trailer is registered by the purchaser with the department.

9 (b)(1) The department shall deposit the proceeds from ~~rim removal~~ tire
10 recycling fees collected under subsection (a) of this section into the State
11 Treasury as special revenues to the credit of the following funds in the
12 following percentages:

13 (A) Ninety-three percent (93%) to be deposited into the
14 Used Tire Recycling Fund; and

15 (B) Seven percent (7%), not to exceed the amount deposited
16 in fiscal year 2025, to be deposited into the Division of Environmental
17 Quality Fee Trust Fund.

18 (2) As used in this section, "proceeds from ~~rim removal~~ tire
19 recycling fees" means all moneys collected and received by the department
20 under this section for ~~rim removal~~ tire recycling fees imposed under
21 subsection (a) of this section and interest and penalties on delinquent ~~rim~~
22 ~~removal~~ tire recycling fees.

23 ~~(c)(1)(A) There is imposed an import fee of one dollar (\$1.00) on each~~
24 ~~used tire that is imported into Arkansas~~ A tire recycling fee may be imposed
25 by a tire retailer on a large tire or an extra-large tire.

26 (2)(A) The amount of the tire recycling fee on a large tire or
27 extra-large tire may not exceed the following fee per tire:

28 (i) For a large tire, five dollars (\$5.00); and

29 (ii) For an extra-large tire, thirty dollars
30 (\$30.00).

31 (B) A tire retailer may charge a fee of up to ten percent
32 (10%) over the tire recycling fee for a new large tire or a new extra-large
33 tire sold by the tire retailer and retain the excess over the tire recycling
34 fee to cover administrative costs of the tire retailer.

35 (3) The tire recycling fee for a large tire or an extra-large
36 tire may be changed by a tire accountability board only one (1) time per year

1 at the time the business plan for the tire accountability zone is submitted
2 for the fiscal year.

3 (4)(A) The tire accountability board shall report the proposed
4 tire recycling fee for a large tire or extra-large tire authorized under this
5 subsection to the department by September 30 of each year.

6 (B) The department shall:

7 (i) Average the tire recycling fees proposed by the
8 four (4) tire accountability boards; and

9 (ii) Set a statewide tire recycling fee for a large
10 tire or an extra-large tire that may be charged by the tire retailer under
11 this subsection.

12 ~~(B) A person who imports a used tire shall be registered~~
13 ~~with the department and comply with all requirements related to collecting~~
14 ~~and reporting import fees.~~

15 ~~(2) The import fee imposed under this subsection shall be paid~~
16 ~~by the person who imports the used tire to the department in accordance with~~
17 ~~the Arkansas Tax Procedure Act, § 26-18-101 et seq., the business closure~~
18 ~~procedures under § 26-18-1001 et seq., and any rules promulgated by the~~
19 ~~department.~~

20 ~~(3)(A) The department shall deposit the proceeds from import~~
21 ~~fees imposed under this subsection into the State Treasury as special~~
22 ~~revenues to the credit of the following funds in the following percentages:~~

23 ~~(i) Ninety three percent (93%) to be deposited into~~
24 ~~the Used Tire Recycling Fund; and~~

25 ~~(ii) Seven percent (7%) to be deposited into the~~
26 ~~Division of Environmental Quality Fee Trust Fund.~~

27 ~~(B) As used in this section, "proceeds from import fees"~~
28 ~~means all moneys collected and received by the department under this~~
29 ~~subsection and interest and penalties on delinquent import fees.~~

30 ~~(d)(1) There is imposed a commercial generator fee upon the~~
31 ~~transaction of a commercial generator selling or delivering a new tire as~~
32 ~~part of fleet services The department has exclusive authority and~~
33 ~~responsibility to audit tire retailers for compliance with this subchapter.~~

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

1 ~~tire.~~

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

6 ~~(B) Except for the commercial generator fees imposed under~~
7 ~~this section, the commercial generator shall not charge any other fee to the~~
8 ~~end user.~~

9 ~~(C)(i) For any used tires collected by a commercial~~
10 ~~generator, the first transportation of the used tire from the end user to the~~
11 ~~commercial generator's facility does not require a licensed tire transporter.~~

12 ~~(ii) Any subsequent transportation of the used tire~~
13 ~~by the commercial generator for recycling or disposal requires a licensed~~
14 ~~tire transporter and shall be accounted for using the electronic uniform used~~
15 ~~tire manifest system.~~

16 ~~(D) Each commercial generator shall register with the~~
17 ~~department and comply with all requirements related to collecting and~~
18 ~~reporting commercial generator fees.~~

19 ~~(4) The commercial generator fees imposed under this section~~
20 ~~shall be added to the total cost charged by the commercial generator to the~~
21 ~~end user after all applicable gross receipts or compensating use taxes on the~~
22 ~~tires have been computed and shall be separately stated on the invoice or~~
23 ~~bill of sale.~~

24 ~~(5)(A) The commercial generator fees imposed under this section~~
25 ~~shall be paid monthly to the secretary.~~

26 ~~(B) However, the commercial generator may retain five~~
27 ~~percent (5%) of the commercial generator fee imposed under subdivision~~
28 ~~(d)(3)(A) of this section for administrative costs.~~

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

33 ~~(B)(i)(a) Each commercial generator shall file a return~~
34 ~~with the secretary on or before the twentieth of each month.~~

35 ~~(b) The return shall show the total commercial~~
36 ~~generator fees collected for each tire sold or delivered to the end user~~

1 ~~during the preceding calendar month.~~

2 ~~(c) The commercial generator shall remit the~~
3 ~~commercial generator fees with the return.~~

4 ~~(ii) The secretary shall prescribe the form and~~
5 ~~contents of the return.~~

6 ~~(7) The department shall deposit the proceeds from commercial~~
7 ~~generator fees collected under this subsection into the State Treasury as~~
8 ~~special revenues to the credit of the following funds in the following~~
9 ~~percentages:~~

10 ~~(A) Ninety-three percent (93%) to be deposited into the~~
11 ~~Used Tire Recycling Fund; and~~

12 ~~(B) Seven percent (7%) to be deposited into the Division~~
13 ~~of Environmental Quality Fee Trust Fund.~~

14 ~~(8) As used in this section, "proceeds from commercial generator~~
15 ~~fees" means all moneys collected and received by the department under this~~
16 ~~section for commercial generator fees imposed under this subsection and~~
17 ~~interest and penalties on delinquent commercial generator fees.~~

18 ~~(e)(1) It is the purpose and intent of this section that only one (1)~~
19 ~~of the following fees imposed under this section be charged for the~~
20 ~~transaction of removing a tire from a rim that is related to the sale of a~~
21 ~~replacement tire:~~

22 ~~(A) The rim removal fee; or~~

23 ~~(B) The commercial generator fee.~~

24 ~~(2) If a person establishes that he or she has paid one (1) of~~
25 ~~the fees for a tire, the tire retailer or tire generator shall not charge an~~
26 ~~additional fee for that tire.~~

27 This section applies to in-state and out-of-state tire retailers that
28 sell tires within the state.

29 (2) The department shall enforce this section under the Arkansas
30 Tax Procedure Act, § 26-18-101 et seq., and the business closure procedures
31 under § 26-18-1001 et seq.

32
33 SECTION 2. Arkansas Code § 8-9-405(b)(9)(A), concerning the used tire
34 program reimbursements, is amended to read as follows:

35 (9)(A) Establish tire collection centers within each county
36 served by the used tire program that accepts tires from tire retailers at no

1 charge if the tire retailer establishes that it:

2 (i) Collects the ~~rim removal~~ tire recycling fee
3 imposed under § 8-9-404(a); and

4 (ii) Complies with the electronic uniform used tire
5 manifest system under § 8-9-407.

6

7 SECTION 3. Arkansas Code § 8-9-412 is repealed.

8 ~~8-9-412. Additional fees.~~

9 ~~(a) A used tire program may charge an additional fee for the~~
10 ~~collection and recycling of extra-large tires from sources other than~~
11 ~~registered tire retailers and for any tires in excess of the maximum under §~~
12 ~~8-9-414(b)(7).~~

13 ~~(b) If a used tire program charges an additional fee under this~~
14 ~~section, the fee shall be collected and retained by the used tire program for~~
15 ~~costs related to the processing of extra-large tires.~~

16

17 SECTION 4. Arkansas Code § 8-9-413 is amended to read as follows:

18 8-9-413. Applicability.

19 The fees imposed by this subchapter shall not apply to:

20 ~~(1) Large retreaded tires;~~

21 ~~(2) Tires included as part of the equipment of a new vehicle; or~~

22 ~~(3) Tires tires included as part of the equipment of a used~~
23 ~~vehicle if included in or on the used vehicle at the time of sale and in the~~
24 ~~sales price of the used vehicle.~~

25

26 SECTION 5. Arkansas Code Title 8, Chapter 9, Subchapter 4, is amended
27 to add an additional section to read as follows:

28 8-9-416. Online tire sales.

29 To the extent practicable, the tire recycling fees under this
30 subchapter shall be levied and collected on all online tire sales that
31 otherwise would be subject to tire recycling fees under this subchapter.

32

33 SECTION 6. Arkansas Code § 19-6-301(104), concerning enumerated
34 special revenues collected as Division of Environmental Quality fees, is
35 amended to read as follows:

36 (104) All Division of Environmental Quality fees, unless

1 otherwise provided by law, § 8-1-105, landfill operator license fees, § 8-6-
2 909, and that portion of ~~new tire waste~~ tire recycling fees, § 8-9-404;

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SECTION 7. Arkansas Code § 19-6-301(165), concerning the enumeration of special revenues related to rim removal fees and import fees, is amended to read as follows:

(165) That portion of ~~rim removal~~ tire recycling fees ~~and import fees~~, § 8-9-404;

/s/J. Payton