

enterprise zone. A business establishing a housing assistance program shall fund this program through a credit from withholding based on the wages paid to the employees participating in the housing assistance program. An amount equal to one and one-half percent of the gross wages paid by the employer to each employee participating in the housing assistance program shall be credited from the payment made by an employer pursuant to section 422.16. If the amount of the withholding by the employer is less than one and one-half percent of the gross wages paid to the employees, then the employer shall receive a credit against other withholding taxes due by the employer. The employer shall deposit the amount of the credit quarterly into a housing assistance fund created by the business out of which the business shall provide employees enrolled in the housing assistance program with down payment assistance or rental assistance.

(2) A business may enter into an agreement with the county or city designating the enterprise zone pursuant to section 15E.194 to borrow initial moneys to fund a housing assistance program. The county or city may appropriate from the general fund of the county or city for the assistance program an amount not to exceed an amount estimated by the department of revenue and finance to be equal to the total amount of credit from withholding for employees determined by the business to be enrolled in the program during the first two years. The business shall pay the principal and interest on the loan out of moneys received from the credit from withholding provided for in subparagraph (1). The terms of the loan agreement shall include the principal amount, the interest rate, the terms of repayment, and the term of the loan. The terms of the loan agreement shall not extend beyond the period during which the enterprise zone is certified.

(3) The employer shall certify to the department of revenue and finance that the credit from withholding is in accordance with an agreement and shall provide other information the department may require.

(4) An employee participating in the housing assistance program will receive full credit for the amount withheld as provided in section 422.16.

Approved May 6, 1998

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## CHAPTER 1180

### WASTE TIRES AND TIRE-DERIVED FUELS

H.F. 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 1, 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 1, 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 1, 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 1, 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.11, or the equivalent, at a processing site as defined in section 455D.11 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~~ 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.~~ 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.

Approved May 6, 1998