

**Senate Study Bill 1161 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
NATURAL RESOURCES AND  
ENVIRONMENT BILL BY  
CHAIRPERSON SWEENEY)

**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.