



**House  
Legislative  
Analysis  
Section**

RECEIVED

MAY 16 1990

Manufacturer's Bank Building, 12th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

Mich. State Leg. Lib. and

**House Bill 4068 (Substitute H-5)**

Sponsor: Rep. Claude Trim

**House Bill 5339 (Substitute H-2)**

Sponsor: Rep. James A. Kosteva

**First Analysis (4-5-90)**

**Committee: Conservation, Recreation, & Environment**

### **THE APPARENT PROBLEM:**

The disposal of used scrap tires poses serious problems nationwide. Apparently, tire recycling businesses have not been considered attractive investments, so in the past, used tires that were not sold to retreading plants were disposed of in landfills or simply dumped in heaps on vacant land. However, tires present special problems to landfill operators, and so as landfill space has become more valuable, landfill operators have begun to refuse tires or to set prohibitive rates for tires. This can result in dealers stock-piling tires with no disposal options and with resulting environmental and public health problems. Piles of scrap tires degrade the landscape, provide breeding grounds for mosquitos and rodents, and pose the threat of the possibility of fire, with its attendant air and water pollution. Some states have already passed legislation regulating scrap tire disposal, and some people believe that Michigan should do so also.

### **THE CONTENT OF THE BILLS:**

House Bill 4068 would create the Scrap Tire Regulatory Act to impose certain restrictions on the disposal and accumulation of scrap tires and specify penalties for violating these restrictions. Major provisions of the bill include:

- Prohibiting individuals from discarding scrap tires on property other than their own without prior written permission from the property owner.
- Setting up three levels of scrap tire storage facilities, each with its own storage requirements beginning one year after the effective date of the bill:

- 1) A person who accumulated less than 2,500 tires at a collection site that were not stored in a building or covered vehicle could store only tires in the storage area, in piles not bigger than 15 feet high, 200 feet long and 40 feet wide. Tires could not be within 20 feet of the property line or within 60 feet of a building or structure and would have to be maintained as specified in the bill in order to limit the potential for mosquito breeding. The piles would have to be accessible to fire fighting equipment, with a minimum of 20 feet of clear space between piles. However, if tire piles were accessible to fire fighting equipment, the local fire department could approve in writing a variance from provisions regarding height and width of piles, and provisions regarding space between tire piles and space between piles and property. The person accumulating the tires would have to maintain a surety bond in favor of the state that was sufficient to cover the cost of removing the tires from the collection site in case of an emergency at the site or in case the person accumulating the tires went bankrupt. However, a

surety bond would not exceed \$2,500 for a site with less than 2,500 tires.

- 2) Someone who accumulated 2,500 to 100,000 tires at a collection site would have to comply with all of the first level requirements, as well as meet additional requirements concerning the fencing in and earth berming of the entire storage area, drainage for the site, approach and access roads, and clearing of weeds and other vegetation. In addition, an emergency procedure plan, which had been reviewed by the local fire department, would have to be prepared and posted at the tire storage facility.
- 3) Someone who accumulated 100,000 tires or more would have to comply with all of the aforementioned requirements and would have to operate as a scrap tire processor as well.
- Within six months after the effective date of the act and by January 31 of each year thereafter owners of collection sites would register annually with the Department of Natural Resources (DNR) and pay a \$200 fee which would be deposited in the Scrap Tire Regulatory Fund.
- Within six months after the effective date of the act and by January 31 of each year thereafter scrap tire haulers would register with the department, and tire retailers who contracted for the removal of scrap tires could contract only with a scrap tire hauler who was registered under the bill.

The DNR would contact local health departments and request the departments to provide a list of all known significant tire piles within their jurisdiction. Within five years after the effective date of the bill, the department would report to the legislature on the effectiveness of the bill, the volume of tires that were being disposed of in landfills and whether a tire ban from landfills would be recommended, whether a manifest system to track scrap tires would be useful, and whether the Scrap Tire Regulatory Fund should be used under certain circumstances for the clean-up of abandoned scrap tires on privately owned land.

Violation of the bill would be a misdemeanor, punishable by imprisonment for up to 90 days, or a fine of up to \$10 for each tire that was disposed of or accumulated in violation of the bill, or both. In addition to, or as an alternative to, the penalties provided, the court could order a person who violated the bill to perform up to 100 hours of community service. Each day a violation continued could constitute a separate violation. Law enforcement or conservation officers could issue tickets to persons in violation of the bill.

The bill would create a scrap tire regulatory fund, which would consist of money collected under the tire disposal surcharge established under House Bill 5339 and other gifts or contributions. The money in the fund at the close of the fiscal year would not revert to the general fund. The fund would be divided as follows:

- not more than 50 percent of the fund would be used annually for the administrative costs of the Department of Natural Resources and for costs to implement and enforce the bill, or for the employment of 13.5 full-time department personnel;
- for the administrative costs of the secretary of state's office associated with collection of the tire disposal surcharge; and
- for the clean-up of abandoned scrap tires on land owned by the state or a city, village, township, or county.

The DNR would annually report to the legislature on the utilization of revenues of the fund.

The bill would take effect January 1, 1991 and is tie-barred to House Bill 5339.

House Bill 5339 would amend the Michigan Vehicle Code to require each person who applied for a certificate of title under the code to pay a tire disposal surcharge of 50 cents for each title or duplicate title. The secretary of state's office would deposit money it received from disposal surcharges into the Scrap Tire Regulatory Fund. A person who failed to pay the tire disposal surcharge imposed under the bill would be subject to a civil fine of \$100. Collection of the surcharge would take place over a five year period beginning on the effective date of the bill.

The bill would take effect January 1, 1991 and is tie-barred to House Bill 4068.

MCL 257.806

## **FISCAL IMPLICATIONS:**

According to the secretary of state's office, there are currently 2.8 million vehicles titled, and the bill is expected to generate \$1.4 million. Under the bill, half of the \$1.4 million would be appropriated to the DNR. The Department of State expects the bill to result in an annual cost of approximately \$50,000 for implementation of the surcharge provision. (4-4-90)

## **ARGUMENTS:**

### **For:**

Disposal of unwanted used tires is an enormous problem. The National Tire Dealers and Retreaders Association estimates that approximately one tire per person is disposed of annually, which means more than 200 million scrap tires per year. At approximately 100 tires per ton, this represents two million tons of scrap rubber wastes per year to be disposed of, and for Michigan, it means over nine million scrap tires are generated each year. A preliminary survey by the Department of Natural Resources (DNR) suggests that there are over five million scrap tires known to be accumulated in illegal piles throughout the state, though the actual number probably is much higher.

In the past, most of the waste tires were disposed of in landfills or simply dumped in heaps on vacant land. However, tires present special problems to landfill operators. They cannot be stored in compact packages and take up a great deal of space, and when not properly covered by fill material, they can work upward through a

landfill over a period of time to "float" on the surface. As landfill space becomes more scarce and more expensive, fewer landfill operators have been willing to accept tires. As a result, existing management practices for waste tires in Michigan include the simple accumulation of waste tires in piles by tire dealers, jobbers, retreaders, and vehicle dealers.

Piles of scrap tires provide ideal breeding grounds for disease-carrying mosquitoes and rodents, as well as posing a fire threat, with its attendant air and water pollution problems. Often tires are stored with no separation of tire piles or adequate access for fire fighting equipment, making it difficult to control or prevent tire fires. One notorious scrap tire fire in Virginia burned for over two years and created over 802,000 gallons of melted tire runoff that cost the Environmental Protection Agency over a million dollars to clean up. This past February a tire fire in Hagersville, Ontario, that has been referred to as one of the worst environmental disasters in North America, burned for seventeen days.

As landfill space decreases, the need to find alternative methods of disposal for waste tires has become acute. However, many local governments seem not to be concerned over tire disposal, and the scrap tire waste stream frequently is left out of county solid waste management planning efforts because tire wastes present handling and processing problems which are considerably different from other municipal solid waste. In addition, reprocessing scrap tires for direct re-use of rubber waste materials appears to pose unusual and expensive technical problems, while the recovery of useful substances or energy, or both, from waste tires involves high start-up costs, uncertain tire supplies, and variable markets for end products. All of these problems suggest that the best solution would be a comprehensive state program for altering the management of scrap tires in Michigan and reducing the potential environmental and public health hazards associated with scrap tire accumulations.

### **Against:**

The state should provide and control permanent scrap tire disposal sites that are solely dedicated to collecting scrap tires. If the costs of operating a scrap tire disposal site become economically prohibitive, people simply will decide not to enter this type of business. But if people are reluctant to operate scrap tire disposal sites, tire dealers will not have viable disposal options and will be forced to refuse to take old tires from customers. As a result, customers could wind up disposing of tires in a totally unregulated way, which will only make the problem worse.

**Response:** In general, when a consumer buys replacement tires, the tire dealer takes the old tires and sells them, gives them to a "tire jockey," or pays for their removal. The tire jockey sells the retreadable tires to a retreading plant and disposes of the rest, usually in landfills. Since a very low percentage of tires are retreaded (in 1984, the number of tires retreaded was less than 12 percent of the new tires manufactured), a very large number of used tires must be disposed of each year, and, as was indicated, fewer landfill operators are willing to take scrap tires or will do so only at costs that many find prohibitive. The bills would control permanent scrap tire disposal sites, and would, in addition, provide the even better long-term alternative of resource recovery.

***POSITIONS:***

The Community Recycling Company supports the bills. (4-4-90)

The Ecology Center of Ann Arbor supports the bills. (4-4-90)

The Department of Natural Resources supports the bills. (4-4-90)

The secretary of state's office supports the bills. (4-4-90)

The Michigan Tire and Vehicle Service Association (a division of the Michigan Retailers Association) supports the concept of the bills. (4-4-90)

The Michigan Association of Counties supports the bills. (4-4-90)

The Michigan Merchants Council supports the bills. (4-4-90)