

REPRINTED

4/14/98 Motion to Rk Passage  
by Cormack  
4/17/98 motion to R/c Withdraw

APR 3 1998  
APPROPRIATIONS CALENDAR

HOUSE FILE 2546  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2511)  
(SUCCESSOR TO HSB 575)

Passed House, <sup>(P.1621)</sup> Date 4/14/98 Passed Senate, <sup>(P.1385)</sup> Date 4/20/98  
Vote: Ayes 98 Nays 0 Vote: Ayes 47 Nays 0  
Approved May 6, 1998

A BILL FOR

- 1 An Act relating to waste tires and tire-derived fuels.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 3

HOUSE FILE 2546

H-8949

- 1 Amend House File 2546 as follows:
- 2 1. Page 1, line 10, by inserting after the word
- 3 "party." the following: "An employee or staff person
- 4 of the department, including but not limited to the
- 5 director, deputy director, and legislative liaison,
- 6 with access to a confidential audit requested pursuant
- 7 to this subsection or other financial assurance
- 8 instrument referred to in this subsection shall not be
- 9 employed by a private firm engaged in the business of
- 10 waste tire processing as defined in section 455D.11
- 11 while the employee or staff person is employed by the
- 12 department and for a period of two years from the time
- 13 the employee or staff person ceases employment with
- 14 the department."

By CORMACK of Webster

H-8949 FILED APRIL 6, 1998

*Adopted 4/14/98 (P.1621)*

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22

TR  
2546

1 Section 1. Section 455D.11A, subsection 3, Code Supplement  
2 1997, is amended to read as follows:

3 3. Financial assurance instruments may include instruments  
4 such as cash or surety bond, a letter of credit in a form  
5 prescribed by the department, or a secured trust fund, a  
6 corporate guarantee, or a combination of such instruments and  
7 guarantees sufficient to satisfy the requirements of  
8 subsection 5. The department shall request an annual audit,  
9 which shall remain confidential, to be performed by a third  
10 party.

11 Sec. 2. Section 455D.11A, subsection 5, Code Supplement  
12 1997, is amended to read as follows:

13 5. Financial assurance shall be provided in the amounts as  
14 follows:

15 a. For a waste tire collection or processing site  
16 ~~initially-permitted-on-or-after-July-17-1992, other than a~~  
17 site located underground and holding a grain warehouse  
18 license, the financial assurance instrument for a waste tire  
19 collection site shall provide coverage in an amount which is  
20 equivalent to ~~eighty-five~~ fifty cents per passenger tire  
21 equivalent collected by the site prior to January 1, 1998, and  
22 eighty-five cents per passenger tire equivalent collected by  
23 the site on or after January 1, 1998, and the financial  
24 assurance instrument for a waste tire processing site shall  
25 provide coverage in an amount which is equivalent to eighty-  
26 five cents per passenger tire equivalent collected for  
27 processing by the site which is above the three-day processing  
28 supply of tires for the site as determined by the department.

29 ~~b. For a waste tire collection or processing site in~~  
30 ~~existence prior to July 17, 1992, a waste tire collection site~~  
31 ~~shall provide a financial assurance instrument in an amount~~  
32 ~~which is eighty-five cents per additional tire collected after~~  
33 ~~July 17, 1992, and a waste tire processing site shall provide a~~  
34 ~~financial assurance instrument in an amount which is eighty-~~  
35 ~~five cents per additional tire collected for processing, above~~

1 ~~the three-day processing supply of tires for the site as~~  
2 ~~determined by the department, after July 17, 1992.~~ For a waste  
3 tire collection or processing site located underground and  
4 holding a grain warehouse license, the financial assurance  
5 instrument for a waste tire collection site shall provide  
6 coverage in an amount which is equivalent to thirty-five cents  
7 per passenger tire equivalent collected by the site prior to  
8 January 1, 1998, and fifty-five cents per passenger tire  
9 equivalent collected by the site on or after January 1, 1998.

10 Sec. 3. Section 455D.11C, subsection 1, Code 1997, is  
11 amended to read as follows:

12 1. A waste tire management fund is created within the  
13 state treasury. Moneys received from each five dollar  
14 surcharge on the issuance of a certificate of title shall be  
15 deposited as provided in section 321.52A, subsection 2.  
16 Notwithstanding section 8.33, any unexpended balance in the  
17 fund at the end of each fiscal year shall be retained in the  
18 fund. Notwithstanding section 12C.7, any interest or earnings  
19 on investments from moneys in the fund shall be credited to  
20 the fund. Moneys from the fund that are expended by the  
21 department in closing or bringing into compliance a waste tire  
22 collection site pursuant to section 455D.11A and later  
23 recouped by the department shall be credited to the fund. The  
24 department shall have the authority to obtain personal or real  
25 property from parties responsible for the creation,  
26 management, or ownership of waste tire collection and  
27 stockpile sites.

28 Sec. 4. Section 455D.11E, Code 1997, is amended to read as  
29 follows:

30 455D.11E USE BY REGENTS INSTITUTIONS OF WASTE TIRES TO  
31 PRODUCE TIRE-DERIVED FUELS AND OTHER BENEFICIAL USES OF WASTE  
32 TIRES.

33 State board of regents institutions of higher education,  
34 defined in section 262.7, are encouraged to use, to the  
35 fullest extent practicable, waste tires for beneficial uses

1 ~~such as~~ including, but not limited to, producing the  
2 consumption of tire-derived fuels. Moneys shall be awarded  
3 from the waste tire management fund, pursuant to section  
4 455D.11C, subsection 2, to such an institution by the  
5 department pursuant to section 455D.11C to offset additional  
6 fuel, operation, and maintenance costs incurred in generating  
7 heat, electricity, or power on-a-British-thermal-unit  
8 equivalent-basis through the use of tire-derived fuel and for  
9 the reimbursement of costs associated with mandated air  
10 permits, regulatory fees, and emission or fuel testing  
11 required to expand the institution's use of tire-derived fuel.  
12 Moneys of not more than one hundred thousand dollars may be  
13 awarded in the aggregate in a fiscal year to such institutions  
14 to offset ~~any-increased-fuel~~ costs described in this section  
15 which are associated with assisting the state's program to  
16 dispose of waste tires in an environmentally sound manner, and  
17 shall be available only to the extent that such moneys help to  
18 reduce the number of waste tires in the state. Institutions  
19 receiving moneys as described in this section shall not be  
20 eligible to receive funding available in section 455D.11F.

21 Sec. 5. Section 455D.11F, Code 1997, is amended to read as  
22 follows:

23 455D.11F ~~TIRE-PROCESSORS~~ END-USERS AWARDED MONEYS FOR  
24 ~~PROCESSING USING PROCESSED~~ WASTE TIRES.

25 1. As used in this section:

26 a. "End-user" means a facility, industry, utility, or  
27 operation where processed waste tires are recycled, reused, or  
28 consumed for energy recovery.

29 a- b. "Passenger tire equivalent" means the physical  
30 dimensions of a tire which has a rim diameter of sixteen and  
31 one-half inches or less.

32 b.--~~"Site-of-end-use" means a site where whole or processed~~  
33 ~~waste tires are permanently legally disposed of, recycled, or~~  
34 ~~reused.~~

35 c. "Tire processor" means a person who reduces waste tires

1 into a processed form suitable for recycling or producing fuel  
2 for energy or heat, or uses whole waste tires in any other  
3 beneficial use as authorized by the department. "Tire  
4 processor" does not mean a person who retreads tires or  
5 processes and stores tires.

6 2. ~~A-tire-processor-who~~ An end-user that annually  
7 processes recycles, reuses, or consumes for energy recovery  
8 more than two hundred fifty thousand processed waste tires ~~as~~  
9 ~~defined-in-section-455D.11, or the equivalent, at a processing~~  
10 ~~site-as-defined-in-section-455D.11-located-within-the-state~~  
11 may be awarded moneys pursuant to section 455D.11C, subsection  
12 2, from the waste tire management fund of not more than twenty  
13 ten cents per passenger tire equivalent processed and  
14 delivered to the site-of-end-use end-user, at a reimbursement  
15 rate of no more than fifty percent of the costs incurred or  
16 paid per ton by the end-user to receive the processed waste  
17 tire materials. Moneys of not more than three hundred  
18 thousand dollars for such tire-processors end-user awards  
19 shall be available in the aggregate in a fiscal year and shall  
20 be disbursed by the department upon application and approval  
21 to such tire-processors end-users. ~~A-tire-processor~~ An end-  
22 user shall not receive more than twenty one hundred fifty  
23 thousand dollars from the waste tire management fund in a  
24 fiscal year. ~~A-tire-processor-with-a-pending-enforcement~~  
25 ~~action-against-the-tire-processor-by-the-department-is~~  
26 ~~ineligible-to-receive-moneys-while-the-enforcement-action-is~~  
27 ~~pending.--A-tire-processor~~ Funding allocations shall be made  
28 proportionately between eligible end-users in the event that  
29 funding requests exceed the total annual amount of moneys  
30 available. Moneys shall be available only for waste tires  
31 that have been generated from within the state and which are  
32 processed by and received from a tire processor located within  
33 the state. An end-user with a pending enforcement action  
34 against the end-user by the department relating to sections  
35 455D.11 through 455D.11H shall be ineligible for consideration

1 of reimbursement for any processed waste tire materials  
2 recycled, reused, or consumed for energy recovery while the  
3 enforcement action is pending. An end-user of processed waste  
4 tire material is encouraged to use moneys awarded under this  
5 subsection to ~~lower-the-rates-at-which-the-tire-processor~~  
6 sell increase the purchase and consumption of processed  
7 materials.

8 Sec. 6. Section 455D.11G, Code 1997, is amended to read as  
9 follows:

10 455D.11G DISPOSAL FEE CHARGED BY RETAIL TIRE DEALER.

11 1. A retail tire dealer who currently charges a fee  
12 relating to disposal of used tires is encouraged to include  
13 the fee within the sales price of new tires. The practice by  
14 retail tire dealers of adding the fee as a separate charge on  
15 sales invoices is discouraged.

16 2. Notwithstanding any provision in this chapter, any  
17 generator of waste tires who is identified as being a  
18 contributor to the materials which are the object of an  
19 abatement and who can document full compliance with this  
20 chapter and administrative rules adopted pursuant to this  
21 chapter in disposing of such waste tires shall not be liable  
22 for any of the cost of recovery actions of the abatement.

23 Sec. 7. APPROPRIATION. There is appropriated from moneys  
24 used for funding alternatives to landfills pursuant to section  
25 455E.11, subsection 2, paragraph "a", subparagraph (1), to  
26 Iowa state university of science and technology for the fiscal  
27 year beginning July 1, 1998, and ending June 30, 1999, the  
28 following amount, or so much thereof as is necessary, to be  
29 used for the purposes designated:

30 For equipment and retrofitting the heating plant at the  
31 university to burn tire derived fuel:  
32 ..... \$ 200,000

33 Notwithstanding section 8.33, moneys appropriated in this  
34 section which remain unexpended or unobligated on June 30,  
35 1999, shall not revert to the general fund of the state but

1 shall remain available for expenditure for the same purposes  
2 in the succeeding fiscal year.

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EXPLANATION

4 This bill amends Code section 455D.11A relating to  
5 financial assurance for waste tires by amending what  
6 constitutes a financial instrument. The bill amends Code  
7 section 455D.11A relating to the amount of financial assurance  
8 which must be provided with special provisions for a waste  
9 tire collection or processing site located underground and  
10 holding a grain warehouse license. The bill amends Code  
11 section 455D.11C relating to the waste tire management fund by  
12 authorizing the department of natural resources to obtain  
13 personal or real property from parties responsible for the  
14 creation, management, or ownership of waste tire collection  
15 and stockpile sites.

16 The bill provides that state board of regents institutions  
17 are encouraged to consume waste tires for tire-derived fuels.  
18 The bill allows for money to be awarded to institutions from  
19 the waste tire management fund to offset additional fuel,  
20 operation, and maintenance costs incurred in generating heat,  
21 electricity, or power through the use of tire-derived fuel and  
22 for the reimbursement of costs associated with mandated air  
23 permits, regulatory fees, and emission or fuel testing  
24 required to expand the institution's use of tire-derived  
25 fuels. Institutions receiving these moneys shall not be  
26 eligible to receive moneys under Code section 455D.11F.

27 Currently, Code section 455D.11F relates to the awarding to  
28 tire processors of moneys for processing waste tires. The  
29 bill amends this section to provide for the awarding to end-  
30 users of moneys from the waste tire management fund for the  
31 use of processed waste tires. The bill defines an end-user as  
32 a facility, industry, utility, or operation where processed  
33 waste tires are recycled, reused, or consumed for energy  
34 recovery. The bill provides that an end-user who annually  
35 recycles, reuses, or consumes more than 250,000 processed

1 waste tires may be awarded moneys of not more than 10 cents  
2 per passenger tire equivalent processed and delivered to the  
3 end-user at a reimbursement rate of no more than 50 percent of  
4 the costs incurred or paid per ton by the end-user to receive  
5 the processed waste tires. An end-user shall not be awarded  
6 more than \$150,000 in a fiscal year. Award allocations shall  
7 be made proportionately between eligible end-users in the  
8 event that funding requests exceed the total annual amount of  
9 moneys available. The bill provides that moneys shall only be  
10 available for waste tires generated within the state and which  
11 are processed by and received from a tire processor located  
12 within the state. An end-user with a pending enforcement  
13 action against the end-user by the department of natural  
14 resources relating to Code sections 455D.11 through 455D.11H  
15 shall be ineligible for consideration of receiving moneys for  
16 waste tire materials which are recycled, reused, or consumed  
17 while the enforcement action is pending. The bill provides  
18 that end-users are encouraged to use moneys awarded to  
19 increase the purchase and consumption of processed materials.

20 The bill provides that a generator of waste tires who is  
21 identified as being a contributor to the materials which are  
22 the object of an abatement is not liable for any of the costs  
23 of recovery actions of the abatement if the generator can  
24 document full compliance with Code chapter 455D.

25 The bill appropriates \$200,000 from moneys used for funding  
26 alternatives to landfills to Iowa state university for  
27 equipment and retrofitting the heating plant at the university  
28 to burn tire-derived fuel.

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**HOUSE FILE 2546  
FISCAL NOTE**

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A fiscal note for House File 2546 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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House File 2546 amends the language regarding the Waste Tire Management Program in the Code of Iowa. This legislation provides financial incentives to end users which will encourage the clean up of waste tire collection sites.

**BACKGROUND**

1. Expands the categories of financial assurance instruments held by a waste tire processor. Specifies the amount of the financial assurance instrument based on the type of operation and the number of waste tires processed.
2. Provides the Department of Natural Resources with the authority to acquire property from waste tire collection sites or stockpiles.
3. Encourages the State Board of Regents to consume tire-derived fuels by providing financial incentives to cover any additional expense incurred. The maximum is \$150,000 per fiscal year.
4. Offers financial incentives to end users that recycle or consume waste tires if more than 250,000 waste tires are processed. The maximum award is \$150,000 per fiscal year. An end user is not eligible if there is a pending enforcement action against them.

**ASSUMPTIONS**

Iowa State University will be required to purchase equipment that enables them to use tire-derived fuels. Funds will be appropriated to the University from the Landfill Alternatives Financial Assistance Program.

**FISCAL IMPACT**

House File 2546 is estimated to cost \$200,000 in FY 1999 for Iowa State University to purchase equipment required in utilizing tire-derived fuels. Funding for the equipment purchases is appropriated from the Landfill Alternatives Financial Assistance Program.

**SOURCE**

Department of Natural Resources

(LSB 3271hz, DFK)

FILED APRIL 7, 1998

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2546  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2511)  
(SUCCESSOR TO HSB 575)

(As Amended and Passed by the House, April 14, 1998)

Passed House, Date <sup>(p.1830)</sup> 4/20/98 Passed Senate, Date <sup>(p.1385)</sup> 4/20/98  
Vote: Ayes 95 Nays 0 Vote: Ayes 47 Nays 0  
Approved May 6, 1998

A BILL FOR

- 1 An Act relating to waste tires and tire-derived fuels.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 3
- 4

HOUSE FILE 2546

S-5752

- 1 Amend House File 2546, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 1, by striking lines 10 through 19 and
- 4 inserting the following: "party."

*adopted 4/20/98 (p.1385)*  
By COMMITTEE ON APPROPRIATIONS  
DERRYL McLAREN, Chairperson

S-5752 FILED APRIL 17, 1998

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1 Section 1. Section 455D.11A, subsection 3, Code Supplement  
2 1997, is amended to read as follows:

3 3. Financial assurance instruments may include instruments  
4 such as cash or surety bond, a letter of credit in a form  
5 prescribed by the department, or a secured trust fund, a  
6 corporate guarantee, or a combination of such instruments and  
7 guarantees sufficient to satisfy the requirements of  
8 subsection 5. The department shall request an annual audit,  
9 which shall remain confidential, to be performed by a third  
10 party. An employee or staff person of the department,  
11 including but not limited to the director, deputy director,  
12 and legislative liaison, with access to a confidential audit  
13 requested pursuant to this subsection or other financial  
14 assurance instrument referred to in this subsection shall not  
15 be employed by a private firm engaged in the business of waste  
16 tire processing as defined in section 455D.11 while the  
17 employee or staff person is employed by the department and for  
18 a period of two years from the time the employee or staff  
19 person ceases employment with the department.

20 Sec. 2. Section 455D.11A, subsection 5, Code Supplement  
21 1997, is amended to read as follows:

22 5. Financial assurance shall be provided in the amounts as  
23 follows:

24 a. For a waste tire collection or processing site  
25 initially-permitted-on-or-after-July-17-1992, other than a  
26 site located underground and holding a grain warehouse  
27 license, the financial assurance instrument for a waste tire  
28 collection site shall provide coverage in an amount which is  
29 equivalent to eighty-five fifty cents per passenger tire  
30 equivalent collected by the site prior to January 1, 1998, and  
31 eighty-five cents per passenger tire equivalent collected by  
32 the site on or after January 1, 1998, and the financial  
33 assurance instrument for a waste tire processing site shall  
34 provide coverage in an amount which is equivalent to eighty-  
35 five cents per passenger tire equivalent collected for

1 processing by the site which is above the three-day processing  
2 supply of tires for the site as determined by the department.

3 ~~b. For a waste tire collection or processing site in~~  
4 ~~existence prior to July 17, 1992, a waste tire collection site~~  
5 ~~shall provide a financial assurance instrument in an amount~~  
6 ~~which is eighty-five cents per additional tire collected after~~  
7 ~~July 17, 1992, and a waste tire processing site shall provide a~~  
8 ~~financial assurance instrument in an amount which is eighty-~~  
9 ~~five cents per additional tire collected for processing, above~~  
10 ~~the three-day processing supply of tires for the site as~~  
11 ~~determined by the department, after July 17, 1992. For a waste~~  
12 tire collection or processing site located underground and  
13 holding a grain warehouse license, the financial assurance  
14 instrument for a waste tire collection site shall provide  
15 coverage in an amount which is equivalent to thirty-five cents  
16 per passenger tire equivalent collected by the site prior to  
17 January 1, 1998, and fifty-five cents per passenger tire  
18 equivalent collected by the site on or after January 1, 1998.

19 Sec. 3. Section 455D.11C, subsection 1, Code 1997, is  
20 amended to read as follows:

21 1. A waste tire management fund is created within the  
22 state treasury. Moneys received from each five dollar  
23 surcharge on the issuance of a certificate of title shall be  
24 deposited as provided in section 321.52A, subsection 2.  
25 Notwithstanding section 8.33, any unexpended balance in the  
26 fund at the end of each fiscal year shall be retained in the  
27 fund. Notwithstanding section 12C.7, any interest or earnings  
28 on investments from moneys in the fund shall be credited to  
29 the fund. Moneys from the fund that are expended by the  
30 department in closing or bringing into compliance a waste tire  
31 collection site pursuant to section 455D.11A and later  
32 recouped by the department shall be credited to the fund. The  
33 department shall have the authority to obtain personal or real  
34 property from parties responsible for the creation,  
35 management, or ownership of waste tire collection and

1 stockpile sites.

2 Sec. 4. Section 455D.11E, Code 1997, is amended to read as  
3 follows:

4 455D.11E USE BY REGENTS INSTITUTIONS OF ~~WASTE-TIRES-TO~~  
5 ~~PRODUCE~~ TIRE-DERIVED FUELS AND OTHER BENEFICIAL USES OF WASTE  
6 TIRES.

7 State board of regents institutions of higher education,  
8 defined in section 262.7, are encouraged to use, to the  
9 fullest extent practicable, waste tires for beneficial uses,  
10 ~~such-as,~~ including, but not limited to, producing the  
11 consumption of tire-derived fuels. Moneys shall be awarded  
12 from the waste tire management fund, pursuant to section  
13 455D.11C, subsection 2, to such an institution by the  
14 department pursuant to section 455D.11C to offset additional  
15 fuel, operation, and maintenance costs incurred in generating  
16 heat, electricity, or power ~~on-a-British-thermal-unit~~  
17 equivalent-basis through the use of tire-derived fuel and for  
18 the reimbursement of costs associated with mandated air  
19 permits, regulatory fees, and emission or fuel testing  
20 required to expand the institution's use of tire-derived fuel.  
21 Moneys of not more than one hundred thousand dollars may be  
22 awarded in the aggregate in a fiscal year to such institutions  
23 to offset ~~any-increased-fuel~~ costs described in this section  
24 which are associated with assisting the state's program to  
25 dispose of waste tires in an environmentally sound manner, and  
26 shall be available only to the extent that such moneys help to  
27 reduce the number of waste tires in the state. Institutions  
28 receiving moneys as described in this section shall not be  
29 eligible to receive funding available in section 455D.11F.

30 Sec. 5. Section 455D.11F, Code 1997, is amended to read as  
31 follows:

32 455D.11F ~~TIRE-PROCESSORS~~ END-USERS AWARDED MONEYS FOR  
33 ~~PROCESSING~~ USING PROCESSED WASTE TIRES.

34 1. As used in this section:

35 a. "End-user" means a facility, industry, utility, or

1 operation where processed waste tires are recycled, reused, or  
2 consumed for energy recovery.

3 a. b. "Passenger tire equivalent" means the physical  
4 dimensions of a tire which has a rim diameter of sixteen and  
5 one-half inches or less.

6 b. ~~---"Site-of-end-use" means a site where whole or processed~~  
7 ~~waste tires are permanently legally disposed of, recycled, or~~  
8 ~~reused.~~

9 c. "Tire processor" means a person who reduces waste tires  
10 into a processed form suitable for recycling or producing fuel  
11 for energy or heat, or uses whole waste tires in any other  
12 beneficial use as authorized by the department. "Tire  
13 processor" does not mean a person who retreads tires or  
14 processes and stores tires.

15 2. ~~A-tire-processor-who~~ An end-user that annually  
16 processes recycles, reuses, or consumes for energy recovery  
17 more than two hundred fifty thousand processed waste tires, as  
18 defined in section 455D.11, or the equivalent, at a processing  
19 site as defined in section 455D.11 located within the state  
20 may be awarded moneys pursuant to section 455D.11C, subsection  
21 2, from the waste tire management fund of not more than twenty  
22 ten cents per passenger tire equivalent processed and  
23 delivered to the site-of-end-use end-user, at a reimbursement  
24 rate of no more than fifty percent of the costs incurred or  
25 paid per ton by the end-user to receive the processed waste  
26 tire materials. Moneys of not more than three hundred  
27 thousand dollars for such tire-processors end-user awards  
28 shall be available in the aggregate in a fiscal year and shall  
29 be disbursed by the department upon application and approval  
30 to such tire-processors end-users. ~~A-tire-processor~~ An end-  
31 user shall not receive more than twenty one hundred fifty  
32 thousand dollars from the waste tire management fund in a  
33 fiscal year. ~~A-tire-processor-with-a-pending-enforcement~~  
34 ~~action-against-the-tire-processor-by-the-department-is~~  
35 ~~ineligible-to-receive-moneys-while-the-enforcement-action-is~~

1 ~~pending~~--~~A-tire-processor~~ Funding allocations shall be made  
2 proportionately between eligible end-users in the event that  
3 funding requests exceed the total annual amount of moneys  
4 available. Moneys shall be available only for waste tires  
5 that have been generated from within the state and which are  
6 processed by and received from a tire processor located within  
7 the state. An end-user with a pending enforcement action  
8 against the end-user by the department relating to sections  
9 455D.11 through 455D.11H shall be ineligible for consideration  
10 of reimbursement for any processed waste tire materials  
11 recycled, reused, or consumed for energy recovery while the  
12 enforcement action is pending. An end-user of processed waste  
13 tire material is encouraged to use moneys awarded under this  
14 subsection to ~~lower-the-rates-at-which-the-tire-processor~~  
15 ~~sells~~ increase the purchase and consumption of processed  
16 materials.

17 Sec. 6. Section 455D.11G, Code 1997, is amended to read as  
18 follows:

19 455D.11G DISPOSAL FEE CHARGED BY RETAIL TIRE DEALER.

20 1. A retail tire dealer who currently charges a fee  
21 relating to disposal of used tires is encouraged to include  
22 the fee within the sales price of new tires. The practice by  
23 retail tire dealers of adding the fee as a separate charge on  
24 sales invoices is discouraged.

25 2. Notwithstanding any provision in this chapter, any  
26 generator of waste tires who is identified as being a  
27 contributor to the materials which are the object of an  
28 abatement and who can document full compliance with this  
29 chapter and administrative rules adopted pursuant to this  
30 chapter in disposing of such waste tires shall not be liable  
31 for any of the cost of recovery actions of the abatement.

32 Sec. 7. APPROPRIATION. There is appropriated from moneys  
33 used for funding alternatives to landfills pursuant to section  
34 455E.11, subsection 2, paragraph "a", subparagraph (1), to  
35 Iowa state university of science and technology for the fiscal

1 year beginning July 1, 1998, and ending June 30, 1999, the  
2 following amount, or so much thereof as is necessary, to be  
3 used for the purposes designated:

4 For equipment and retrofitting the heating plant at the  
5 university to burn tire derived fuel:

6 ..... \$ 200,000

7 Notwithstanding section 8.33, moneys appropriated in this  
8 section which remain unexpended or unobligated on June 30,  
9 1999, shall not revert to the general fund of the state but  
10 shall remain available for expenditure for the same purposes  
11 in the succeeding fiscal year.

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SENATE AMENDMENT TO  
HOUSE FILE 2546

H-9323

- 1 Amend House File 2546, as amended, passed, and  
2 reprinted by the House, as follows:
- 3 1. Page 1, line 8, by striking the word "shall"  
4 and inserting the following: "may".
- 5 2. Page 1, by striking lines 10 through 19 and  
6 inserting the following: "party."
- 7 3. Page 1, lines 25 through 27, by striking the  
8 words "other than a site located underground and  
9 holding a grain warehouse license,"
- 10 4. Page 1, line 29, by striking the word "fifty"  
11 and inserting the following: "thirty-five".
- 12 5. Page 1, by striking lines 30 through 32 and  
13 inserting the following: "equivalent collected by the  
14 site and the prior to July 1, 1998. The financial".
- 15 6. Page 1, lines 34 and 35, by striking the words  
16 "eighty-five" and inserting the following: "eighty-  
17 five thirty-five".
- 18 7. Page 2, line 2, by inserting after the word  
19 "department." the following: "This paragraph shall  
20 take effect July 1, 1999."
- 21 8. Page 2, by striking lines 12 through 18 and  
22 inserting the following: "tire collection or  
23 processing site, the financial assurance instrument  
24 for a waste tire collection site shall provide  
25 coverage in an amount which is equivalent to eighty-  
26 five cents per passenger tire equivalent collected by  
27 the site on or after July 1, 1998, and the financial  
28 assurance instrument for a waste tire processing site  
29 shall provide coverage in an amount which is  
30 equivalent to eighty-five cents per passenger tire  
31 equivalent collected for processing by the site which  
32 is above the three-day processing supply of tires for  
33 the site as determined by the department."
- 34 9. By striking page 2, line 19, through page 3,  
35 line 1.
- 36 10. By renumbering, relettering, or redesignating  
37 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-9323 FILED APRIL 20, 1998

*House Concurred*  
*4/20/98*  
*(p. 1830)*

## HOUSE FILE 2546

S-5764

- 1 Amend House File 2546, as amended, passed, and  
2 reprinted by the House, as follows:
- 3 1. Page 1, line 8, by striking the word "shall"  
4 and inserting the following: "may".
- 5 2. Page 1, lines 25 through 27, by striking the  
6 words "other than a site located underground and  
7 holding a grain warehouse license,"
- 8 3. Page 1, line 29, by striking the word "fifty"  
9 and inserting the following: "thirty-five".
- 10 4. Page 1, by striking lines 30 through 32 and  
11 inserting the following: "equivalent collected by the  
12 site and the prior to July 1, 1998. The financial".
- 13 5. Page 1, lines 34 and 35, by striking the words  
14 "eighty-five" and inserting the following: "eighty-  
15 five thirty-five".
- 16 6. Page 2, line 2, by inserting after the word  
17 "department." the following: "This paragraph shall  
18 take effect July 1, 1999."
- 19 7. Page 2, by striking lines 12 through 18 and  
20 inserting the following: "tire collection or  
21 processing site, the financial assurance instrument  
22 for a waste tire collection site shall provide  
23 coverage in an amount which is equivalent to eighty-  
24 five cents per passenger tire equivalent collected by  
25 the site on or after July 1, 1998, and the financial  
26 assurance instrument for a waste tire processing site  
27 shall provide coverage in an amount which is  
28 equivalent to eighty-five cents per passenger tire  
29 equivalent collected for processing by the site which  
30 is above the three-day processing supply of tires for  
31 the site as determined by the department."
- 32 8. By striking page 2, line 19, through page 3,  
33 line 1.
- 34 9. By renumbering as necessary.

By MERLIN E. BARTZ  
H. KAY HEDGE

S-5764 FILED APRIL 20, 1998  
ADOPTED

(P.1385)

*Jpp, Chron.  
Meyers, Shoatz*

**HSB 575**

ENVIRONMENTAL PROTECTION

SENATE/HOUSE FILE FILE 12511

BY (PROPOSED DEPARTMENT OF  
NATURAL RESOURCES BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to waste tires and tire-derived fuels.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 455D.11E, Code 1997, is amended to read  
2 as follows:

3 455D.11E USE BY REGENTS INSTITUTIONS OF WASTE TIRES TO  
4 PRODUCE TIRE-DERIVED FUELS AND OTHER BENEFICIAL USES.

5 State board of regents institutions of higher education,  
6 defined in section 262.7, are encouraged to use, to the  
7 fullest extent practicable, waste tires for beneficial uses,  
8 such-as, including, but not limited to, producing consuming  
9 such tires for tire-derived fuels. Moneys shall be awarded  
10 from the waste tire management fund, pursuant to section  
11 455D.11C, subsection 2, to such an institution by the  
12 department pursuant to section 455D.11C to offset additional  
13 fuel, operation, and maintenance costs incurred in generating  
14 heat, electricity, or power ~~on-a-British-thermal-unit~~  
15 equivalent-basis through the use of tire-derived fuel and for  
16 the reimbursement of costs associated with air permits, fees,  
17 and testing required to expand the institution's use of tire-  
18 derived fuel. Additional fuel costs shall be calculated at a  
19 reimbursement rate of up to twenty-five dollars per ton of  
20 tire-derived fuel material consumed by the institution.  
21 Moneys of not more than one hundred thousand dollars may be  
22 awarded in the aggregate in a fiscal year to such institutions  
23 to offset ~~any-increased-fuel~~ costs described in this section  
24 which are associated with assisting the state's program to  
25 dispose of waste tires in an environmentally sound manner, and  
26 shall be available only to the extent that such moneys help to  
27 reduce the number of waste tires in the state.

28 Sec. 2. Section 455D.11F, Code 1997, is amended to read as  
29 follows:

30 455D.11F ~~TIRE-PROCESSORS~~ END-USERS AWARDED MONEYS FOR  
31 ~~PROCESSING~~ USING PROCESSED WASTE TIRES.

32 1. As used in this section:

33 a. "End-user" means a facility, industry, utility, or  
34 operation where processed waste tires are recycled, reused, or  
35 consumed for energy recovery.

1 a- b. "Passenger tire equivalent" means the physical  
2 dimensions of a tire which has a rim diameter of sixteen and  
3 one-half inches or less.

4 b- ---"Site-of-end-use"--means-a-site-where-whole-or-processed  
5 waste-tires-are-permanently-legally-disposed-of, recycled, or  
6 reused.

7 c. "Tire processor" means a person who reduces waste tires  
8 into a processed form suitable for recycling or producing fuel  
9 for energy or heat, or uses whole waste tires in any other  
10 beneficial use as authorized by the department. "Tire  
11 processor" does not mean a person who retreads tires or  
12 processes and stores tires.

13 2. A-tire-processor-who An end-user that annually  
14 processes recycles, reuses, or consumes for energy recovery  
15 more than two hundred fifty thousand processed waste tires, as  
16 defined-in-section-455D.11, or the equivalent, at a processing  
17 site-as-defined-in-section-455D.11-located-within-the-state  
18 may be awarded moneys pursuant to section 455D.11C, subsection  
19 2, from the waste tire management fund of not more than twenty  
20 ten cents per passenger tire equivalent processed and  
21 delivered to the site-of-end-use end-user, at a reimbursement  
22 rate of no more than fifty percent of the costs incurred or  
23 paid per ton by the end-user to receive the processed waste  
24 tire materials. Moneys of not more than three hundred  
25 thousand dollars for such tire-processors end-user awards  
26 shall be available in the aggregate in a fiscal year and shall  
27 be disbursed by the department upon application and approval  
28 to such tire-processors end-users. A-tire-processor An end-  
29 user shall not receive more than twenty one hundred fifty  
30 thousand dollars from the waste tire management fund in a  
31 fiscal year. A-tire-processor-with-a-pending-enforcement  
32 action-against-the-tire-processor-by-the-department-is  
33 ineligible-to-receive-moneys-while-the-enforcement-action-is  
34 pending.---A-tire-processor Funding allocations shall be made  
35 proportionately between eligible end-users in the event that

1 funding requests exceed the total annual amount of moneys  
2 available. Moneys shall be available only for waste tires  
3 that have been generated from within the state and which are  
4 processed by and received from a tire processor located within  
5 the state. An end-user with a pending enforcement action  
6 against the end-user by the department relating to sections  
7 455D.11 through 455D.11H shall be ineligible for consideration  
8 of reimbursement for any processed waste tire materials  
9 recycled, reused, or consumed for energy recovery while the  
10 enforcement action is pending. An end-user of processed waste  
11 tire material is encouraged to use moneys awarded under this  
12 subsection to ~~lower-the-rates-at-which-the-tire-processor~~  
13 sell increase the purchase and consumption of processed  
14 materials.

15 EXPLANATION

16 This bill provides that state board of regents institutions  
17 are encouraged to consume waste tires for tire-derived fuels.  
18 The bill allows for money to be awarded to institutions from  
19 the waste tire management fund to offset additional fuel,  
20 operation, and maintenance costs incurred in generating heat,  
21 electricity, or power through the use of tire-derived fuel and  
22 for the reimbursement of costs associated with air permits,  
23 fees, and testing required to expand the institution's use of  
24 tire-derived fuels. Additional fuel costs shall be calculated  
25 at a reimbursement rate of up to \$25 per ton of tire-derived  
26 fuel material consumed.

27 Currently, Code section 455D.11F relates to the awarding to  
28 tire processors of moneys for processing waste tires. The  
29 bill amends this section to provide for the awarding to end-  
30 users of moneys from the waste tire management fund for the  
31 use of processed waste tires. The bill defines an end-user as  
32 a facility, industry, utility, or operation where processed  
33 waste tires are recycled, reused, or consumed for energy  
34 recovery. The bill provides that an end-user who annually  
35 recycles, reuses, or consumes more than 250,000 processed

1 waste tires may be awarded moneys of not more than 10 cents  
 2 per passenger tire equivalent processed and delivered to the  
 3 end-user at a reimbursement rate of no more than 50 percent of  
 4 the costs incurred or paid per ton by the end-user to receive  
 5 the processed waste tires. An end-user shall not be awarded  
 6 more than \$150,000 in a fiscal year. Award allocations shall  
 7 be made proportionately between eligible end-users in the  
 8 event that funding requests exceed the total annual amount of  
 9 moneys available. The bill provides that moneys shall only be  
 10 available for waste tires generated within the state and which  
 11 are processed by and received from a tire processor located  
 12 within the state. An end-user with a pending enforcement  
 13 action against the end-user by the department of natural  
 14 resources relating to Code sections 455D.11 through 455D.11H  
 15 shall be ineligible for consideration of receiving moneys for  
 16 waste tire materials which are recycled, reused, or consumed  
 17 while the enforcement action is pending. The bill provides  
 18 that end-users are encouraged to use moneys awarded to  
 19 increase the purchase and consumption of processed materials.

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**The issue and rationale:**

Current law provides moneys from the waste tire management fund to state board of regents institutions of higher education to offset additional fuel costs incurred in generating heat, electricity, or power on a british thermal (Btu) equivalent basis. Moneys of up to \$100,000 are available annually, in the aggregate. The DNR allocated \$7,500 to the University of Iowa (the only Regents institution currently using tire derived fuel (TDF) to offset additional fuel costs incurred by their power plant through its use of tire-derived fuel during year 1997.

Changes are necessary to further encourage the regents institutions to consider TDF as an alternative fuel source, and thus assist in the state's efforts to properly dispose of waste tires.

The proposal is to increase the eligible costs for reimbursement, to include costs for test burns, consultant fees, and permit costs associated with new or expanded TDF usage at the regents institutions, and establishing a maximum reimbursement amount per ton of TDF used.



HOUSE FILE 2546

AN ACT

RELATING TO WASTE TIRES AND TIRE-DERIVED FUELS.

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

Section 1. Section 455D.11A, subsection 3, Code Supplement 1997, is amended to read as follows:

3. Financial assurance instruments may include instruments such as cash or surety bond, a letter of credit in a form prescribed by the department, or a secured trust fund, a corporate guarantee, or a combination of such instruments and guarantees sufficient to satisfy the requirements of subsection 5. The department may request an annual audit, which shall remain confidential, to be performed by a third party.

Sec. 2. Section 455D.11A, subsection 5, Code Supplement 1997, is amended to read as follows:

5. Financial assurance shall be provided in the amounts as follows:

a. For a waste tire collection or processing site ~~initially permitted on or after July 17, 1992~~, the financial assurance instrument for a waste tire collection site shall provide coverage in an amount which is equivalent to eighty-

~~five thirty-five cents per passenger tire equivalent collected by the site and the prior to July 1, 1998. The financial assurance instrument for a waste tire processing site shall provide coverage in an amount which is equivalent to eighty-five thirty-five cents per passenger tire equivalent collected for processing by the site which is above the three-day processing supply of tires for the site as determined by the department. This paragraph shall take effect July 1, 1999.~~

b. ~~For a waste tire collection or processing site in existence prior to July 17, 1992, a waste tire collection site shall provide a financial assurance instrument in an amount which is eighty-five cents per additional tire collected after July 17, 1992, and a waste tire processing site shall provide a financial assurance instrument in an amount which is eighty-five cents per additional tire collected for processing, above the three-day processing supply of tires for the site as determined by the department, after July 17, 1992. For a waste tire collection or processing site, the financial assurance instrument for a waste tire collection site shall provide coverage in an amount which is equivalent to eighty-five cents per passenger tire equivalent collected by the site on or after July 1, 1998, and the financial assurance instrument for a waste tire processing site shall provide coverage in an amount which is equivalent to eighty-five cents per passenger tire equivalent collected for processing by the site which is above the three-day processing supply of tires for the site as determined by the department.~~

Sec. 3. Section 455D.11E, Code 1997, is amended to read as follows:

455D.11E USE BY REGENTS INSTITUTIONS OF WASTE TIRES TO PRODUCE TIRE-DERIVED FUELS AND OTHER BENEFICIAL USES OF WASTE TIRES.

State board of regents institutions of higher education, defined in section 262.7, are encouraged to use, to the fullest extent practicable, waste tires for beneficial uses,

such as including, but not limited to, producing the consumption of tire-derived fuels. Moneys shall be awarded from the waste tire management fund, pursuant to section 455D.11C, subsection 2, to such an institution by the department pursuant to section 455D.11C to offset additional fuel, operation, and maintenance costs incurred in generating heat, electricity, or power on-a-British-thermal-unit equivalent-basis through the use of tire-derived fuel and for the reimbursement of costs associated with mandated air permits, regulatory fees, and emission or fuel testing required to expand the institution's use of tire-derived fuel. Moneys of not more than one hundred thousand dollars may be awarded in the aggregate in a fiscal year to such institutions to offset any-increased-fuel costs described in this section which are associated with assisting the state's program to dispose of waste tires in an environmentally sound manner, and shall be available only to the extent that such moneys help to reduce the number of waste tires in the state. Institutions receiving moneys as described in this section shall not be eligible to receive funding available in section 455D.11F.

Sec. 4. Section 455D.11F, Code 1997, is amended to read as follows:

455D.11F ~~TIRE-PROCESSORS~~ END-USERS AWARDED MONEYS FOR ~~PROCESSING~~ USING PROCESSED WASTE TIRES.

1. As used in this section:

a. "End-user" means a facility, industry, utility, or operation where processed waste tires are recycled, reused, or consumed for energy recovery.

a- b. "Passenger tire equivalent" means the physical dimensions of a tire which has a rim diameter of sixteen and one-half inches or less.

b- --"Site-of-end-use"--means-a-site-where-whole-or-processed waste-tires-are-permanently-legally-disposed-of,-recycled,-or-reused:

c. "Tire processor" means a person who reduces waste tires into a processed form suitable for recycling or producing fuel for energy or heat, or uses whole waste tires in any other beneficial use as authorized by the department. "Tire processor" does not mean a person who retreads tires or processes and stores tires.

2. A-tire-processor-who An end-user that annually processes recycles, reuses, or consumes for energy recovery more than two hundred fifty thousand processed waste tires,-as defined-in-section-455D.11i,-or-the-equivalent-at-a-processing site-as-defined-in-section-455D.11j-located-within-the-state may be awarded moneys pursuant to section 455D.11C, subsection 2, from the waste tire management fund of not more than twenty ten cents per passenger tire equivalent processed and delivered to the site-of-end-use end-user, at a reimbursement rate of no more than fifty percent of the costs incurred or paid per ton by the end-user to receive the processed waste tire materials. Moneys of not more than three hundred thousand dollars for such tire-processors end-user awards shall be available in the aggregate in a fiscal year and shall be disbursed by the department upon application and approval to such tire-processors end-users. A-tire-processor An end-user shall not receive more than twenty one hundred fifty thousand dollars from the waste tire management fund in a fiscal year. A-tire-processor-with-a-pending-enforcement action-against-the-tire-processor-by-the-department-is ineligible-to-receive-moneys-while-the-enforcement-action-is pending.--A-tire-processor Funding allocations shall be made proportionately between eligible end-users in the event that funding requests exceed the total annual amount of moneys available. Moneys shall be available only for waste tires that have been generated from within the state and which are processed by and received from a tire processor located within the state. An end-user with a pending enforcement action against the end-user by the department relating to sections

455D.11 through 455D.11H shall be ineligible for consideration of reimbursement for any processed waste tire materials recycled, reused, or consumed for energy recovery while the enforcement action is pending. An end-user of processed waste tire material is encouraged to use moneys awarded under this subsection to lower-the-rates-at-which-the-tire-processor sells increase the purchase and consumption of processed materials.

Sec. 5. Section 455D.11G, Code 1997, is amended to read as follows:

455D.11G DISPOSAL FEE CHARGED BY RETAIL TIRE DEALER.

1. A retail tire dealer who currently charges a fee relating to disposal of used tires is encouraged to include the fee within the sales price of new tires. The practice by retail tire dealers of adding the fee as a separate charge on sales invoices is discouraged.

2. Notwithstanding any provision in this chapter, any generator of waste tires who is identified as being a contributor to the materials which are the object of an abatement and who can document full compliance with this chapter and administrative rules adopted pursuant to this chapter in disposing of such waste tires shall not be liable for any of the cost of recovery actions of the abatement.

Sec. 6. APPROPRIATION. There is appropriated from moneys used for funding alternatives to landfills pursuant to section 455E.11, subsection 2, paragraph "a", subparagraph (1), to Iowa state university of science and technology for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For equipment and retrofitting the heating plant at the university to burn tire derived fuel:

..... \$ 200,000

Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated on June 30,

1999, shall not revert to the general fund of the state but shall remain available for expenditure for the same purposes in the succeeding fiscal year.

\_\_\_\_\_  
RON J. CORBETT  
Speaker of the House

\_\_\_\_\_  
MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2546, Seventy-seventh General Assembly.

\_\_\_\_\_  
ELIZABETH ISAACSON  
Chief Clerk of the House

Approved May 6, 1998

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor