

SENATE BILL REPORT

SB 5080

As Reported By Senate Committee On:
Transportation, January 18, 2007

Title: An act relating to extending waste tire removal fees.

Brief Description: Extending waste tire removal fees and the disposition of the fees.

Sponsors: Senators Marr, Swecker, Murray, Weinstein, Kauffman, Rasmussen, Hatfield, Hobbs, Berkey, Pridemore, Regala, Tom, McCaslin, Oemig, Jacobsen and Rockefeller.

Brief History:

Committee Activity: Transportation: 1/16/07, 1/18/07 [DPS, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5080 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Benton, Berkey, Eide, Jacobsen, Kastama, Kauffman, Kilmer, Pflug, Sheldon and Spanel.

Minority Report: Do not pass.

Signed by Senators Murray, Vice Chair; Clements, Delvin and Holmquist.

Staff: David Ward (786-7341)

Background: From October 1989, until September of 1995, a one dollar fee was assessed on the retail sale of each new replacement tire. The fee was collected by the tire seller, who was entitled to retain 10 percent of the fee. Revenue generated by the fee was used to fund state and local efforts to remove discarded tires from unauthorized dump sites, fund local enforcement, fund local pilot projects for on-site tire shredding, implement a public education program, produce marketing studies on tire recycling, and 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.

In 2005, the Legislature reinstated the one dollar tire fee on the sale of each new replacement tire. Tire retailers retain 10 percent of the fee and remit the remainder to the Department of Revenue. The fee is scheduled to sunset June 30, 2010. The Waste Tire Removal Account

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was also created in the State Treasury and monies in the account are used for the cleanup of unauthorized waste tire piles and to implement measures to prevent future accumulation of unauthorized waste tire piles.

Summary of Bill: The bill as referred to committee was not considered.

SUMMARY OF RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Transportation): The sunset date on the imposition of the one dollar fee on the sale of each new replacement tire is eliminated. Until June 30, 2010, 50 percent of the one dollar fee on the sale of each new replacement tire will be deposited in the Waste Tire Removal Account and 50 percent to the Multimodal Transportation Account. Beginning July 1, 2010, 100 percent of the fee will be deposited in the Multimodal Transportation Account.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: There is support to extend the fee as long as it is dedicated to transportation purposes.

OTHER: The bill as written will accommodate the fee's, and DOE's, original mission of cleaning-up waste tire piles. There is concern that the original mission of cleaning-up waste tire piles cannot be accomplished with the revenues available under the proposed legislation, and funding should be made available up to the original levels at least until the original legislation's sunset date.

Persons Testifying: PRO: Gene Schlatter, Les Schwab Tire Company.

OTHER: Cullen Stephenson, Department of Ecology; Gary Smith, Independent Business Association.