

HOUSE BILL REPORT

2ESSB 6009

As Reported By House Committee On:
Environmental Affairs
Revenue

Title: An act relating to recycling of tires.

Brief Description: Modifying waste tire recycling provisions.

Sponsors: Senate Committee on Ecology & Parks (originally sponsored by Senators Fraser and Franklin).

Brief History:

Reported by House Committee on:
Environmental Affairs, February 24, 1994, DPA;
Revenue, February 28, 1994, DPA(REV w/o ENA)s.

HOUSE COMMITTEE ON ENVIRONMENTAL AFFAIRS

Majority Report: Do pass as amended. Signed by 13 members: Representatives Rust, Chair; Flemming, Vice Chair; Horn, Ranking Minority Member; Van Luven, Assistant Ranking Minority Member; Bray; Edmondson; Foreman; Hansen; L. Johnson; J. Kohl; Linville; Roland and Sheahan.

Staff: Rick Anderson (786-7114).

Background: An estimated three million waste tires are generated annually in Washington State. About 80 percent of the waste tires are properly processed and disposed of, with the remainder being dumped or stored in violation of applicable tire handling requirements. Improperly managed tire piles pose a threat to public health and environmental quality. A number of illegally-managed tire piles have caught fire in past years causing hazardous air emissions and groundwater contamination.

In 1985, the Legislature prohibited the improper disposal of waste tires and imposed an assessment upon the gross proceeds of sellers of new replacement tires. Legislation in 1988 required a license for the transportation and storage of waste tires and required licensees to meet transportation and handling requirements developed by the Department of Ecology.

In 1989, the assessment on gross proceeds was replaced by a \$1 fee on the sale of new replacement tires. Of this

amount, 10 cents is retained by the tire dealer, 2 cents is directed to the Department of Revenue for administering the fee collection, and the remainder is used for waste tire enforcement, cleanup and recycling. The tire fee sunsets on October 1, 1994.

About \$4.7 million has been spent from the waste tire account since 1989, with \$3.7 million spent on cleanup of waste tire piles. More than three million tires have been removed and disposed of with these funds. The Department of Ecology estimates that four large, unlicensed tire piles remain for cleanup, containing about eight million tires. Numerous smaller tire piles exist in the state for which there are no accurate data on the total tires contained in them. The department estimates a fund balance of approximately \$2.1 million.

The market for waste tires remains weak. Waste tires are primarily burned for energy recovery in cement kilns but are also used as fill, construction materials, playground cover, and other products. A significant percentage of used tires are re-treaded. Tires may also be pyrolyzed (heated to a high temperature in a closed system without oxygen). Pyrolyzed tires yield carbon black and a variety of fuels.

Summary of Amended Bill: Illegal waste tire disposal may be punishable as a gross misdemeanor, and responsibility for cleanup of tire piles is specifically imposed.

The \$1 per tire fee on sale of new replacement tires is extended beginning January 1, 1995 and ending December 31, 1996. Among other uses, the fee revenues may be used for grants and contracts for cleanup of illegal piles and grants to local governments for demonstration projects for a variety of applications of waste tires.

Tire transporters must obtain an annual license from the Department of Ecology and display an identification sticker on the vehicle. The licensee must submit annual tire management plans to the department. The licensing requirements do not apply to transporters operating under the authority of the Washington Utilities and Transportation Commission. Violation of the licensing requirements may be punishable by a civil penalty, a gross misdemeanor, or both.

Persons using an unlicensed transporter or unlicensed waste tire site receive a written warning on the first offense and are fined up to \$1,000 for each additional offense. Persons using licensed transporters or site operators must keep documentation that the license was checked.

A waste tire management hierarchy is established to guide state policies as follows: 1) waste reduction; 2) recycling; 3) energy recovery and pyrolysis; and 4) Incineration and landfill disposal. "Pyrolysis" is defined.

The provisions of the act are to apply prospectively and not retroactively. The portion of the act relating to extending the \$1 per tire fee must be submitted to the voters at the next general election.

Amended Bill Compared to Second Engrossed Substitute Bill:

The amended bill deletes waste tire storage restrictions on residences, retail outlets, and processing sites. Pyrolysis is defined separately from recycling and the management hierarchy for waste tires is modified to include waste reduction and pyrolysis. A section is added clarifying that the act is to apply prospectively and not retroactively.

Fiscal Note: Available on original bill.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Additional funds are needed to clean up the remaining illegal tire piles. Additional regulatory requirements are necessary to ensure that new tire piles are not created once the revenues from the tire fee are expended.

Testimony Against: Waste tire processors should be subject to bonding requirements to ensure that a source of cleanup funds are available if the processor defaults.

Witnesses: Senator Karen Fraser, prime sponsor (pro); Chris Cooper, Lewis County Environmental Health (pro); Sonnie Wright, Tire Shredders Inc. (pro); Bill Vogler, Association of Counties (pro); Elizabeth Schrag, Washington Citizens for Recycling (pro); Mark W. Hope, Waste Recycling Inc. (con); and Doug Price, Tacoma-Pierce County Health Department (pro).

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass as amended by Committee on Revenue and without amendment by Committee on Environmental Affairs. Signed by 15 members: Representatives G. Fisher, Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Caver; Cothorn; Leonard; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven and Wang.

Staff: Bob Longman (786-7139).

Summary of Recommendation of Committee on Revenue Compared to Recommendation of Committee on Environmental Affairs:

The striking amendment requires a bond or other form of financial insurance for tire processors. The amount of tires that can be stored is linked to the amount of the bond. If the secretary of state determines that delaying the expiration of the tire fee requires a vote of the people under Initiative 601, the bill is null and void.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed. However, if the secretary of state determines that a vote of the people is required under Initiative 601, the bill is null and void.

Testimony For: None.

Testimony Against: None.

Witnesses: None.