

HOUSE BILL No. 5435

December 10, 1997, Introduced by Rep. Leland and referred to the Committee on Conservation, Environment and Recreation.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding sections 17005, 17006, and 17007.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 17005. (1) AN APPLICANT FOR A SCRAP TIRE REIMBURSEMENT
2 GRANT SHALL APPLY ANNUALLY TO THE DEPARTMENT FOR ADVANCE CERTIFI-
3 CATION THAT THE PROPOSED USE OF SCRAP TIRES IN THAT YEAR IS ELI-
4 GIBLE FOR A GRANT.
- 5 (2) AN APPLICATION FOR ADVANCE CERTIFICATION SHALL BE SUB-
6 MITTED TO THE DEPARTMENT BY MARCH 1 OF THE CALENDAR YEAR FOR
7 WHICH ADVANCE CERTIFICATION IS SOUGHT, OR WITHIN 60 DAYS AFTER
8 THE EFFECTIVE DATE OF THIS SECTION.
- 9 (3) AN ADVANCE CERTIFICATION ISSUED BY THE DEPARTMENT DOES
10 NOT GUARANTEE THAT THE APPLICANT SHALL RECEIVE A GRANT FOR SCRAP

1 TIRES USED IN A CALENDAR YEAR. AT THE TIME THE APPLICANT SUBMITS
2 A GRANT APPLICATION UNDER SECTION 17006, THE BURDEN OF PROOF
3 SHALL BE ON THE APPLICANT TO DOCUMENT THAT THE USE FOR THE GRANT
4 REQUESTED ACTUALLY TOOK PLACE AND CORRESPONDS TO THE USE
5 DESCRIBED IN THE ADVANCE CERTIFICATION.

6 (4) AN APPLICATION FOR ADVANCE CERTIFICATION SHALL BE MADE
7 ON FORMS PROVIDED BY THE DEPARTMENT AND SHALL INCLUDE THE
8 FOLLOWING:

9 (A) DOCUMENTATION THAT THE APPLICANT IS AN ELIGIBLE END USER
10 OR PROCESSOR OF SCRAP TIRES.

11 (B) A DESCRIPTION OF THE PROPOSED USE OF THE SCRAP TIRES.

12 (C) A DESCRIPTION OF THE PROPOSED SOURCE OF THE SCRAP TIRES,
13 INCLUDING THE PROCEDURES THAT THE APPLICANT WILL USE TO ENSURE
14 THAT AT LEAST 95% OF THE SCRAP TIRES WILL HAVE BEEN GENERATED IN
15 MICHIGAN.

16 (D) AN ESTIMATE OF THE TOTAL NUMBER OF POUNDS OF SCRAP TIRES
17 TO BE USED OR PROCESSED IN THE CALENDAR YEAR, INCLUDING THE PRO-
18 CEDURES THAT THE APPLICANT WILL USE TO DOCUMENT THE TOTAL NUMBER
19 OF POUNDS USED OR PROCESSED.

20 (E) OTHER INFORMATION REQUESTED BY THE DEPARTMENT TO ESTAB-
21 LISH ELIGIBILITY.

22 (5) WITHIN 30 DAYS OF THE RECEIPT OF AN APPLICATION FOR
23 ADVANCE CERTIFICATION, THE DEPARTMENT MAY REQUEST ANY ADDITIONAL
24 INFORMATION NEEDED TO COMPLETE THE APPLICATION. AN APPLICATION
25 IS NOT COMPLETE UNTIL THE ADDITIONAL INFORMATION REQUESTED BY THE
26 DEPARTMENT HAS BEEN RECEIVED. BEFORE AN ADVANCE CERTIFICATION IS

1 ISSUED, THE APPLICANT SHALL ESTABLISH TO THE DEPARTMENT'S
2 SATISFACTION THAT:

3 (A) THE APPLICANT IS AN ELIGIBLE END USER OR PROCESSOR.

4 (B) THE USE BEING PROPOSED IS AN ELIGIBLE USE UNDER SECTION
5 17004.

6 (C) THE APPLICANT WILL BE ABLE TO DOCUMENT THAT AT LEAST 95%
7 OF THE SCRAP TIRES USED WERE GENERATED IN MICHIGAN.

8 (D) THE APPLICANT WILL BE ABLE TO DOCUMENT THE NUMBER OF
9 POUNDS OF SCRAP TIRES TO BE USED OR PROCESSED.

10 (6) IF THE DEPARTMENT DETERMINES THAT THE APPLICANT FOR
11 ADVANCE CERTIFICATION IS ELIGIBLE, THE DEPARTMENT SHALL ISSUE AN
12 ADVANCE CERTIFICATION WITHIN 60 DAYS OF RECEIPT OF A COMPLETE
13 APPLICATION.

14 (7) TO ENSURE THAT A USE CONTINUES TO BE ELIGIBLE FOR A
15 GRANT, THE DEPARTMENT MAY REQUIRE AN APPLICANT WHO HAS RECEIVED
16 ADVANCE CERTIFICATION TO RESUBMIT AN APPLICATION FOR ADVANCE CER-
17 TIFICATION DURING THE CALENDAR YEAR.

18 SEC. 17006. (1) A APPLICATION FOR A SCRAP TIRE REIMBURSE-
19 MENT GRANT SHALL NOT BE APPROVED UNLESS THE APPLICANT HAS
20 RECEIVED AN ADVANCE CERTIFICATION FROM THE DEPARTMENT UNDER SEC-
21 TION 17005. AN APPLICATION FOR A GRANT SHALL BE SUBMITTED TO THE
22 DEPARTMENT BY MARCH 1 OF THE CALENDAR YEAR FOLLOWING THE CALENDAR
23 YEAR IN WHICH THE TIRES WERE USED.

24 (2) AN APPLICATION FOR A GRANT SHALL BE MADE ON FORMS PRO-
25 VIDED BY THE DEPARTMENT AND SHALL CONTAIN THE FOLLOWING:

26 (A) DOCUMENTATION ACCEPTABLE TO THE DEPARTMENT OF THE NET
27 POUNDS OF SCRAP TIRES PROCESSED AND USED AS FOLLOWS:

1 (i) FOR TIRE-DERIVED FUEL, RECEIPTS SHOWING TONS OF
2 TIRE-DERIVED FUEL PURCHASED OR USED.

3 (ii) FOR INCINERATION OF WHOLE TIRES PRODUCING PROCESS HEAT,
4 STEAM, OR ELECTRICITY, RECORDS SHOWING NET TONS OF SCRAP TIRES
5 COMBUSTED.

6 (iii) FOR PYROLYSIS PLANTS PRODUCING ELECTRICITY OR PROCESS
7 HEAT OR STEAM, BILLINGS SHOWING SALES OF KILOWATT HOURS OR TONS
8 OF STEAM PRODUCED BY THE TIRE PYROLYSIS, CALCULATIONS CERTIFIED
9 BY A LICENSED PROFESSIONAL ENGINEER SHOWING HOW MANY NET POUNDS
10 OF SCRAP TIRES WERE REQUIRED TO GENERATE THAT AMOUNT OF ENERGY,
11 AND RECEIPTS OR BILLS OF LADING FOR THE NUMBER OF SCRAP TIRES
12 ACTUALLY USED TO PRODUCE THE ENERGY.

13 (iv) FOR PYROLYSIS TECHNOLOGIES PRODUCING COMBUSTIBLE HYDRO-
14 CARBONS AND OTHER SALABLE PRODUCTS, BILLINGS TO CUSTOMERS SHOWING
15 AMOUNTS OF PYROLYSIS DERIVED PRODUCTS SOLD IN GALLONS, POUNDS, OR
16 OTHER APPROPRIATE UNITS WITH CALCULATIONS CERTIFIED BY A LICENSED
17 PROFESSIONAL ENGINEER SHOWING THE NUMBER OF NET POUNDS OF SCRAP
18 TIRES INCLUDING EMBEDDED ENERGY, USED TO PRODUCE THOSE PRODUCTS.

19 (v) FOR END USERS OF TIRE STRIPS, CHUNKS, RUBBER CHIPS,
20 CRUMB, AND THE LIKE IN THE MANUFACTURE OF ANOTHER PRODUCT, BILL-
21 INGS TO PURCHASERS FOR THE PRODUCT SOLD, SHOWING NET POUNDS OF
22 SCRAP TIRES USED TO MANUFACTURE THE AMOUNT OF PRODUCT SOLD.

23 (vi) FOR END USERS OF TIRE CHIPS IN RUBBERIZED ASPHALT, OR
24 AS ROADBED MATERIAL, DRIVEWAY COVER, AND OTHER HIGHWAY IMPROVE-
25 MENTS, BILLINGS OR RECEIPTS SHOWING THE NET POUNDS OF SCRAP TIRES
26 USED.

1 (vii) FOR PROCESSORS OF SCRAP TIRES, RECEIPTS SHOWING TOTAL
2 TONS OR NUMBERS OF SCRAP TIRES RECEIVED AND PROCESSED AND THEIR
3 ORIGIN AND TOTAL TONS OF SCRAP TIRES USED BY ELIGIBLE END USERS
4 WHO BOUGHT OR ACCEPTED THE SCRAP TIRES.

5 (B) PROVIDE ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT
6 NECESSARY TO DETERMINE WHETHER THE PROPOSED USE IS IN ACCORDANCE
7 WITH THIS ACT AND THE RULES PROMULGATED UNDER THIS ACT.

8 (3) WITHIN 30 DAYS OF THE RECEIPT OF A GRANT APPLICATION,
9 THE DEPARTMENT MAY REQUIRE THAT ADDITIONAL INFORMATION BE SUP-
10 PLIED BY THE APPLICANT TO COMPLETE THE APPLICATION. THE GRANT
11 APPLICATION IS NOT COMPLETE UNTIL THE ADDITIONAL INFORMATION HAS
12 BEEN RECEIVED BY THE DEPARTMENT.

13 (4) BY JULY 1 EACH YEAR, THE DEPARTMENT SHALL CALCULATE THE
14 TOTAL DOLLAR AMOUNT OF ELIGIBLE REIMBURSEMENT REQUESTED BY GRANT
15 APPLICANTS AT \$.01 PER POUND AND SHALL MAKE PAYMENT IN THAT
16 AMOUNT TO THE APPLICANT TO THE EXTENT THAT FUNDS ARE AVAILABLE
17 FOR THAT PURPOSE. IF A SUFFICIENT AMOUNT OF MONEY IS NOT AVAIL-
18 ABLE TO ISSUE GRANTS AT THIS LEVEL, THE DEPARTMENT SHALL REDUCE
19 THE AMOUNT OF PAYMENT FOR EACH GRANT PROPORTIONATLY.

20 (5) AN APPLICANT FOR A GRANT IS SUBJECT TO AUDIT BY THE
21 DEPARTMENT AND SHALL ALLOW THE DEPARTMENT ACCESS TO ALL RECORDS
22 DURING NORMAL BUSINESS HOURS FOR THE PURPOSE OF DETERMINING COM-
23 PLIANCE WITH THIS PART FOR A PERIOD OF 3 YEARS FOLLOWING RECEIPT
24 OF A GRANT.

25 SEC. 17007. (1) THE SCRAP TIRE RECOVERY FUND IS CREATED
26 WITHIN THE STATE TREASURY.

1 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS
2 FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER
3 SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER
4 SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND
5 INVESTMENTS.

6 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
7 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

8 (4) THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, UPON
9 APPROPRIATION, ONLY FOR SCRAP TIRE REIMBURSEMENT GRANTS UNDER
10 THIS PART.

11 Enacting section 1. This amendatory act does not take
12 effect unless Senate Bill No. _____ or House Bill
13 No. _____ (request no. 01795'97) of the 89th Legislature is
14 enacted into law.