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**TIRE FEE AMENDMENTS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Rebecca Chavez-Houck**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

This bill provides a coordination clause.

**Utah Code Sections Affected:**

AMENDS:

- 19-6-805**, as last amended by Laws of Utah 2001, Chapter 165
- 19-6-807**, as last amended by Laws of Utah 2013, Chapter 400
- 19-6-808**, as last amended by Laws of Utah 2011, Chapter 309



28 ENACTS:

29 [19-2-301](#), Utah Code Annotated 1953

30 [19-2-302](#), Utah Code Annotated 1953

31 [19-2-303](#), Utah Code Annotated 1953

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

33 [19-2-302](#), Utah Code Annotated 1953

34 [19-2-303](#), Utah Code Annotated 1953



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

37 Section 1. Section [19-2-301](#) is enacted to read:

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

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

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

41 Section 2. Section [19-2-302](#) is enacted to read:

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

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

45 (2) The restricted account shall consist of:

46 (a) the proceeds described in Subsection [19-6-808\(3\)\(b\)](#); and

47 (b) interest earned on the account.

48 (3) The division may expend money in the restricted account on programs described in  
49 Title 19, Chapter 2, Part 2, Clean Air Retrofit, Replacement, and Off-Road Technology  
50 Program.

51 Section 3. Section [19-2-303](#) is enacted to read:

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

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

54 Interim Committee on the status of expenditures authorized by Section [19-2-302](#) by November  
55 30, 2016.

56 Section 4. Section [19-6-805](#) is amended to read:

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

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

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

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

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

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

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

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

68 (2) The fund shall consist of:

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

70 (b) penalties collected under this part.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

107 Section 7. **Effective date.**

108 This bill takes effect on July 1, 2015.

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

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

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

115 "(3) (a) The division may expend up to 1/3 of the money, per fiscal quarter, in the  
116 restricted account on programs described in Title 19, Chapter 2, Part 2, Clean Air Retrofit,  
117 Replacement, and Off-Road Technology Program.

118 (b) The State Board of Education may expend up to 2/3 of the money, per fiscal  
119 quarter, in the restricted account to fund the grant program described in Section  
120 53A-17a-127.5."; and

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

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

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

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

**Office of Legislative Research and General Counsel**