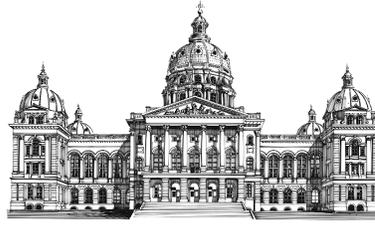

Iowa Legislative Fiscal Bureau

Dennis Prouty
(515) 281-5279
FAX 281-8451



State Capitol
Des Moines, IA 50319
November 7, 2000

Waste Tire Management Program

ISSUE

The Waste Tire Management Program is designed to eliminate non-compliant tire stockpiles, establish future markets for waste tires, and to promote the safe disposal of tires at the local level. This *Issue Review* provides an overview of the Program.

AFFECTED AGENCIES

Department of Natural Resources

CODE AUTHORITY

Section 455D.11, Code of Iowa

BACKGROUND

Disposing of waste tires at landfills has been prohibited since July 1, 1991, unless the tire has been processed in a manner that has been authorized by the Department of Natural Resources. The exception is a processed tire with no piece larger than 18 inches. Waste tires can be disposed of at tire dealers or recycling centers where they are picked up by tire processors or tire haulers. In most cases, the tire dealer charges a disposal fee.

Each year, there are approximately 2.8 million waste tires generated in Iowa with 80.0% of these from passenger cars. Approximately 75.0% of the waste tires generated annually are recycled and converted into tire-derived fuel used by power plants and industrial companies. In Iowa, two establishments use tire-derived fuel. They include a cement kiln in Mason City and the University of Iowa power plant.

In 1996, the General Assembly passed SF 2433 (FY 1997 Waste Tire Management Act) that created the Waste Tire Management Fund. When a person transfers title on a motor vehicle, a transfer of title fee is charged at the county level. The county treasurer is required to send \$5 of the title transfer fee to the Treasurer of the State. The Treasurer of the State deposits \$2.5 million into the Waste Tire Management Fund each year and a total of \$15.0 million will be appropriated over a six-year period from FY 1997 to FY 2002. Prior to FY 2001, the remaining funds went to the General Fund. In FY 2001 and FY 2002, the Road Use Tax Fund will receive \$1.0 million and \$3.0 million respectively after payment is made to the Waste Tire Management Fund. Any remaining funds will be deposited into the General Fund. The goal

of the Program is to reduce existing waste tire stockpiles and expand end-user markets for products made from waste tires.

In the 2000 Legislative Session, the General Assembly appropriated an additional \$500,000 in SF 2453 (FY 2001 Infrastructure Appropriations Act) for the Waste Tire Abatement Program. This Program issues contracts for the dismantling of waste tire stockpiles.

CURRENT SITUATION

Moneys in the Waste Tire Management Fund are appropriated into four major areas, as follows:

- **Waste Tire Management Grant Program** that promotes the sale, collection, and disposal of waste tires at the county level. Every County Board of Supervisors can apply for grant funds based on the population of the county. For FY 2001, 24 projects were approved totaling \$980,000. Since the beginning of the Program, 94 counties have received grant funding.
- **Board of Regents Tire-Derived Fuel Program** provides a maximum of \$100,000 per fiscal year for all Regent institutions to offset costs when waste tires are used for fuel. The University of Iowa is the only institution using tire-derived fuel, with an annual consumption of 200,000 tires. The maximum amount received by the University of Iowa in one year has been \$25,000. As the cost of other fuels continue to rise, the cost of tire-derived fuel becomes less expensive to use.
- **Waste Tire End Users Incentive Program** provides up to \$300,000 annually to all Iowa-based end-users of processed tire products. End-users may receive reimbursement of up to 50.0% for costs paid to purchase processed tire products. Eligible participants of the Program have included cement kilns, power plants, and civil engineering projects using shredded tires. A number of landfills in Iowa have begun to use shredded waste tire chips instead of sand and gravel in the construction of leachate collection systems. The percentage of tires used in various end-user markets includes 53.0% for tire-derived fuel, 33.0% shredded waste tire chips for landfills, 8.0% for erosion control, 3.0% for septic system drainage, and 3.0% for crumb rubber projects such as playgrounds and other surfaces.
- **Waste Tire Stockpile Abatement Program** provides for the cleanup of stockpile sites in Iowa. During 1996, when the Waste Tire Management Program began, the Department of Natural Resources estimated that there were 5.9 million waste tires at 66 different sites. Since the Program began, 3.2 million tires have been removed from 29 stockpiles. However, 15 additional sites have been reported to the Department since the Program's implementation, including one site with over 2.5 million waste tires (Tire Chop of Ft. Dodge).

The owner of the Tire Chop was fined \$3.5 million by the Webster County District Court in May 1999 for accumulating tire quantities that were not compliant with the Waste Tire Permit issued in 1994. In addition, the owner was directed to clean up the stockpile. The owner has not paid the fine and has not cleaned up the stockpile. Unless the owner cooperates with State efforts, a contempt hearing could be filed against the owner.

With progress to date and with the additional reported sites, it is estimated there are 4.8 million waste tires remaining to clean up.

Major abatement projects underway or recently completed include:

- A cleanup of the Ervin stockpile site south of Ft. Dodge where it is estimated that there were over 2.0 million waste tires. Greenman Technologies was awarded the contract

and began operations in July 1999. It is estimated that 1.5 million tires have been removed from the site where they are hauled to the Greenman Technologies plant in southern Minnesota and shredded for the production of tire-derived fuel. Holnam Cement, Inc. in Mason City, has been purchasing the tire-derived fuel from Greenman Technologies and has seen a reduction in the purchase price due to the increase in supply. The project is expected to be completed by the end of 2000.

- A cleanup project at six locations in Madison and Warren Counties where it was originally estimated that there were 140,000 tires in rural locations. However, when the project was completed in June 2000, there were actually 267,000 tires removed. Greenman Technologies completed this project.

There are tire disposal rules in other states. Minnesota and Wisconsin began their programs 15 years ago and have eliminated waste tire stockpile sites. Illinois and Missouri began their program prior to the one in Iowa, but continue to have waste tire stockpiles. In Kansas, the current program pays to have tire piles moved to state-permitted areas where the tires are stored indefinitely.

ALTERNATIVES

The Department of Natural Resources is working to meet the June 30, 2002, deadline for the removal of waste tires at remaining stockpiles. This includes contacting the owner of the Tire Chop stockpile at Ft. Dodge to obtain legal access to the property for cleanup purposes. The Department and other local agencies in Ft. Dodge are concerned that the stockpile has the potential to produce a large number of mosquitoes, and want access to eliminate that problem. Other concerns include the damage that would be caused if the stockpile were to catch on fire. The estimated cost for the Tire Chop cleanup is \$2.5 million.

BUDGET IMPACT

The Department of Natural Resources estimates that \$2.0 million in additional funds will be needed to clean up the remaining waste tire stockpiles. This would include the removal of tires at the Tire Chop stockpile.

STAFF CONTACT: Deb Kozel (Ext. 16767)
LFB:IR5DFKA.Doc/11/30/00/7:40 am/all
Waste Tire Management Program