

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4  
5 By: Senator D. Wallace

# A Bill

SENATE BILL 704

## For An Act To Be Entitled

8 AN ACT TO AMEND THE USED TIRE RECYCLING AND  
9 ACCOUNTABILITY PROGRAM; TO AMEND THE AMOUNT IMPOSED  
10 FOR THE RIM REMOVAL FEES; TO IMPOSE A NEW MOTOR  
11 VEHICLE TIRE FEE; AND FOR OTHER PURPOSES.

## Subtitle

15 TO AMEND THE USED TIRE RECYCLING AND  
16 ACCOUNTABILITY PROGRAM; TO AMEND THE  
17 AMOUNT IMPOSED FOR THE RIM REMOVAL FEES;  
18 AND TO IMPOSE A NEW MOTOR VEHICLE TIRE  
19 FEE.

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

24 SECTION 1. Arkansas Code § 8-9-401(b)(3), concerning the purpose of  
25 the Used Tire Recycling and Accountability Act, is amended to read as  
26 follows:

27 (3) Equalize the application of fees for all tires removed from  
28 rims and new tires sold on new motor vehicles; and

30 SECTION 2. Arkansas Code § 8-9-404 is amended to read as follows:

31 8-9-404. Rim removal fees – Import fees – Commercial generator fees –  
32 New motor vehicle tire fees – Definitions.

33 (a)(1) There is imposed a rim removal fee upon the transaction of  
34 removing a tire from a rim that is related to the sale of a replacement tire  
35 by a tire retailer.

36 (2) The rim removal fee shall be charged by the tire retailer to



1 a person who:

2 (A) Purchases a replacement tire for a rim that  
3 necessitates the removal of a different tire from the same rim; or

4 (B) Purchases the service of removal of a tire from a rim  
5 and replacement with a tire that was not purchased from the tire retailer if  
6 the person requesting the rim removal cannot show proof of payment of the rim  
7 removal fee under this section for the replacement tire.

8 (3)(A) The rim removal fee shall be imposed at the rate of three  
9 dollars (\$3.00) for each new tire that replaces a tire removed from a rim and  
10 one dollar (\$1.00) for each used tire that replaces the tire removed from the  
11 rim.

12 (B) Except for the rim removal fees imposed under this  
13 section, a tire retailer shall not charge any other fee to a person who  
14 purchases the service of removal of a tire from a rim.

15 (C) For any tires collected by a tire retailer, the tire  
16 retailer shall ensure that the tires are transported by a licensed tire  
17 transporter to a permitted tire collection center, a solid waste management  
18 facility, a tire processing facility, or another tire retailer.

19 (D) The tire retailer shall account for each tire removed  
20 from a rim in the manner prescribed by the Department of Finance and  
21 Administration.

22 (E) Each tire retailer shall register with the department  
23 and comply with all requirements related to collecting and reporting rim  
24 removal fees.

25 (4) The rim removal fees imposed under this section shall be  
26 added to the total cost charged by the tire retailer to the purchaser after  
27 all applicable gross receipts or compensating use taxes on the tires have  
28 been computed and shall be separately stated on the invoice or bill of sale.

29 (5)(A) The rim removal fees imposed under this section shall be  
30 paid monthly to the Secretary of the Department of Finance and  
31 Administration.

32 (B) However, the tire retailer may retain five percent  
33 (5%) of the rim removal fee imposed under subdivision (a)(3)(A) of this  
34 section for administrative costs.

35 (6)(A) The rim removal fees remitted under subdivision (a)(5)(A)  
36 of this section shall be collected by the secretary and shall be subject to

1 the Arkansas Tax Procedure Act, § 26-18-101 et seq.

2 (B)(i) Each tire retailer shall file a return with the  
3 secretary on or before the twentieth of each month.

4 (ii) The return shall show the total rim removal  
5 fees collected for each tire removed from the rim during the preceding  
6 calendar month.

7 (iii) The tire retailer shall remit the rim removal  
8 fees with the return.

9 (iv) The secretary shall prescribe the form and  
10 contents of the return.

11 (b)(1) There is imposed a new motor vehicle tire fee for each new tire  
12 sold on a new motor vehicle.

13 (2) The new motor vehicle tire fee shall be imposed at a rate of  
14 three dollars (\$3.00) for each new motor vehicle tire.

15 (3) The new motor vehicle tire fee owed by a purchaser of a new  
16 motor vehicle shall be remitted by the purchaser to the department upon the  
17 registration of the new motor vehicle.

18 (4) The new motor vehicle tire fees remitted under subdivision  
19 (b)(3) of this section shall be collected by the secretary and are subject to  
20 the Arkansas Tax Procedure Act, § 26-18-101 et seq.

21 ~~(b)(1)~~ (c)(1) The department shall deposit the proceeds from rim  
22 removal fees and new motor vehicle tire fees collected under ~~subsection~~  
23 subsections (a) and (b) of this section into the State Treasury as special  
24 revenues to the credit of the following funds in the following percentages:

25 (A) Ninety-three percent (93%) to be deposited into the  
26 Used Tire Recycling Fund; and

27 (B) Seven percent (7%) to be deposited into the Division  
28 of Environmental Quality Fee Trust Fund.

29 (2) As used in this section, “proceeds from rim removal fees and  
30 new motor vehicle tire fees” means all moneys collected and received by the  
31 department under this section for rim removal fees and new motor vehicle tire  
32 fees imposed under ~~subsection~~ subsections (a) and (b) of this section and  
33 interest and penalties on delinquent rim removal fees and new motor vehicle  
34 tire fees.

35 ~~(e)(1)-(A)~~ (d)(1)(A) There is imposed an import fee of one dollar  
36 (\$1.00) on each used tire that is imported into Arkansas.

1 (B) A person who imports a used tire shall be registered  
2 with the department and comply with all requirements related to collecting  
3 and reporting import fees.

4 (2) The import fee imposed under this subsection shall be paid  
5 by the person who imports the used tire to the department in accordance with  
6 the Arkansas Tax Procedure Act, § 26-18-101 et seq., and any rules  
7 promulgated by the department.

8 (3)(A) The department shall deposit the proceeds from import  
9 fees imposed under this subsection into the State Treasury as special  
10 revenues to the credit of the following funds in the following percentages:

11 (i) Ninety-three percent (93%) to be deposited into  
12 the Used Tire Recycling Fund; and

13 (ii) Seven percent (7%) to be deposited into the  
14 Division of Environmental Quality Fee Trust Fund.

15 (B) As used in this section, "proceeds from import fees"  
16 means all moneys collected and received by the department under this  
17 subsection and interest and penalties on delinquent import fees.

18 ~~(d)(1)~~(e)(1) There is imposed a commercial generator fee upon the  
19 transaction of a commercial generator selling or delivering a new tire as  
20 part of fleet services.

21 (2) The commercial generator fee shall be charged by the  
22 commercial generator to a person who in the ordinary course of business is an  
23 end user that removes used tires from the rim and replaces them with a new  
24 tire.

25 (3)(A) The commercial generator fee shall be imposed at the rate  
26 of three dollars (\$3.00) for each new tire that is sold or delivered to an  
27 end user that removes used tires from the rim and replaces them with a new  
28 tire.

29 (B) Except for the commercial generator fees imposed under  
30 this section, the commercial generator shall not charge any other fee to the  
31 end user.

32 (C)(i) For any used tires collected by a commercial  
33 generator, the first transportation of the used tire from the end user to the  
34 commercial generator's facility does not require a licensed tire transporter.

35 (ii) Any subsequent transportation of the used tire  
36 by the commercial generator for recycling or disposal requires a licensed

1 tire transporter and shall be accounted for using the electronic uniform used  
 2 tire manifest system.

3 (D) Each commercial generator shall register with the  
 4 department and comply with all requirements related to collecting and  
 5 reporting commercial generator fees.

6 (4) The commercial generator fees imposed under this section  
 7 shall be added to the total cost charged by the commercial generator to the  
 8 end user after all applicable gross receipts or compensating use taxes on the  
 9 tires have been computed and shall be separately stated on the invoice or  
 10 bill of sale.

11 (5)(A) The commercial generator fees imposed under this section  
 12 shall be paid monthly to the secretary.

13 (B) However, the commercial generator may retain five  
 14 percent (5%) of the commercial generator fee imposed under subdivision  
 15 ~~(d)(3)(A)~~(e)(3)(A) of this section for administrative costs.

16 (6)(A) The commercial generator fees remitted in subdivision  
 17 ~~(d)(5)(A)~~(e)(5)(A) of this section shall be collected by the secretary and  
 18 shall be subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq.

19 (B)(i)(a) Each commercial generator shall file a return  
 20 with the secretary on or before the twentieth of each month.

21 (b) The return shall show the total commercial  
 22 generator fees collected for each tire sold or delivered to the end user  
 23 during the preceding calendar month.

24 (c) The commercial generator shall remit the  
 25 commercial generator fees with the return.

26 (ii) The secretary shall prescribe the form and  
 27 contents of the return.

28 (7) The department shall deposit the proceeds from commercial  
 29 generator fees collected under this subsection into the State Treasury as  
 30 special revenues to the credit of the following funds in the following  
 31 percentages:

32 (A) Ninety-three percent (93%) to be deposited into the  
 33 Used Tire Recycling Fund; and

34 (B) Seven percent (7%) to be deposited into the Division  
 35 of Environmental Quality Fee Trust Fund.

36 (8) As used in this section, “proceeds from commercial generator

1 fees” means all moneys collected and received by the department under this  
2 section for commercial generator fees imposed under this subsection and  
3 interest and penalties on delinquent commercial generator fees.

4 ~~(e)(1)~~(f)(1) It is the purpose and intent of this section that only  
5 one (1) of the following fees imposed under this section be charged for the  
6 transaction of removing a tire from a rim that is related to the sale of a  
7 replacement tire:

- 8 (A) The rim removal fee; or
- 9 (B) The commercial generator fee.

10 (2) If a person establishes that he or she has paid ~~one (1) of~~  
11 either the fees rim removal fee or commercial generator fee for a tire as  
12 described in subdivision (f)(1) of this section, the tire retailer or tire  
13 generator shall not charge an additional fee for that tire.

14  
15 SECTION 3. Arkansas Code § 8-9-413 is amended to read as follows:  
16 8-9-413. Applicability.

17 The fees imposed by this subchapter shall not apply to:

- 18 (1) Large retreaded tires; or
- 19 ~~(2) Tires included as part of the equipment of a new vehicle; or~~
- 20 ~~(3)~~ Tires included as part of the equipment of a used vehicle if

21 included on the used vehicle at the time of sale and in the sales price of  
22 the used vehicle.

23  
24 SECTION 4. Arkansas Code § 19-6-301(165), concerning the enumeration  
25 of special revenues related to rim removal fees and import fees, is amended  
26 to read as follows:

27 (165) That portion of rim removal fees, new motor vehicle tire  
28 fees, and import fees, § 8-9-404;