



Tire Fees and Recycling: How Does Your State Compare?

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While I can't remember the exact day that I first explained the Tire User Fee (TUF), I do recall thousands of customers who wanted to know what the TUF charge represented. "The State of Illinois passed a law that requires all tire dealers to collect a \$1 per tire TUF to fund recycling and clean-up operations. We don't see any of that money and it all goes to the state. The separate disposal fee is what we pay to have the tires removed because we can't send them to the landfill." Sound familiar?

Across North America, tire dealers have similar discussions every day to explain what's becoming a laundry list of fees and "extra" charges. Everyone has their own way of spinning it, but the story is still the same; the state gets the money and all of it is done under the pretense of "solving" the scrap tire problem.

As we all know, if you bury a tire today and let it sit for one hundred years, it will still be a tire. It doesn't decompose or disintegrate over time, nor can it be compacted like other types of solid waste, like household

trash. However, the components of a tire possess tremendous potential for being recycled into a wide range of usable products. The steel in the belt package and bead can be reused as steel, the rubber can be mixed with asphalt, and the fabric/rubber pieces can be used for playground surfaces and mulch. It hasn't reached the level of aluminum cans where recyclers actually pay money for the raw materials, but it definitely has the potential.

Federal officials have basically left scrap tire management and recycling to the individual states in the U.S., so the effectiveness of each program depends largely on politics. In states where most or all of the money collected goes directly toward tire recycling and tire pile clean-ups, there are few problems. But there are also states where a small portion or absolutely none of the money is used for anything related to scrap tire recycling. It has become just another way for the government to tax consumers in order to raise revenue for the general fund and make tire dealers the bad guys by forcing us to collect it.

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I've been involved in the tire industry at the national level for more than nine years, and have always wondered what the “big picture” looks like when analyzing state recycling fees. So I enlisted the help of TIA's Tire and Rubber Recycling Advisory Council (TRRAC). They were able to provide a number of references and resources that helped me get my arms around the issue. And now I'm mad as hell!

Like most taxpayers, I'm tired of hearing reports of the “pork” projects that elected officials use to get themselves re-elected. Just the other day, I read a story about the hundreds of millions of dollars that are being spent to build bridges in Alaska that most of the citizens don't want. Of course, a few large companies and special interests are all for the projects and the Senator that brought them home will gladly accept the campaign donations as a thank you. When I saw the TRRAC Report Card on pages 7-8, I realized it wasn't just the Federal government that fleeces taxpayers. Here are just a few of the lowlights:

- Forty-eight states regulate scrap tires either through legislation or regulations adopted under state solid waste laws.
- Thirty-five states have tire fees.
- Eight states have raided scrap tire funds in the last three years to offset state budget shortfalls. They are California, Colorado, Florida, Georgia, Illinois, Maryland, Mississippi, and Tennessee.
- Tire fees in nine states are deposited into the state's general fund (environmental trust or highway department). They are Alaska, Hawaii, Maine, Nevada, Pennsylvania, Rhode Island, South Dakota, and West Virginia.
- Four states have increased their tire fees in the last four years. They are California, Illinois, Ohio and Virginia.
- Tire dealers collect scrap tire fees in twenty-six states.
- Tire fees are collected at the wholesale level in three states.
- Five states collect tire fees on vehicle registrations.
- Importers pay tire fees in Hawaii.

- Six states prohibit the collection of other tire disposal or environmental fees – Arkansas, Arizona, Louisiana, New York, North Carolina and Oklahoma.

Every tire dealer and retreader has a vested interest in this issue, regardless of size or geography. Those of us in the United States should be concerned with how your state spends the money because we're collecting it, and those of you on the international front should be concerned that your government will learn from ours and see that they can boost revenues by forcing the tire industry to collect taxes for them.

Now I realize that the consumers ultimately pay in most instances, but the image of our industry suffers every time we add another fee or raise existing ones. Imagine how much easier it would be to explain to the customer that every cent of the fee/tax goes directly to scrap tire recycling and tire pile clean-up efforts. Resistance would even be less if there was no need for a disposal charge. It seems like an impossibility, but people once thought that plastics would sit in landfills for hundreds of years. If the millions of dollars in “tire” fees and taxes actually went to something even related to a “tire,” it could become a reality.

Here's an idea: Make copies of the TRRAC Report Card (we give you permission) and hand them out to customers who don't like the charge. If you're not happy with the way the money is being spent, encourage your customers to mail the TRRAC Report Card with a letter to their elected official. If you're happy, hand it out and tell them to send it and thank them for being responsible. When consumers make noise, government listens. What have we got to lose?

As part of the world population, everyone must also accept responsibility for the health of the planet and do our part to ensure future generations have clean air to breathe and water to drink. Likewise, it's partly a moral and ethical obligation as an industry to take the necessary steps to ensure that scrap tires are properly recycled so the environment is not harmed or endangered. There are a number of ways that dealers and retreaders can fulfill that obligation.

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The first step is to get involved at the local level by supporting your state, regional or provincial tire dealer association. All of these organizations monitor issues like tire fees and can lobby on your behalf. They can also provide you with the names and contact information for local officials who are responsible for scrap tire legislation should you wish to express the views of your company in person. TIA and TRRAC cannot possibly keep up with the day-to-day workings in each state or provincial government, but your local organization can if they have the necessary resources.

Then, if the state, regional or provincial tire dealer association needs additional support, we can be in a position to react immediately to educate and inform the politicians and government officials from an international perspective. Just think about the possibilities if every dollar from every fee collected went towards recycling and tire pile clean-up. It could become a reality if every state or province had a strong presence at the local government level.

Which brings us to the second step, practice what you preach. In order for any product to be recycled, there must be a market for the end result. Scrap tires are currently used to manufacture rubber mats, landscaping mulch and other products that can be utilized in every dealership or retread plant. If the generators (dealers and retreaders) can help create demand for recycled rubber products, then the manufacturers of those products can invest in new technology. It’s also important to make sure that the company who is responsible for collecting your scrap tires is properly licensed (if necessary) and handling them in a manner that is respectful of the environment. Saving a few dollars may come back to haunt you if the “bargain” collector is illegally dumping your tires and then skips town with your money leaving the paper trail back to you (see Waste Not, Want Not: Don’t Get in the Dumps About Tire Disposal on pages 10-11).

The third and final step is to recognize the potential for a public relations nightmare and do something about it.

Scrap tire piles are prime breeding grounds for mosquitoes that carry the West Nile Virus. Imagine the public backlash if a nationwide epidemic was linked to tires. It won’t matter that this state and that state uses the tire fees for the general fund because the image of the industry as a whole will suffer. We’ve had enough bad publicity in the past few years to last a decade, so we don’t want to willingly put ourselves in position for another potential disaster.

If you have stockpiles of casings or used tires stored outside, cover them or work with local abatement officials to ensure the area is sprayed. Sponsor an amnesty day for your customers to bring in any old tires they have laying around. Encourage local businesses, school boards, and city councils to use recycled rubber products and follow the example you’ve set with your company. We must demonstrate that we are willing to take the necessary steps to solve the problem, especially when the government is incapable or unwilling.

Your TIA membership helps support TRRAC so we can respond to local requests for assistance when scrap tire legislation is not fulfilling its intended purpose. Your membership also helps TRRAC sponsor conferences to educate and inform government officials so they understand how the issues affect tire dealers and retreaders. This publication includes a section on recycling so you can better understand what is being done to alleviate the environment of the hazards related to scrap tires. TIA is fighting the battle on many fronts to protect your business from legislation and litigation that may force you to pay for the illegal (or unethical in the case of government) activities of a few people who saw the opportunity to make a fast dollar off our industry. We’re also making every effort to prevent you from becoming a tax collector who receives nothing in return for the fees your customers are being charged. But we’ve got a long road ahead of us and it all starts with membership. If you do your part, we’ll do ours and everyone will win.

Except the politicians who waste our money. ■

SCRAP TIRE LAWS AND REGULATIONS

Source: Scrap Tire News Legislative Report

STATE	FEES/FUND	REGS	LANDFILL	MARKET INCENTIVES
AL	\$1/tire retail sale Scrap Tire Fund established	S P H G D	Monofills allowed	Stockpile cleanup grants; scrap tire market development grants
AK	\$2.50/tire retail sale, 95% of fee goes to State General Fund			Purchase preference for recycled products
AR	\$2/auto, lt. truck, \$3/truck tire retail sale \$1/tire imported into state, County Grant Fund	S P H D	Tires must be cut monofill for whole tires allowed	30% equipment tax credit; 10% PP for retreads; grants to solid waste districts; stockpile cleanup grants
AZ	2% sales tax on purchase price of new tire	S P H D	Bans all tires in MSW landfills monofills for cut tires	Funding to counties for scrap tire programs; 10% equipment tax credit
CA	\$1.75/tire retail sale, \$.75 of fee goes to Air Pollution Fund, \$1.00 goes to CA Tire Recycling Fund	S P H G D	Bans whole tires monofills allowed	Grants/loans for tire recycling projects/studies; 5% PP for state purchase of tire derived materials; retreat policy for state vehicles
CO	\$1/tire retail sale Scrap Tire Fund established	S P D	Monofills allowed	Recycled products procurement policy; recycling equip. tax credit; clean-up grants; purchas- ing incentive grants; end use/processor reimbursement
CT		S		10% PP for recycled products
DE		S	Monofills allowed	Tax incentives; low interest loans for using recycled materials in manufacturing or to process recyclables
FL	\$1/tire retail sale, 20% to scrap tire uses, 80% to State General Fund		Tires must be cut	10% PP for recycled products; grants to counties to buy products made from scrap tires; DOT spec for asphalt rubber
GA	\$1/tire retail sale State General Fund	S P H G	Bans whole tires	Retread policy for state vehicles; grants/loans to counties for stockpile cleanup, technology and market development
HI	\$1/tire importer pays State Environmental Fund	S P D	Bans whole tires	10% PP for recycled products; stockpile cleanup funding
ID	Tire fee expired 6/96	S H D	Tires must be cut	DEQ charged with identifying recycling and reuse methods for tires
IL	\$2.50/tire retail sale, \$.50 of fee goes to Public Health Fund, remainder to Scrap Tire Fund	S P H G	Bans whole tires	Grants/loans to companies and local governments; financial assistance for testing
IN	\$0.25/tire retail sale Scrap Tire Fund established	S P H G	Bans whole tires	Stockpile cleanup grants; 10% PP for recycled products; scrap tire market development grants/loans; Buy Recycled Program
IA	20% of \$5 Vehicle Registration goes to Scrap Tire Mgmt. Fund	S P H G	Bans whole tires	Stockpile cleanup grants; recycling equipment tax exemptions; market devel- opment and tire processing incentives
KS	\$0.25/tire retail sale Scrap Tire Fund established	S P H G	Tires must be cut monifills allowed	Equipment tax credits; stockpile cleanup funding; grants for in- state tire recycling projects
KY	\$1/tire retail sale Scrap Tire Fund Established	S P H G	Tires must be cut	Recycling tax credits; waste tire amnesty grants; athletic field crumb rubber grant; market development grants
LA	\$2/tire retail sale Scrap Tire Fund established	S P H	Tires must be cut	Recycling equipment tax credits; 5% PP for recycled products; processor reim- bursement for material end-use
ME	\$1/tire retail sale State General Fund	S P H D	Tires must be cut	Buy recycled policy; stockpile cleanup and civil engineering programs
MD	\$0.40/tire first sale (wholesale) Scrap Tire Fund established	S P H G D	Bans whole and cut tires	5% PP for recycled products; financial assistance for firms in MES Scrap Tire Recycling System; Scrap Tire Project Grants
MA		S P	Bans whole tires	Recycling Industries Reimbursement Credits; 10% PP for recycled products; Recycling Loan Fund Grants
MI	\$1.50/vehicle registration Scrap Tire Fund established	S P H G	Must use licensed facility	Grant fund for cleanup of tires on public land; 10% PP for recycled products
MN	Fee/program expired 1997	S P H G	Bans whole and cut tires	10% PP for recycled products
MS	\$1/tire wholesale sale State Environmental Trust Fund	S P H G D	Tires must be cut	County/regional grants/loans; 10% PP for recycled products; recycling/demonstration grants for tire projects
MO	Fee/program expired 2004	S P H	Bans whole tires	10% PP for recycled products

LEGEND: S = STORAGE P = PROCESSOR H = HAULER G = GENERATOR D = DISPOSAL PP = PRICE PREFERENCE

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Source: Scrap Tire News Legislative Report

STATE	FEES/FUND	REGS	LANDFILL	MARKET INCENTIVES
MT		S D		Tax credit for equipment and products; state encouraged to buy recycled
NE	\$1/tire retail sale Waste Reduction & Recycling Fund	S P H D	Bans whole and cut tires	\$1 million/yr. in grants/loans to support tire recycling projects, market development and county amnesty days
NV	\$1/tire retail sale Solid Waste Mgmt. Acct.	S P H	Bans whole tires in MSW landfills cut tires can be monofilled	Grants for education and highway projects; 10% PP for recycled products
NH	Towns may collect fees for automobile waste management	S P H D	Tires must be cut unless facility is exempt	State required to buy recycled
NJ	\$1.50/tire retail sale, 20% to scrap tire uses, 80% to Transportation Dept.	S P	Must use permitted landfill/ transfer station	Stockpile cleanup grants; tax credits; buy recycled policy; Exec. Procurement Order; low interest equipment loans
NM	\$1.50 vehicle registration fee, \$.50 to Tire Recycling Fund, \$1 to Transportation Dept.	To be written		Grant/loan fund for recycling activities; retread rebates; rubberized asphalt fund; cleanup grant fund
NY	\$2.50/tire retail sale, approx 30% to scrap tire uses, remainder goes to State General Fund	S P H G	Bans whole tires	Stockpile cleanup and market development grants; demonstration projects administered by DED, DEC, DOT
NC	2% sales tax on new tire retail sale	S P H G D	Tires must be cut	Grants to counties for scrap tire collection and management; market development grants for use of scrap tire materials
ND		S H		
OH	\$1/tire on first sale (wholesale) Scrap Tire Fund Established	S P H D	Bans whole and cut tires	Stockpile cleanup grants; grants and loans for scrap tire market development
OK	\$1/tire retail sale \$3.50/truck tire retail sales	S P H G D	Tires must be cut	Grants; processor credit - \$.50/tire, \$.35/tire for statewide collection; riverbank stabilization project funding available
OR	Fee and program expired in 1992	S P H	tires must be cut	State should buy recycled; grants
PA	\$1/tire retail sale revenue goes to mass transit	S H	Bans whole tires	5% PP for recycled products; county tire collection grants; low interest loans; recycling equipment funding; stockpile cleanup grants
RI	\$.50/tire retail sale revenue goes to State General Fund	S P D		Stockpile cleanup fund
SC	\$2/tire retail sale Scrap Tire Fund established	S P H G D	Tires must be cut	\$1/tire retailer rebate for recycling; 7.5% PP for recycled products; grants to counties/local govts.; buy recycled program; funds Asphalt Tech. Center; civil engineering uses; recycled rubber product mfg.
SD	\$.25/tire add on to vehicle registration	S P G D	Permit required for land disposal of whole, cut, baled tires and tire materials	Grant fund appropriation for county and state stockpile cleanup program
TN	\$1/tire retail sale County Grant Fund	S	Bans whole and cut tires	Grants to counties for stockpile cleanup projects; beneficial end uses
TX	Fee/program expired in 1997	S P H G D	Bans whole tires	
UT	\$1/tire retail sale Scrap Tire Fund established	S P H D	Bans whole tires	\$75/ton reimbursement for crumb rubber; \$65/ton for all other recycling; \$50/ton for beneficial use
VT		S H	Bans whole and cut tires	Buy recycled policy; 5% PP for recycled products; Agency of Transportation developing engineering uses for scrap tires
VA	\$1/tire retail sale Scrap Tire Fund established	S P H	Bans whole tires	County/regional grants; end-user reimbursements of \$22.50/ton; stockpile cleanup fund; \$50/ton reimbursement for cleanup tires
WA	Fee and program expired in 1994	S P H	Operator's option	
WV	\$5.00/vehicle registration fee revenue goes to Highway Dept.	S P H	Bans whole and cut tires	State required to buy recycled; statewide stockpile cleanup program
WI	Fee/program expired in 1997	S P H	Bans whole and cut tires	
WY		S		Grants; state should buy recycled

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