HOUSE BILL REPORT ESSB 5080

As Reported by House Committee On: Transportation

Title: An act relating to extending tire replacement fees.

Brief Description: Extending tire replacement fees.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Marr, Swecker, Murray, Weinstein, Kauffman, Rasmussen, Hatfield, Hobbs, Berkey, Pridemore, Regala, Tom, McCaslin, Oemig, Jacobsen and Rockefeller).

Brief History:

Committee Activity:

Transportation: 4/9/07 [DP].

Brief Summary of Engrossed Substitute Bill

- Removes the \$1 tire fee sunset of June 30, 2010.
- Expands uses of the fee to include road-wear-related maintenance on state and local public highways.
- Deletes obsolete statutes.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 17 members: Representatives Clibborn, Chair; Flannigan, Vice Chair; Jarrett, Ranking Minority Member; Appleton, Campbell, Eddy, Hudgins, Lovick, Rodne, Rolfes, Sells, Simpson, Springer, B. Sullivan, Takko, Upthegrove and Wood.

Minority Report: Do not pass. Signed by 3 members: Representatives Schindler, Assistant Ranking Minority Member; Armstrong and Hailey.

Staff: Jerry Long (786-7306).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

From October 1989, until September 1995, a \$1 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, local enforcement, 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 \$1 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. There was also a provision for the DOE to conduct a study of unauthorized tire piles in Washington. The study identified 54 sites statewide and an estimated 818 on-site days for the site cleanups. The fee is scheduled to sunset June 30, 2010. The Waste Tire Removal Account (Account) 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 \$1 fee sunset of June 30, 2010 is removed. Expenditures from the Account may be used for the cleanup of unauthorized waste tire piles, measures that prevent future accumulation of unauthorized waste tire piles, and road-wear-related maintenance on state and local public highways.

On July 1 of odd-numbered years, the State Treasurer must transfer any cash balance in excess of \$1 million from the Waste Tire Removal Account to the Motor Vehicle Account for the purpose of road-wear-related maintenance.

On September 1 of even-numbered years, the DOE must provide a report to the legislative transportation committees on the progress being made on the cleanup of the unauthorized waste tire piles and make recommendations to the committees to prevent the formation of future unauthorized waste tire piles.

Obsolete statutes are deleted.

Appropriation: None.

Fiscal Note: Available.

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

House Bill Report

Staff Summary of Public Testimony:

(In support) Engrossed Substitute Senate Bill 5080 leaves the Department of Ecology an adequate amount of funding to complete the cleanup of identified unauthorized tire piles in Washington. Clean up of the largest tire pile at Goldendale has already begun. Several processes will be used to clean up the tire piles including uses on fire ranges, chipping, and disposal in landfills. The goal is to recycle as many tires as possible.

(Opposed) The \$1 recycling fee should sunset as originally scheduled on June 30, 2010. The companies that are not recycling tires as required should be penalized. The key is to hold the companies financially responsible for their actions. There are a lot of ways to use old tires: energy, dock bumpers, floats, shredding, and drainage.

Persons Testifying: (In support) Cullen Stephenson, Department of Ecology.

(Opposed) Mark Hope, Tire Disposal and Recycling; and Richard Nordness, Northwest Tire Dealers Association.

Persons Signed In To Testify But Not Testifying: None.