

House Study Bill 177 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
NATURAL RESOURCES BILL BY
CHAIRPERSON BACON)

A BILL FOR

1 An Act relating to financial assurance instruments and surety
2 bonds required for collecting, processing, or transporting
3 waste tires, and making penalties applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 455D.11A, subsection 5, Code 2021, is
2 amended to read as follows:

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

5 ~~a. For a waste tire collection or processing site, the~~
6 ~~financial assurance instrument for a waste tire collection~~
7 ~~site shall provide coverage in an amount which is equivalent~~
8 ~~to thirty-five cents per passenger tire equivalent collected~~
9 ~~by the site prior to July 1, 1998. The financial assurance~~
10 ~~instrument for a waste tire processing site shall provide~~
11 ~~coverage in an amount which is equivalent to thirty-five cents~~
12 ~~per passenger tire equivalent collected for processing by the~~
13 ~~site which is above the three-day processing supply of tires~~
14 ~~for the site as determined by the department.~~

15 ~~b. For a waste tire collection or processing site, the~~ The
16 financial assurance instrument for a waste tire collection site
17 shall provide coverage in an amount ~~which~~ that is equivalent
18 to ~~eighty-five~~ two dollars and fifty cents per passenger tire
19 equivalent collected by the site ~~on or after July 1, 1998,~~
20 ~~and the.~~ The financial assurance instrument for a waste tire
21 processing site shall provide coverage in an amount ~~which~~ that
22 is equivalent to ~~eighty-five~~ two dollars and fifty cents per
23 passenger tire equivalent collected for processing by the site
24 ~~which~~ that is above the three-day processing supply of tires
25 for the site as determined by the department.

26 Sec. 2. Section 455D.11I, subsection 6, Code 2021, is
27 amended to read as follows:

28 6. The department shall require that a waste tire hauler
29 have on file with the department before the issuance or renewal
30 of a registration certificate, a surety bond executed by a
31 surety company authorized to do business in this state in the
32 sum of a minimum of ~~ten~~ two hundred fifty thousand dollars,
33 which bond shall be continuous in nature until canceled by the
34 surety. A surety shall provide at least thirty days' notice
35 in writing to the waste tire hauler and to the department

1 indicating the surety's intent to cancel the bond and the
2 effective date of the cancellation. The surety bond shall
3 be for the benefit of the citizens of this state and shall
4 be conditioned upon the waste tire hauler's willingness to
5 comply with [this section](#). The surety's liability under this
6 subsection is limited to the amount of the bond or the amount
7 of the damages or moneys due, whichever is less. However, this
8 subsection does not limit the amount of damages recoverable
9 from a waste tire hauler to the amount of the surety bond. The
10 bond shall be made in a form prescribed by the commissioner
11 of insurance and written by a company authorized by the
12 commissioner of insurance to do business in this state.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
15 the explanation's substance by the members of the general assembly.

16 This bill relates to financial assurance instruments
17 and surety bonds required for collecting, processing, or
18 transporting waste tires.

19 Under current law, an owner or operator of a waste tire
20 collection or processing site is required to obtain a permit
21 from the department of natural resources prior to operation of
22 the site and to provide to the department prior to approval
23 or renewal of a permit a financial assurance instrument that
24 provides coverage in an amount that is equivalent to 85 cents
25 per passenger tire equivalent collected by the site. The bill
26 increases the amount to \$2.50 per passenger tire equivalent.

27 Current law requires a waste tire hauler to have on file with
28 the department before the issuance or renewal of a registration
29 certificate a surety bond of at least \$10,000. The bill
30 increases the minimum required amount of a surety bond to
31 \$250,000.

32 The bill also removes language relating to financial
33 assurance instruments required for waste tires collected by a
34 waste tire collection or processing site prior to July 1, 1998.

35 A violation of the requirements amended by the bill is

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1 punishable by a civil penalty not to exceed \$10,000 per day of
2 the violation.