
DIGEST

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HB 1027 Original

2016 Regular Session

Montoucet

Abstract: Makes changes to the Waste Tire Program in the Dept. of Environmental Quality through increases in waste tire fees and changes to processors payments and definitions, and an evaluation of the volume of waste tires managed.

Present law provides that \$2 per passenger/light truck tire, \$5 per medium truck tire, and \$10 per off-road tire be collected for every tire sold. These fees are deposited into the Waste Tire Management Fund which is used to operate the waste tire program in the Dept. of Environmental Quality. One aspect of that program is to reimburse waste tire processors from the fund for recycling waste tires generated within the state.

Proposed law increases the fees in present law and adds a fee for retreaded tires as follows:

Tire Type	Present Fee	Proposed Fee
Passenger/light Truck/small farm service	\$2.00	\$3.00
Medium Truck	\$5.00	\$7.50
Off-road	\$10.00	\$20.00
Retreaded	N/A	\$1.50

Present law requires permitted waste tire processing facilities to be paid a minimum of 7½¢ per pound of waste tire material that is recycled or that reaches end market uses or per pound of whole waste tires that are recycled or that reaches end market uses.

Proposed law increases the minimum payment to processors from 7½¢ to 11¢ per pound.

Proposed law authorizes the department, in even numbered years, to adjust fees and the minimum payments made to processors after June 1, 2018, by an amount not to exceed the greater of 4% or the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) (All Items - U.S. City Average) maintained by the U.S. Dept. of Labor, Bureau of Labor Statistics.

Proposed law provides CPI-U adjustment determinations may be based on the percentage change

from the latest fee adjustment and promulgated in accordance with the Administrative Procedure Act.

Proposed law prohibits charging an amount above the fees authorized by proposed law for the disposal, transporting, or processing of waste tires. This prohibition shall not apply to the sale or marketing of recycled waste tire material or whole waste tires.

Proposed law requires all standard permitted waste tire processing facilities that store waste tire material and have financial assurances as required by department rules and regulations be paid 85% of the total payment at processing and the remaining 15% of the total payment once waste tire material reaches end market uses.

Present law defines "medium truck tire" as a tire weighing 100 lbs. or more and normally used on semitrailers, truck-tractor, semitrailer combinations or other like vehicles used primarily to commercially transport persons or property on the roads of this state or any other vehicle regularly used on the roads of this state.

Proposed law removes the 100 lb. weight requirement from the definition.

Proposed law requires the secretary of the department to evaluate the volume of waste tires managed and determine the permitted capacity. Further requires the secretary to give notice to the oversight committees and the public and consider any public comments to this evaluation.

Proposed law requires the secretary to consider the available permitted capacity in permitting facilities that manage waste tires and prohibits the secretary from issuing a permit for a new waste tire processing facility above 15% of the total permitted capacity. The 15% is applied on an aggregate basis and not applied during a response to a natural disaster.

Present law authorizes the secretary to promulgate rules to make payments to processors on the basis of weight or tire count. Proposed law removes the authority to base payments on weight.

Present law provides that payments to a waste tire processor, or any portion thereof, shall not be temporarily or permanently withheld or terminated prior to written notification by the department with reasons by certified mail. Proposed law only allows up to 15% of a processor payment to be withheld or terminated.

Present law requires disputed processor payments to be immediately placed in escrow pending final resolution of the matter. Proposed law retains present law.

(Amends R.S. 30:2412(4), 2418(I)(1) and (2) and (N); Adds R.S. 30:2418(K)(4))