

HOUSE BILL REPORT

SHB 2085

As Amended by the Senate

Title: An act relating to cleanup of waste tires.

Brief Description: Regarding the cleanup of waste tires.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives Simpson, Hankins, Murray, Haler, Morris, Ormsby, B. Sullivan, Dickerson, Chase, Wood and Ericks).

Brief History:

Committee Activity:

Transportation: 3/2/05, 3/5/05 [DPS].

Floor Activity:

Passed House: 3/11/05, 76-17.

Senate Amended.

Passed Senate: 4/13/05, 41-4.

Brief Summary of Substitute Bill

- A \$1 fee is imposed on the sale of new tires.
- Revenue from the fee may only be spent to cleanup unauthorized waste tire piles and on measures to prevent future accumulation of unauthorized waste tire piles.
- The Department of Ecology is required to conduct a detailed study of waste tire piles and prepare a plan for their removal.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Murray, Chair; Wallace, Vice Chair; Woods, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Appleton, Buck, Campbell, Curtis, Dickerson, Ericksen, Hankins, Hudgins, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Sells, Shabro, Simpson, B. Sullivan, Takko, Upthegrove and Wood.

Staff: Beth Redfield (786-7347).

Background:

A \$1 fee was assessed on the retail sale of each new vehicle replacement tire sold from October 1989 until September 1995. 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 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. To obtain a license, the business must assure the DOE that it is in compliance with the law and post a bond of \$10,000. A violation of licensing requirements is punishable as a gross misdemeanor.

Summary of Substitute Bill:

The \$1 tire fee on new tires is reinstated beginning July 1, 2005. Tire retailers may retain 10 percent of the fee and must remit the remainder to the Department of Revenue.

The Waste Tire Removal Account is created in the state treasury. It is an appropriated account and moneys may be used for the cleanup of unauthorized waste tire piles and measures to prevent future accumulation of unauthorized waste tire piles.

An appropriation of up to \$150,000 is made to the Office of Financial Management for oversight of a detailed study to identify and collect information on tire cleanup sites in the state. The DOE is directed to conduct the study, which is to be delivered to the Legislature by November 15, 2005.

The study must include at least the following elements:

- identification of existing tire cleanup sites in the State of Washington;
- the estimated number of tires in each tire cleanup site;
- a map identifying the location of each one of the tire cleanup sites;
- a photograph of each one of the tire cleanup sites;
- the estimated cost for cleanup of each tire site by cost component;
- the estimated reimbursement of costs to be recovered from persons or entities that created or have responsibility for the tire cleanup site;
- identification of the type of reimbursements for recovery by each of the tire cleanup sites;
- the estimated time frame to begin the cleanup project and the estimated completion date for each tire cleanup site;
- an assessment of local government functions relating to unauthorized tire piles, including cleanup, enforcement, and public health;
- identification of local government needs for each one of the counties; and

- a statewide cleanup plan based on multiple funding options between 20 cents and 60 cents for each new tire sold at retail in the state starting on July 1, 2005. The plan shall include the estimated time frame to begin each of the tire cleanup sites and the estimated completion date for each one of the sites. In addition, the plan must include a process to be followed in selecting entities to perform the tire site cleanups. The 2006 Legislature shall determine the final distribution of the tire cleanup fee and the appropriations for this statewide tire cleanup plan.

Some changes are made to the requirements for obtaining a license from the DOE to transport or store waste tires. A business must accept liability for and authorize the DOE to recover any costs incurred in any cleanup of waste tires transported or stored. The amount of the bond that must be posted by licensed businesses will be determined by the DOE in an amount sufficient to cover the liability for cost of cleanup of waste tires. Licensees must also be registered in the State of Washington as a business, have a federal identification number and report annually to the amount of tires transported and their disposition. Failure to report will result in loss of license.

Persons who transport or store waste tires without a license will be liable for the costs of cleanup of any waste tires transported or stored. Once waste tires are legally transferred to a permitted recycler, the transferring business has no further liability relative to the transferred tires.

An appropriation of \$40,000 is made from the Waste Tire Removal Account to the Department of Revenue for the DOE's costs in administering the fee revenue.

EFFECT OF SENATE AMENDMENT(S):

Adds a new section that specifically addresses the duties, liabilities, and penalties for sellers and buyers with respect to collecting and submitting the \$1 fee on new tire sales to the Department of Revenue. Adds a new provision that directs the Department of Ecology to begin a pilot project for the clean up of a tire pile in Goldendale, WA. Maintains the current bond amount of \$10,000 until January 1, 2006, for tires transported or stored before the effective date of the amendment. Clarifies liability provisions for licensed and unlicensed tire businesses, transporters and storers.

Appropriation: The sum of \$150,000 to OFM for a study. The sum of \$40,000 to the Department of Revenue for administrative costs.

Fiscal Note: Available.

Effective Date: This bill contains an emergency clause and takes effect on July 1, 2005.

Testimony For: The cleanup of illegal waste tire piles is not a new issue. They present a public health issue and a fire hazard. The bill goes after those people who are responsible for creating the piles and says that there will be consequences for not obeying the law. We want to finish the job that was started in the early 1990s and make sure there is no recurring

problem. The business people that are doing the right thing want a level playing field. The biggest source of waste from end-of-life vehicles is waste tires. The primary goal of the bill is to clean up existing piles and prevent new ones. The bill also includes important protections for those who properly dispose of waste tires, and makes those who dispose of them irresponsibly accountable. Local public health have not had resources to clean up these piles. They are not only a nuisance, when they burn, they create toxic air, and when they are laying in a field, they are a great mosquito breeding ground. Eliminating non-natural mosquito breeding grounds is very important to West Nile prevention.

In Lewis County, there are nine tire pile sites with 269,000 tires. Two of the sites alone have 92 percent or 248,000 of the total tires. Both of those sites are 20 plus year old piles. In 1995, it was estimated to cost \$680,000 to clean them up. The value of the property is \$155,000. Even if the county abated the property, we would assign a lien for the full cost of the clean-up, and in three years we would foreclose, ending up paying \$526,000. Since the fee sunsetted, we have been going backwards. We are back where we were in 1989. There are illegal haulers, piles being generated, and haulers burying tires. There are probably 3.8 million illegal waste tires in the state right now. These will have to be cleaned up some time.

Testimony Against: None.

Persons Testifying: Representative Simpson, prime sponsor; Jim King, Independent Business Association; Don Phelps, Auto Recyclers of Washington; Vicki Kirkpatrick, Washington Association of Local Public Health Officials; Eric Johnson, Lewis County Commissioner and Washington Association of Counties; and Jim Penor, Northwest Tire Recycling.

Persons Signed In To Testify But Not Testifying: None.