

HOUSE BILL REPORT

HB 1705

As Reported by House Committee On:
Fisheries, Ecology & Parks
Appropriations

Title: An act relating to tire recycling.

Brief Description: Funding tire recycling.

Sponsors: Representatives Simpson, Chandler, Cooper, Newhouse, Skinner, Romero, Hankins, Hatfield, Mastin, Delvin, Lovick, Campbell, Wood, Sump, Grant, Hudgins, Dunshee, Rockefeller, Moeller and Linville.

Brief History:

Committee Activity:

Fisheries, Ecology & Parks: 2/18/03, 2/27/03 [DPS];
Appropriations: 3/6/03, 3/8/03 [DPS(FEP)].

Brief Summary of Substitute Bill

- Reinstates a fee on the sale of replacement tires and sets the fee at 75 cents per tire.
- Creates the Vehicle Tire Recycling Account to provide grant money to the Department of Ecology for state and local scrap tire management programs.
- Provides funding to the Department of Transportation for highway maintenance.

HOUSE COMMITTEE ON FISHERIES, ECOLOGY & PARKS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Cooper, Chair; Berkey, Vice Chair; Hinkle, Assistant Ranking Minority Member; Hatfield, O'Brien and Upthegrove.

Minority Report: Do not pass. Signed by 3 members: Representatives Sump, Ranking Minority Member; Buck and Pearson.

Staff: Jason Callahan (786-7117).

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.

Summary of Substitute Bill:

The per tire fee on the retail sale of replacement tires is reinstated, expanded to include used tires, and reduced to 75 cents. The fee must be collected by the tire seller, who must remit 90 percent of the fee to the Department of Revenue (DOR). Ten percent of any collected fees may be retained by the tire dealer. Of the 75 cents collected, 25 cents must be distributed to the Department of Transportation to use for road maintenance. The remaining 50 cents is deposited into the Vehicle Tire Recycling Account (Account).

The Account is created within the State Treasury. The DOR is authorized to deduct 2 percent of the funds collected to administer and collect the tire fee, and the remaining 98 percent is available to the DOE. The DOE must concentrate the spending of the money in the Account on communities that have the most severe problems with waste tires.

Revenue in the Account may be used by the DOE to assist state and local governments with removing illegally piled tires, implementing a public education program, conducting product marketing studies for recycled tires, conducting scrap tire demonstration projects, funding local citizen scrap tire amnesty events, or funding statewide tire carrier tracking, reporting, and enforcement. Prior to using money from the Account for the cleanup of unlawful tire deposits, all legal cost recovery efforts available against the owner of the tires must be exhausted.

Local governments receiving grants from the Account are required to submit reports back to the DOE. In turn, the DOE is required to submit annual reports to the Legislature summarizing how funds in the Account were used in the past 12 months. The DOE is also required to submit a one-time report to the Legislature detailing the current tire pile situation in the state, and conduct a one-year public education effort focusing on state tire disposal regulations.

Substitute Bill Compared to Original Bill:

The substitute bill allows tire dealers to retain 10 percent of any fees collected, reduces the tire fee from \$1 to 75 cents per tire, sunsets the tire fee in five years, encourages the DOE to not use the money generated to compete with private tire recyclers, requires the DOE to ensure that all legal remedies and cost recovery efforts against the owner of an unlawful tire pile are exhausted before spending public money on tire removal, instructs the DOE assist local jurisdictions with cost recovery efforts, requires the DOE to report annually to the Legislature on how the tire fee revenues were spent, and requires local jurisdictions to report to the DOE how grant money was spent.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: (Original bill) Many tires are illegally disposed of and discarded in all areas of the state. Illegal tire piles are not only an eyesore, but can cause a significant public health risk. If a tire pile catches on fire, it is nearly impossible to extinguish and leads to air and water pollution. Pooled water in tires can also create breeding grounds for mosquitos, which can carry viruses such as the West Nile Virus. Over 200 people in the U.S. have died from the West Nile, and the virus has been found in Washington. The mild winter will increase the mosquito larvae survival rate, making the need to clean up tire piles urgent.

The bill does not create a new tax, but only renews a previous tax. When the tax was collected in the past, it helped successfully clean up the state's worse tire piles. However, it did not address the generation of new tire problems. The tire tracking, enforcement, and local funding can assist with preventing new problems.

State highways are in need of maintenance, some because of tire ruts. New research has indicated that scrap tires may have a use in some highway construction.

Testimony Against: (Original bill) In the past, the tire replacement fee was used for a needed program, but most of the unauthorized tire piles have already been addressed. Orphan piles are not appearing in the state. Existing tire problems are narrow and small in scope. Most tire piles are either permitted, or owned by identified individuals who already have the legal responsibility to clean up their property. Public funds should not be used to clean up tires that individuals have the liability to address.

This bill is about state revenue generation, not scrap tire issues. It taxes a large group to address the problems of a few. The fee should sunset, and dealers should be able to retain some of the fee, as they were authorized to do in the past.

Past tire programs have caused negative effects, including the destruction of the market for recycled tires. A new funded program can lead to new problems. A lot of work is being done by local governments on tire issues, and money is available without this tax.

Testified: (In support) Representative Simpson, prime sponsor; Representative Hankins; Maryanne Guichard, Department of Health; and Brian Ziegler, Department of Transportation

(In support of concept) Cullen Stevenson, Department of Ecology.

(Opposed) Richard Nordness, Northwest Tire Dealers Association; Mark Hope, Tire Disposing and Recycling; and Vern Reum, Tire Depot, Inc.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Fisheries, Ecology & Parks be substituted therefor and the substitute bill do pass. Signed by 20 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Clements, Cody, Conway, Cox, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Pflug, Ruderman, Schual-Berke and Talcott.

Minority Report: Do not pass. Signed by 7 members: Representatives Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Boldt, Buck, DeBolt and Sump.

Staff: Patricia Linehan (786-7178).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Fisheries, Ecology & Parks:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: None.

Testimony Against: None.

Testified: None.

