First Regular Session Seventy-second General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 19-0949.01 Jennifer Berman x3286

SENATE BILL 19-198

SENATE SPONSORSHIP

Todd and Coram,

HOUSE SPONSORSHIP

Buentello and Gray,

Senate Committees

House Committees

State, Veterans, & Military Affairs Finance Appropriations

A BILL FOR AN ACT

101	CONCERNING THE CONTINUED MANAGEMENT OF WASTE TIRES, AND, IN
102	CONNECTION THEREWITH, MAKING AND REDUCING AM
103	APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

To encourage resource recovery, recycling, and reuse of waste tires, there is a waste tire fee assessed on each new tire sold in the state. Commencing on January 1, 2020, the bill raises the waste tire fee from 55 cents to up to \$2.00, as set by the solid and hazardous waste commission by rule, and, on January 1, 2024, reduces it to 55 cents.

The bill also recreates the end users fund, into which fund, on and after January 1, 2020, 75% of the revenue collected from the waste tire fee will be transferred. The fund is used to provide rebates to end users for the processing of waste tires into tire-derived products or fuel. The end users fund and the rebate program are repealed on July 1, 2025.

The bill increases the number of waste tires that an owner or operator of a waste tire monofill is required to process into tire-derived product from 2 to 5.

1 Be it enacted by the General Assembly of the State of Colorado: 2 **SECTION 1.** In Colorado Revised Statutes, 30-20-1402, amend 3 (1); and **add** (1.2), (1.5), (7.5), and (9.5) as follows: 4 **30-20-1402. Definitions.** As used in this part 14, unless the 5 context otherwise requires: 6 (1) "Beneficial user" means a person who uses solid waste as an 7 ingredient in a manufacturing process or as an effective substitute for 8 natural or commercial products, in a manner that does not pose a threat 9 to human health or the environment. Avoidance of processing or disposal 10 cost alone does not constitute beneficial use "ALTERNATIVE DAILY COVER" MEANS AT LEAST THREE INCHES OF EARTHEN MATERIAL OR OTHER 11 12 SUITABLE MATERIAL PLACED OVER THE EXPOSED SOLID WASTE AT THE END 13 OF EACH OPERATING DAY, OR AT SUCH FREQUENCIES AS NEEDED TO 14 PREVENT OR MINIMIZE NUISANCE CONDITIONS. 15 (1.2) "ASTM STANDARD D6270" MEANS THE AMERICAN SOCIETY 16 FOR TESTING AND MATERIALS STANDARD ENTITLED "STANDARD PRACTICE FOR USE OF SCRAP TIRES IN CIVIL ENGINEERING 17 18 APPLICATIONS", EFFECTIVE ON DECEMBER 15, 2017. (1.5) "BENEFICIAL USER" MEANS A PERSON WHO USES SOLID 19 20 WASTE FOR ENERGY RECOVERY IN A MANUFACTURING PROCESS OR AS AN 21 EFFECTIVE SUBSTITUTE FOR NATURAL OR COMMERCIAL PRODUCTS, IN A

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2	ENVIRONMENT. AVOIDANCE OF PROCESSING OR DISPOSAL COST ALONE
3	DOES NOT CONSTITUTE BENEFICIAL USE.
4	(7.5) "RURAL COUNTY" MEANS A COUNTY WITH A POPULATION OF
5	FEWER THAN SIXTY THOUSAND RESIDENTS.
6	(9.5) "TON" MEANS A UNIT OF WEIGHT EQUAL TO TWO THOUSAND
7	POUNDS.
8	SECTION 2. In Colorado Revised Statutes, 30-20-1403, amend
9	(1)(a) and (2) as follows:
10	30-20-1403. Waste tire fee - distribution - <u>rules - repeal.</u>
11	(1) (a) (I) (A) Until December 31, 2019, retailers of New Motor
12	<u>VEHICLE TIRES AND NEW TRAILER TIRES SHALL COLLECT A WASTE TIRE FEE</u>
13	IN AN AMOUNT TO BE SET BY THE COMMISSION, BY RULE, NOT TO EXCEED
14	ONE DOLLAR AND FIFTY CENTS ON THE SALE OF EACH NEW TIRE. THE
15	STATE TREASURER SHALL CREDIT THE REVENUE FROM THE FEE ASSESSED
16	IN THIS SUBSECTION (1)(a)(I)(A) TO THE WASTE TIRE ADMINISTRATION,
17	ENFORCEMENT, MARKET DEVELOPMENT, AND CLEANUP FUND CREATED IN
18	<u>SECTION 30-20-1404.</u>
19	(B) This subsection (1)(a)(I) is repealed, effective July 1,
20	<u>2020.</u>
21	(II) Effective January 1, 2020, and continuing through
22	<u>DECEMBER 31, 2025, retailers of new motor vehicle</u> tires and new trailer
23	tires shall collect a waste tire fee in an amount to be set by the
24	commission, by rule, not to exceed one dollar and fifty cents TWO
25	DOLLARS on the sale of each new tire; except that, effective on and after
26	January 1, 2018 2024, the waste tire fee is fifty-five cents on the sale of
27	each new tire.

MANNER THAT DOES NOT POSE A THREAT TO HUMAN HEALTH OR THE

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1	(III) Effective January 1, 2020, the commission may review
2	THE FEE ON AN ANNUAL BASIS AND, BY RULE, ADJUST THE FEE AMOUNT IN
3	A MANNER CONSISTENT WITH THE OBLIGATIONS SET FORTH IN SUBSECTION
4	(2) OF THIS SECTION. THE COMMISSION SHALL SET THE FEE IN AN AMOUNT
5	THAT IS SUFFICIENT TO:
6	(A) OFFSET THE DEPARTMENT'S DIRECT AND INDIRECT COSTS OF
7	IMPLEMENTING THIS PART 14, WHICH COSTS MUST NOT EXCEED THE
8	EQUIVALENT OF FIFTY-FIVE CENTS FOR EACH NEW TIRE SOLD; AND
9	(B) COVER THE REBATE PROGRAM DESCRIBED IN SECTION
10	<u>30-20-1405.</u>
11	(IV) The receipt from the retailer to the customer for every new
12	tire PURCHASED must contain the following statement in the largest
13	bold-faced type capable based on point-of-sale software and on existing
14	invoice printers, not to exceed fifteen points: "Section 30-20-1403,
15	Colorado Revised Statutes, requires retailers to collect a waste tire fee set
16	by the solid and hazardous waste commission on the sale of each new
17	motor vehicle tire and each new trailer tire."
18	(2) (a) Until December 31, 2017 From January 1, 2020,
19	THROUGH DECEMBER 31, 2025, the state treasurer shall distribute the
20	revenue from the fee assessed in subsection (1) of this section as follows:
21	(I) Thirty percent The Portion of the fee collected to offset
22	THE COSTS DESCRIBED IN SUBSECTION (1)(a)(III)(A) OF THIS SECTION to
23	the waste tire administration, enforcement, MARKET DEVELOPMENT, and
24	cleanup fund created in section 30-20-1404; AND
25	(II) Sixty-five percent The Portion of the fee collected to
26	COVER THE COSTS DESCRIBED IN SUBSECTION (1)(a)(III)(B) OF THIS
27	SECTION to the end users fund created in section 30-20-1405 and

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1	(III) Five percent to the waste tire market development fund
2	created in section 30-20-1406.
3	(b) Effective January 1, 2018, the state treasurer shall distribute
4	all of the revenue from the fee assessed in subsection (1) of this section
5	to the waste tire administration, enforcement, and cleanup fund created
6	in section 30-20-1404.
7	SECTION 3. In Colorado Revised Statutes, 30-20-1404, amend
8	(1), (2) introductory portion, (2)(1), and (2)(m); and add (2)(o) as follows:
9	30-20-1404. Waste tire administration, enforcement, market
10	development, and cleanup fund - creation - rules. (1) There is hereby
11	created in the state treasury the waste tire administration, enforcement,
12	MARKET DEVELOPMENT, and cleanup fund, referred to in this section as
13	the "fund", consisting of the fee revenue credited pursuant to section
14	$30-20-1403 \frac{(2)(a)(1) \text{ or } (2)(b)}{2}$ and any other moneys MONEY appropriated
15	to it. The general assembly shall annually appropriate the moneys MONEY
16	in the fund to the department for its direct and indirect administrative and
17	enforcement costs in administering and enforcing this part 14. The state
18	treasurer shall credit all interest earned on the investment of moneys
19	MONEY in the fund to the fund. Any unexpended and unencumbered
20	moneys MONEY in the fund IN EXCESS OF SIXTEEN AND ONE-HALF
21	PERCENT OF THE PREVIOUS FISCAL YEAR'S EXPENDITURES at the end of any
22	fiscal year remain in the fund and do not revert to the general fund or any
23	other fund SHALL BE CREDITED:
24	(a) Through <u>December 31,</u> 2025, to the end users fund
25	CREATED IN SECTION 30-20-1405; AND
26	(b) On and after <u>January 1, 2026,</u> to the general fund.
27	(2) The department shall use the moneys MONEY in the fund for:

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1	(1) Maintaining an online complaint form and processes for law
2	enforcement, fire departments, and citizens to report potential waste tire
3	violations; and
4	(m) In conjunction with the division of fire prevention and control
5	in the department of public safety, developing a model fire prevention,
6	training, and firefighting plan, hiring a consultant to assist in developing
7	the plan, and reimbursing the division of fire prevention AND CONTROL
8	for its time spent assisting the department in implementing this paragraph
9	(m) SUBSECTION (2)(m); AND
10	(o) Encouraging waste tire market development.
11	SECTION 4. In Colorado Revised Statutes, recreate and
12	reenact, with amendments, 30-20-1405 as follows:
13	30-20-1405. End users fund - creation - quarterly rebates -
14	rules - repeal. (1) There is hereby created in the state treasury
15	THE END USERS FUND, REFERRED TO IN THIS SECTION AS THE "FUND",
16	CONSISTING OF THE FEE REVENUE CREDITED PURSUANT TO SECTION
17	30-20-1403 (2)(a)(II). The state treasurer shall credit all
18	INTEREST AND ANY OTHER RETURN ON THE INVESTMENT OF MONEY IN THE
19	FUND TO THE FUND. THE FUND IS SUBJECT TO ANNUAL APPROPRIATION BY
20	THE GENERAL ASSEMBLY TO THE DEPARTMENT FOR THE PURPOSES
21	SPECIFIED IN THIS SECTION.
22	(2) (a) THE DEPARTMENT SHALL USE THE MONEY IN THE FUND TO
23	PROVIDE QUARTERLY REBATES TO IN-STATE:
24	(I) END USERS; AND
25	(II) RETAILERS THAT SELL TIRE-DERIVED PRODUCTS.
26	(b) A WASTE TIRE HAULER OF TIRES IN A RURAL COUNTY IS ONLY
27	ELICIBLE FOR DEBATES DURSHANT TO THIS SURSECTION (2) IF THE WASTE

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2	USER THAT IS ALSO A WASTE TIRE HAULER.
3	(3) THE REBATE IS SUBJECT TO THE FOLLOWING CONDITIONS:
4	(a) The department shall pay the rebate amount
5	QUARTERLY, ON A PER-TON BASIS; AND
6	(b) ONCE THE DEPARTMENT HAS PAID A REBATE ON A PARTICULAR
7	QUANTITY OF TIRE-DERIVED PRODUCT, EVERY PART OF THAT PARTICULAR
8	QUANTITY OF TIRE-DERIVED PRODUCT IS NO LONGER ELIGIBLE FOR
9	PAYMENT OF THE REBATE.
10	(4) (a) THE COMMISSION SHALL ANNUALLY SET THE AMOUNT OF
11	THE REBATE, BY RULE, ON A PER-TON BASIS, AND THE DEPARTMENT SHALL
12	PAY THE SET REBATE AMOUNT FOR EACH TON OF QUALIFIED TIRE-DERIVED
13	PRODUCT. THE COMMISSION SHALL CALCULATE THE REBATE TO EQUAL,
14	BUT NOT EXCEED, THE AMOUNT OF THE ANTICIPATED INCOME
15	TRANSFERRED INTO THE FUND DURING EACH SUCCEEDING TWELVE-MONTH
16	PERIOD.
17	(b) EACH YEAR, THE DEPARTMENT SHALL CONTINUE TO PROVIDE
18	THE REBATE IN ACCORDANCE WITH THE TIERED STRUCTURE SET FORTH IN
19	SUBSECTION (5)(e) OF THIS SECTION UNTIL:
20	(I) ALL QUALIFIED REBATE REQUESTS SUBMITTED IN THAT YEAR
21	ARE SATISFIED; OR
22	(II) THERE IS INSUFFICIENT MONEY IN THE FUND TO SUPPORT
23	ADDITIONAL REBATE PAYMENTS.
24	(5) THE COMMISSION SHALL PROMULGATE RULES GOVERNING
25	ADMINISTRATION OF THE REBATE, WHICH RULES MUST INCLUDE THE
26	FOLLOWING:
27	(a) A QUARTERLY REBATE SCHEDULE FOR QUALIFIED RECIPIENTS,

TIRE HAULER IS ALSO AN END USER OR HAS CONTRACTED WITH AN END

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1	WITH THE FIRST END USER PAYOUT IN JULY 2020 , to be issued for end
2	USES THAT OCCUR BETWEEN APRIL 1, 2020, AND JUNE 30, 2020;
3	(b) A REQUIREMENT THAT TWENTY-FIVE PERCENT OF THE
4	EXPECTED ANNUAL REBATE AMOUNT BE HELD IN RESERVE BEFORE PAYING
5	THE FIRST QUARTERLY REBATE;
6	(c) IF THE BALANCE OF THE FUND IS ANTICIPATED TO BE
7	INSUFFICIENT TO PAY OUT ALL OF THE REBATES APPLIED FOR, A
8	REQUIREMENT THAT THE DEPARTMENT:
9	(I) GIVE NOTICE OF THE ANTICIPATED INSUFFICIENCY TO ALL END
10	USERS THAT DURING THE PRECEDING TWELVE MONTHS HAVE SUBMITTED
11	AN APPLICATION FOR A REBATE; <u>AND</u>
12	(II) PAY A PROPORTIONALLY REDUCED REBATE BEGINNING WITH
13	TIER 1 AND RURAL WASTE TIRE HAULER REBATE RECIPIENTS, CONTINUING
14	TO TIER 2 REBATE RECIPIENTS, AND ENDING WITH TIER 3 REBATE
15	<u>RECIPIENTS;</u>
16	(d) A REQUIREMENT THAT AN END USER THAT QUALIFIES FOR A
17	REBATE BY UTILIZING WASTE TIRES FOR:
18	(I) ALTERNATIVE DAILY COVER MUST VERIFY WITH THE
19	DEPARTMENT THAT THE ALTERNATIVE DAILY COVER MEETS ALL
20	SPECIFICATION STANDARDS FOR ALL TYPE-B TIRE-DERIVED AGGREGATE,
21	AS ESTABLISHED BY THE $ASTM$ STANDARD $D6270$; AND
22	(II) TIRE-DERIVED AGGREGATE MUST VERIFY WITH THE
23	DEPARTMENT THAT THE TIRE-DERIVED AGGREGATE MEETS ALL
24	SPECIFICATION STANDARDS FOR ALL TYPE-A TIRE-DERIVED AGGREGATE,
25	AS ESTABLISHED BY THE ASTM STANDARD D6270; AND
26	(e) Three tiers of rebate amounts that the department
27	MAY PAY OUT BASED ON THE AMOUNT OF THE WASTE TIRE THAT WAS USED

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1	AND DESTROYED AS FOLLOWS:
2	(I) TIER 1: FULL REBATES GOING TO END USES THAT COMPLETELY
3	DESTROY THE WASTE TIRE FOR THE PURPOSE OF ENERGY RECOVERY OR
4	OTHER CLEAN TECHNOLOGIES AS DEFINED AND APPROVED BY THE
5	<u>COMMISSION BY RULE;</u>
6	(II) TIER 2: FIFTY PERCENT OF THE FULL REBATE GOING TO END
7	USES SUCH AS MOLDED PRODUCTS, CRUMBED RUBBER, AND RUBBER
8	MULCH; AND
9	(III) TIER 3: TWENTY-FIVE PERCENT OF THE FULL REBATE GOING
10	TO END USES FOR ALTERNATIVE DAILY COVER AND TIRE-DERIVED
11	AGGREGATE THAT MEET THE ASTM STANDARD D6270.
12	(6) THE DEPARTMENT:
13	(a) SHALL PAY:
14	(I) THE REBATE ONLY FOR WASTE TIRES THAT ARE GENERATED
15	AND PROCESSED IN COLORADO; AND
16	(II) TO AN END USER ONLY IF THE END USE INVOLVES
17	TIRE-DERIVED PRODUCTS IN COLORADO OR USE OF THE ENTIRE WASTE TIRE
18	TO GENERATE ENERGY OR FUEL IN COLORADO; AND
19	(b) MAY DENY:
20	(I) THE REBATE TO A PERSON THAT IS OUT OF COMPLIANCE WITH
21	ANY STATE OR FEDERAL ENVIRONMENTAL LAWS, RULES, OR REGULATIONS;
22	AND
23	(II) ALL FUTURE REBATES PURSUANT TO THIS SECTION AND
24	GRANTS OF MONEY FROM THE WASTE TIRE ADMINISTRATION,
25	ENFORCEMENT, MARKET DEVELOPMENT, AND CLEANUP FUND CREATED IN
26	SECTION 30-20-1404 TO AN APPLICANT THAT KNOWINGLY OR
27	INTENTIONALLY PROVIDES FALSE INFORMATION TO THE DEPARTMENT

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1	WHEN APPLYING FOR A REBATE OR FOR A GRANT OF MONEY FROM THE
2	WASTE TIRE ADMINISTRATION, ENFORCEMENT, MARKET DEVELOPMENT,
3	AND CLEANUP FUND.
4	(7) WASTE TIRES OBTAINED FROM RURAL COUNTIES ARE ELIGIBLE
5	FOR AN ADDITIONAL REBATE AMOUNT OF TWENTY-FIVE DOLLARS PER TON;
6	HOWEVER, THE ADDITIONAL REBATE AMOUNT MUST NOT EXCEED THE
7	REBATE AMOUNT FOR TIER 3 REBATES AS DETERMINED BY THE
8	COMMISSION BY RULE PURSUANT TO SUBSECTION (5)(e)(III) OF THIS
9	SECTION. TO QUALIFY FOR THE ADDITIONAL REBATE AMOUNT SET FORTH
10	IN THIS SUBSECTION (7), AN END USER MUST PROVIDE EVIDENCE TO THE
11	DEPARTMENT DOCUMENTING THE COUNTY OF ORIGIN FOR EACH WASTE
12	TIRE.
13	(8) THE DEPARTMENT SHALL REQUIRE THAT AN END USER SUBMIT
14	AN APPLICATION FOR A REBATE THAT CONTAINS SELF-CERTIFICATIONS
15	PROVIDED BY THE END USER REGARDING:
16	(a) THE TOTAL TONNAGE OF TIRES PROCESSED; AND
17	(b) The total tonnage of tires collected in rural
18	COUNTIES.
19	(9) (a) The department may issue rebates after January 1,
20	2026, ONLY FOR END USES OCCURRING AND REBATES APPLIED FOR ON OR
21	BEFORE DECEMBER 31, 2025.
22	(b) THE COMMISSION SHALL REPEAL ANY RULES CONCERNING THE
23	FUND AND IMPLEMENTATION OF THIS SECTION ONCE THE DEPARTMENT HAS
24	ISSUED THE FINAL REBATES PURSUANT TO SUBSECTION (9)(a) OF THIS
25	SECTION.
26	(c) On July 1, $\underline{2026}$, the state treasurer shall transfer any
27	MONEY LEFT IN THE FUND TO THE GENERAL FUND.

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1	(10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, <u>2026.</u>
2	SECTION 5. In Colorado Revised Statutes, 30-20-1415, amend
3	(1)(j) and (3) as follows:
4	30-20-1415. Waste tire monofills - requirements. (1) An owner
5	or operator of a waste tire monofill shall, as specified by the commission
6	by rule:
7	(j) On an annual basis, for every one waste tire received, end use
8	at least two FIVE waste tires, or process at least two FIVE waste tires into
9	tire-derived product; and
10	(3) AFTER SOLICITING PUBLIC COMMENT, the department may issue
11	a waiver relating to any requirement of this section; EXCEPT THAT THE
12	DEPARTMENT SHALL NOT ISSUE A WAIVER OF SUBSECTION $(1)(j)$ OR $(1)(k)$
13	OF THIS SECTION TO A WASTE TIRE MONOFILL OWNER OR OPERATOR
14	UNLESS THE OWNER OR OPERATOR HAS DEMONSTRATED THAT IT HAS
15	ACHIEVED A NET REDUCTION ON AN ANNUAL BASIS IN THE NUMBER OF
16	WASTE TIRES IN THE MONOFILL OR UNLESS AN EMERGENCY EVENT OF
17	LIMITED DURATION SUCH AS A FIRE OR FLOOD, AS DEFINED BY THE
18	COMMISSION, HAS OCCURRED.
19	SECTION 6. Appropriation. For the 2019-20 state fiscal year,
20	\$3,262,500 is appropriated to the department of public health and
21	environment for use by the hazardous materials and waste management
22	division. This appropriation consists of \$3,375,000 from the end users
23	fund created in section 30-20-1405 (1), C.R.S., and a reduction of
24	\$112,500 from the waste tire administration, enforcement, market
25	development, and cleanup fund created in section 30-20-1404 (1), C.R.S.
26	To implement this act, the division may use this appropriation for waste
27	tire program administration.

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SECTION 7. Act subject to petition - effective date -
applicability. (1) This act takes effect at 12:01 a.m. on the day following
the expiration of the ninety-day period after final adjournment of the
general assembly (August 2, 2019, if adjournment sine die is on May 3,
2019); except that, if a referendum petition is filed pursuant to section 1
(3) of article V of the state constitution against this act or an item, section,
or part of this act within such period, then the act, item, section, or part
will not take effect unless approved by the people at the general election
to be held in November 2020 and, in such case, will take effect on the
date of the official declaration of the vote thereon by the governor.
(2) This act applies to conduct occurring on or after the applicable

effective date of this act.

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