

**CHAPTER 46****(HB 422)**

AN ACT relating to waste tires.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

Section 1. KRS 224.50-868 is amended to read as follows:

- (1) Until July 31, ~~2006~~~~[2002]~~, a person purchasing a new motor vehicle tire in Kentucky shall pay to the retailer a one dollar (\$1) fee at the time of the purchase of that tire. A new tire is a tire that has never been placed on a motor vehicle wheel rim, but it is not a tire placed on a motor vehicle prior to its original retail sale or a recapped tire. The term "motor vehicle" as used in this section shall mean "motor vehicle" as defined in KRS 138.450. The fee shall not be subject to the Kentucky sales tax.
- (2) When a person purchases a new motor vehicle tire in Kentucky to replace another tire, the tire that is replaced becomes a waste tire subject to the waste tire program. The person purchasing the new motor vehicle tire shall either offer the retailer that waste tire or meet the following requirements:
  - (a) Dispose of the waste tire in accordance with KRS 224.50-856(1);
  - (b) Deliver the waste tire to a person registered in accordance with the waste tire program; or
  - (c) Reuse the waste tire for its original intended purpose or an agricultural purpose.
- (3) A retailer shall report to the Revenue Cabinet on or before the twentieth day of each month the number of new motor vehicle tires sold during the preceding month and the number of waste tires received from customers that month. The report shall be filed on forms and contain information as the Revenue Cabinet may require. The retailer shall remit with the report ninety-five percent (95%) of the fees collected for the preceding month and may retain a five percent (5%) handling fee.
- (4) A retailer shall:
  - (a) Accept from the purchaser of a new tire, if offered, for each new motor vehicle tire sold, a waste tire of similar size and type; and
  - (b) Post notice at the place where retail sales are made that state law requires the retailer to accept, if offered, a waste tire for each new motor vehicle tire sold and that a person purchasing a new motor vehicle tire to replace another tire shall comply with subsection (2) of this section. The notice shall also include the following wording: "State law requires a new tire buyer to pay one dollar (\$1) for each new tire purchased. The money is collected and used by the state to oversee the management of waste tires, including cleaning up abandoned waste tire piles and preventing illegal dumping of waste tires."
- (5) A retailer shall comply with the requirements of the recordkeeping system for waste tires established by KRS 224.50-874.
- (6) A retailer shall transfer waste tires only to a person who presents a letter from the cabinet approving the registration issued under KRS 224.50-858 or a copy of a solid waste disposal facility permit issued by the cabinet, unless the retailer is delivering the waste tires to a

destination outside Kentucky and the waste tires will remain in the retailer's possession until they reach that destination.

Section 2. KRS 224.50-872 is amended to read as follows:

The cabinet shall report to the General Assembly no later than January 15, ~~2006~~~~{2002}~~, on the effectiveness of the waste tire program in developing markets for waste tires, the effectiveness of the fee established in KRS 224.50-868 in funding the cabinet's implementation of the waste tire program, *to include any waste tire amnesty program established by the cabinet as provided for in subsection (1)(b) of Section 3 of this Act*, and whether the fee should be extended beyond July 31, ~~2006~~~~{2002}~~.

Section 3. KRS 224.50-880 is amended to read as follows:

- (1) A waste tire trust fund is established in the state treasury. The fund shall be used by the cabinet for the following purposes:
  - (a) Properly managing waste tires;
  - (b) Paying the cabinet's costs in implementing the waste tire program *to include costs associated with any waste tire amnesty program established by the cabinet that permits waste tires to be turned in without incurring fees, charges, or penalties*;
  - (c) Paying the Revenue Cabinet's costs of assessing and collecting the fee established by KRS 224.50-868;
  - (d) Entering into the agreements described in KRS 224.50-876; and
  - (e) Awarding the grants described in KRS 224.50-878.
- (2) All interest earned on money in the fund shall be credited to the fund.
- (3) Money unexpended at the end of a fiscal year shall not lapse to the general fund.
- (4) Any money remaining in the waste tire trust fund established by KRS 224.50-820 shall be transferred to the fund established by this section.

**Approved March 12, 2002**