

# HOUSE BILL No. 4502

April 20, 1999, Introduced by Reps. Switalski, Bogardus, Woodward, Martinez, Lemmons, Jacobs, Thomas, Mans, Baird, Gielegem, Minore, DeHart, O'Neil and Bovin and referred to the Committee on Conservation and Outdoor 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 A FORM 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 RECEIPT OF AN APPLICATION FOR ADVANCE  
23 CERTIFICATION, THE DEPARTMENT MAY REQUEST ANY ADDITIONAL INFORMA-  
24 TION NEEDED TO COMPLETE THE APPLICATION. AN APPLICATION IS NOT  
25 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 ALL OF THE FOLLOWING:

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

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

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

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

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

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

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

25 (2) AN APPLICATION FOR A GRANT SHALL BE MADE ON A FORM PRO-  
26 VIDED BY THE DEPARTMENT AND SHALL CONTAIN ALL OF THE FOLLOWING:

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

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

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

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

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

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

25 (vi) FOR END USERS OF TIRE CHIPS IN RUBBERIZED ASPHALT, OR  
26 AS ROADBED MATERIAL, DRIVEWAY COVER, AND OTHER HIGHWAY

1 IMPROVEMENTS, BILLINGS OR RECEIPTS SHOWING THE NET POUNDS OF  
2 SCRAP TIRES USED.

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

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

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

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

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

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

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

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

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

13          Enacting section 1. This amendatory act does not take  
14 effect unless Senate Bill No. \_\_\_\_\_ or House Bill  
15 No. \_\_\_\_\_ (request no. 00970'99) of the 90th Legislature is  
16 enacted into law.