

HOUSE BILL REPORT

ESHB 3054

As Passed House:

February 16, 2004

Title: An act relating to vehicle tires.

Brief Description: Restoring the vehicle tire fee.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives G. Simpson, Skinner, Hankins, Wood, Rockefeller, Clibborn, Hatfield, Clements, Armstrong and Delvin).

Brief History:

Committee Activity:

Transportation: 2/5/04, 2/9/04 [DPS].

Floor Activity:

Passed House: 2/16/04, 62-36.

Brief Summary of Engrossed Substitute Bill

- Reinstates the \$1 per tire fee on the retail sale of new replacement tires and expands the fee to used tires.
- Creates the Vehicle Tire Recycling Account to provide funding to the Department of Ecology for state and local waste tire management programs.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Murray, Chair; Rockefeller, Vice Chair; G. Simpson, Vice Chair; Jarrett, Assistant Ranking Minority Member; Armstrong, Campbell, Clibborn, Cooper, Dickerson, Flannigan, Hankins, Hatfield, Hudgins, Lovick, Morris, Nixon, Rodne, Romero, Shabro, Sullivan, Wallace, Wood and Woods.

Minority Report: Without recommendation. Signed by 4 members: Representatives Ericksen, Ranking Minority Member; Bailey, Kristiansen and Mielke.

Staff: Page Scott (786-7301).

Background:

A \$1 fee was assessed on the retail sale of each new vehicle replacement tire sold from October 1989, until September 1994. The fee was collected by the tire seller, who was entitled to retain 10 percent of all fees collected. Revenue generated by the fee was authorized to be used to fund state and local efforts to remove discarded tires from unauthorized dump sites, to fund local enforcement, to fund local pilot projects for on-site tire shredding, to implement a public education program, to produce marketing studies on tire recycling, and to fund a tire study. In 2002, the Legislature enacted a requirement that the Department of Ecology (DOE) track and report the annual and cumulative increases and decreases in the state's tire recycling rates.

Individuals who engage in the business of transporting or storing waste tires are required to be licensed by the DOE. A violation of this licensing requirement is punishable as a gross misdemeanor.

Summary of Engrossed Substitute Bill:

The \$1 per tire fee on the retail sale of new replacement tires is reinstated and expanded to include used tires. The fee must be collected by the tire seller, who must remit 100 percent of the fee to the Department of Revenue (DOR). Tire retailers are authorized to collect a separate service fee to be used for their own management of waste tires.

Of the \$1 fee collected, 30 cents must be deposited in the Motor Vehicle Account and used by the Department of Transportation for road maintenance. Of the \$1 collected, .03 cents must be deposited into the State Patrol Highway Account and used by the Washington State Patrol for inspection and enforcement activities relating to junk vehicles, hulk haulers, scrap processors, vehicle wreckers, and junkyards. The DOR shall deduct 2 percent (02 cents) for administration and collection costs. The remaining .65 cents must be deposited into the Vehicle Tire Recycling Account (VTRA) created by this act.

Revenue in the VTRA must be used by the DOE for purposes including, but not limited to: assisting state and local governments with removing tires from illegal tire piles; implementing a public education program; conducting product marketing studies for recycled tires and alternatives to land disposal; conducting scrap tire demonstration projects; funding local citizen scrap tire amnesty events; or, funding statewide tire carrier tracking, reporting, and enforcement.

At least 23 percent of the VTRA funds must be awarded in the form of competitive grants to county governments for removal of illegal waste tire piles. No more than 3 percent of the VTRA funds may be used by the DOE for administration purposes.

County governments that receive enforcement funding from the VTRA must submit annual reports to the DOE detailing the uses of the funds and what enforcement activities

were supported.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Problems exist with legal and illegal waste tire piles. This bill is necessary because it will build on the lessons learned from the previous program and create accountability.

(With concerns) Preventing future tire piles from forming is important, but it is presently unknown where all of the existing tire piles are located and how much money is needed to clean them up.

Testimony Against: Tire dealers already provide this service to their customers without the mandate. This is probably not a statewide issue. The problem has been inconsistent enforcement of existing laws. Tire piles are a low priority for the Department of Ecology until they catch on fire. The funding provided in this bill is not enough to adequately address tire pile cleanup.

Persons Testifying: (In support) Representative G. Simpson, prime sponsor; and Jim Penor, North West Tire Recycle.

(With concerns) Vicki Kirkpatrick, Washington State Association of Counties; and Cullen Stephenson, Department of Ecology.

(Opposed) Richard Nordness, Northwest Tire Dealers Association; Mark Hope, Tire Disposal and Recycling; and Don Phelps, Auto Recyclers of Washington.

Persons Signed In To Testify But Not Testifying: None.