

Approved: 1-24-96
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:00 a.m. on January 18, 1996 in Room 254-E- of the Capitol.

All members were present except:

Senator Robert Vancrum, excused
Senator Phil Martin, excused
Senator Bill Wisdom, excused

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Ardan Ensley, Revisor of Statutes
Clarene Wilms, Committee Secretary

Conferees appearing before the committee:

Bill Bider, Director, Bureau of Waste Management, Kansas Department of Health and Environment
Anna Hancock, Marketing Director, Mid-Continent Resource Recovery Inc.
Jack Rowlett, Jr., Lake Region Solid Waste Authority
Ray DeJulio, Lake Region Solid Waste Authority
Jerry Glasgow, President, Performance Tire and Wheel, also Kansas Tire Dealers Association

Others attending: See attached list

SB 399 - Concerning waste tires; relating to regulation of processing and disposal

Bill Bider, Director, Bureau of Waste Management, Kansas Department of Health and Environment, appeared and presented testimony concerning **SB 399** (Attachment 1). Mr. Bider told the Committee of many changes the bill makes concerning the waste tire statutes and that it will have a major effect on the way waste tires are managed and disposed of in Kansas. Testimony focused on the key changes to the law and explained the implications of those changes.

Mr. Bider stated some people feel that allowing waste tires to go to landfills, and later on allowing processed waste tires to go only to monofills., both of which are less expensive than recycling or processing for energy, could cause importation of tires into Kansas from states where tires in landfills are more restricted or banned altogether. However, others felt transportation costs would probably limit importation to some extent.

Mr. Bider expressed concern as to whether enough money would be generated over the next three years to fully abate all of the known waste tire sites. Financing waste tire emergencies such as mosquito breeding, fire risks and nuisances was another concern.

Mr. Bider recommended a change which would maintain department authority to perform interim measures only until the county or responsible party could fully implement cleanup action.

At the request of the chairperson, Mr. Bider explained that most tires are dealt with by private enterprise which takes tires to monofills with exceptions in southeastern Kansas as well as Wichita. He pointed out that some counties had become dependent on grants to aid in disposal of tires brought to landfills free of charge. This bill will terminate such assistance.

A committee member questioned the K-Goal report and felt the funds had not been used wisely. Mr. Bider stated that the major problems identified in the report occurred in the first two years of the program during which time only two FTE positions were available to set up grants and facilities across the state. They were unable to adequately administer the program. Two and one-half FTE positions were added prior to the study.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, ROOM 254-E-Statehouse, at 8:00 a.m. on January 18, 1996.

In answer to a member's question concerning Nebraska and their disposal plans, Mr. Bider stated that for several years Nebraska has been working toward burning tires for energy recovery at power plants. In Kansas only one power plant is capable of burning tires for energy. Cheap coal costs provide great competition for burning tires for energy.

Another member stated that the bill was written because the original plan did not work but expressed concern the bill will end any recycling efforts. It was noted that the Humboldt cement plant imports tires from out of state to burn for energy as adequate supplies of similar quality cannot be secured at reasonable costs due to transportation charges. The opinion was expressed that a market needed to be developed.

The issue of using crumb rubber in building highways was discussed briefly with Mr. Bider commenting that tests have not yet determined definitely whether it will be cost effective.

Anna Hancock, Marketing Director, Mid-Continent Resource Recovery Inc., presented testimony telling members her organization is a private/public venture specifically designed to handle waste tires (Attachment 2). Ms. Hancock related information concerning playground surfacing materials and other products which have been developed after gearing up to produce crumb rubber for the federal road program, a market which has disappeared to a large extent. She also reminded members that recycling is a new and ever developing industry.

Jack Rowlett, Jr., Chairperson, Lake Region Solid Waste Authority, appeared and presented testimony in opposition to **SB 399** (Attachment 3). Mr. Rowlett explained his organization makes applications for and administers grants pertaining to solid waste management in an area composed of Anderson, Coffey, Franklin, Linn, Miami and Osage Counties. He stated the current method of management is not meeting the needs of the counties, that it inefficiently uses their limited financial resources and has created a complicated process that has not and will not solve the waste tire problem and problems listed concerning this issue were as follows:

- Relationship between tire dumping and disposal fees
- Tax funds end up being used to cover costs of disposal
- The current solution forces government to grow

Mr. Rowlett concluded by stating that the system must be changed unless the practice of continuing to expend tax dollars for tire disposal continues indefinitely.

Ray DeJulio, Lake Region Solid Waste Authority, Franklin County, appeared and presented testimony in opposition to **SB 399** (Attachment 4). Mr. De Julio proposed an industry solution to the waste tire disposal problem requiring manufacturers of tires which are responsible for tires sold in Kansas (through their vendors) to be responsible for the disposal of waste tires in accordance with the State mandated disposal methods.

Mr. DeJulio suggested the Industry Solution would:

1. Eliminate government interference with private industry
2. Money for tire disposal is already in the system
3. Possible methods which could be used by industry to address the problem
4. Advantages of industry solution to waste tire disposal
5. Transition for the government system could be relatively painless.

The conferee expanded each of the 5 suggestions in his written testimony.

Jerry Glasgow, President, Performance Tire and Wheel, also a Board member and on behalf of the Kansas Tire Dealers Association, appeared in support of **SB 399** (Attachment 5). Mr. Glasgow stated his organization felt there were two problems with the waste tire program in Kansas. (1) There are no markets for recycling - small population generates a small amount of waste product thereby eliciting concern about a constant and dependable supply. A large land area makes transportation a major cost factor. (2) Lack of enforcement the past five years and proper follow-through on existing laws and regulations by the regulating community may have increased tire dumping in the state and allowed perpetuation of dumping.

In his written testimony Mr. Glasgow outlined a number of changes in the law and requested consideration of them.

Due to time constraints the chairman announced that the hearings would be continued January 19, 1996 at 8:00 a.m. in Room 254-E.

The meeting adjourned at 9:05 a.m.

The next meeting is scheduled for January 19, 1996.

SENATE ENERGY & NATURAL RESOURCES
COMMITTEE GUEST LIST

DATE: January 18, 1996

NAME	REPRESENTING
STEVE KEARNEY	WASTE MANAGEMENT
J. IRWIN	KDHE
Whitney Damron	Anadarko Petroleum
JOHN C. BOTTENBERG	PEFFENBACH IND.
Bill Bider	KDHE
DAVID SCHLOSSER	PETE MCGILL & ASSOC.
BRUCE GRAHAM	
E.R. "Woody" Moss	Ks. Aggregate Prod. Assn
Rodney Maag	KDHT
Jerry W Glasgow	Ks Tire Dealers
Brian Herrick	Ks Tire Dealers Assn
Diane Hunter	Ks Coop Council
Bill James	BOEING
Mike Taylor	City of Wichita
ED SCHAUB	WESTERN RESOURCES

State of Kansas

Bill Graves



Governor

Department of Health and Environment

James J. O'Connell, Secretary

Testimony presented to

Senate Energy and Natural Resources Committee

by

The Kansas Department of Health and Environment

Senate Bill 399

The Department of Health and Environment appreciates the opportunity to provide testimony regarding Senate Bill 399. This is a complex bill which was developed by the Joint Energy and Natural Resources Committee based upon extensive testimony and input from many interested parties in the fall of 1995. The bill includes many changes to the waste tire statutes and it will have a major effect on the way waste tires are managed and disposed of in Kansas for many years to come.

Because this bill affects many of the requirements related to waste tire management and related grant programs, our testimony focuses on the key changes to the law and explains the implications of each change. In addition, we raise some related issues for consideration by the committee.

Overall, this bill will maintain the "status quo" in terms of how most waste tires are managed in the State of Kansas. Landfilling of processed waste tires will continue to be allowed. The definition of processing is expanded by the bill to include baling in addition to cutting or shredding. Processed waste tires may be landfilled in either municipal solid waste landfills or waste tire monofills through July 1, 1999. After that date, landfilling is only permitted in monofills. The bill expands landfilling flexibility to include whole waste tires which are highly contaminated. KDHE must define in regulations what it means to be "contaminated."

The decision by the interim committee to allow ongoing landfilling will impact future efforts to recycle rubber or recover energy from waste tires. At the present time, landfilling waste tires is more cost effective than recycling; therefore, without an ongoing subsidy, most tires will end up in the landfill. Since no subsidies for recycling or energy recovery are proposed and since viable unsubsidized markets do not exist, recycling activities will find it difficult to compete with the landfill option.

Some interested persons have commented that the relatively low cost of disposal in a waste tire monofill could lead to the importation of significant quantities of waste tires to Kansas from our neighboring states in the Midwest. Nebraska has already established extensive processing requirements prior to landfilling (tires must be reduced in size to small chips) and a total landfill ban will become effective on September 1, 1997. Missouri and Oklahoma also have processing requirements which make it more expensive to landfill waste tires than will be required in Kansas.

On July 1, 1999, the waste tire excise tax of \$.50 per tire will be decreased to \$.25 per tire and the responsibility for future waste tire abatement will lie with the counties. Provisions will still exist within the law to seek corrective action by responsible parties such as waste tire transporters or processors who create tire piles. However, when a responsible party cannot be identified or when the responsible party does not have the resources to abate the problem, the county will be responsible for correcting the problem.

Given the transition to county responsibility, the interim committee recognized the need to provide financial assistance over the next three years to identify and clean up existing sites. In addition, improved long-term enforcement was seen as a way to minimize the potential development of new tire piles after July 1999. Consequently, three new grants programs are proposed to replace those already in effect. They include:

- Base Grants - This is a one year program in which counties and/or regional authorities are eligible to receive funding to fully inventory their counties to identify all existing pre-law sites (July 1, 1990) which are eligible for funding under the new abatement grant program. These grants would all be awarded in FY 1997.
- Abatement Grants - These grants are similar to those already provided to counties and regions; however, the program lasts through FY 1999 only. After that time, no additional abatement grants will be awarded and any new cleanup work must be performed by the county in which the problem exists or by the party responsible for causing the problem. Abatement grants may only be awarded to clean up pre-law waste tire accumulations.
- Enforcement Grants - Counties and regional authorities will be available beginning in FY 1997 to receive funding to administer local compliance and enforcement programs which support KDHE efforts. Virtually all interested parties commented that improved compliance and enforcement was needed to ensure a level playing field for all parties involved in waste tire management and to minimize future liabilities.

Conceptually, the system of permitted landfills, an established private sector to transport and process waste tires, and the above mentioned grant programs which will follow from this bill appears to be a reasonable approach to waste tire management. However, this system presents some problems and uncertainties. First, it is uncertain as to whether enough money will be generated in the waste tire management fund over the next three years to fully abate all of the currently known and soon to be identified pre-law waste tire sites. It appears as though there will be less than \$2.0 million available for abatement through FY 1999.

Another concern is related to waste tire emergencies which could result after the tire fee is reduced and the abatement grant program is eliminated. If a county cannot promptly address an emergency and if no responsible party can be found, KDHE may not have any money to act to correct the problem. Examples of waste tire emergencies include extreme mosquito breeding, fire risks, and nuisances to nearby residents.

Although, this bill places the responsibility for waste tire cleanup with the counties after July 1, 1999, another section of the bill still gives KDHE the authority to directly expend money to abate waste tire problems. This authority may become moot if there is no money in the fund because of the decrease in the excise tax; however, as long as KDHE's general and complete cleanup authority exists, counties may hesitate to implement corrective measures and instead look to the state. The possible inconsistency in these sections of the law lead us to recommend a change which limits the department corrective action authority. After July 1, 1999, we recommend maintaining department authority to perform interim measures only until the county or responsible

party can fully implement cleanup action. This could include spraying for mosquitos or perhaps organizing or stacking tires to minimize fire hazards to nearby structures. It must be emphasized that even with this authority, the department may or may not have the funds available to implement interim measures. It could depend upon whether the ongoing enforcement grants have utilized all available funds.

Under this bill, KDHE will be able to maintain the current administrative funding level of about \$200,000 per year. Current law authorizes the department to spend up to 16 percent of fee revenues to run the program. This includes all staff salaries and operational expenses to administer the permit, inspection, grants, and enforcement programs. When the fee decreases to \$.25 per tire, the allowable percent doubles to 32 percent of revenues. The staffing level needs to remain constant after July 1, 1999. This will allow us to enhance compliance and enforcement efforts. All interested parties appear to agree that the department's future activity in the waste tire program should focus upon permitting, compliance inspections, and appropriate enforcement action. Some public education and technical assistance will also be part of those responsibilities.

It is important to note that KDHE held a waste tire summit in Manhattan, Kansas in September 1995 to review all aspects of the waste tire regulatory program. This successful meeting included many excellent technical presentations as well as a full day of discussions regarding where the Kansas program should go. As anticipated, the wide diversity of persons with an interest in waste tire management made it impossible to reach full consensus on how best to manage and regulate waste tires. The major issues covered in Manhattan were referred to the interim committee for consideration and some of those issues are addressed by this bill. Most noteworthy is that the majority of the interested parties did want to maintain landfilling as a legal and cost effective way to dispose of waste tires. In addition, the group in Manhattan consistently asked for better enforcement by KDHE. This bill maintains KDHE's workforce at the current level and provides a mechanism to enhance enforcement efforts at the local level.

In summary, the changes to the waste tire law should result in several improvements to the existing regulatory system. However, it may be necessary to reconsider certain issues in the future as more is learned about the consequences of the changes.

Thank you for allowing us to comment on this bill.

Testimony presented by:

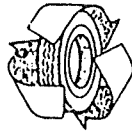
Bill Bider
Director, Bureau of Waste Management
Division of Environment
January 18, 1996



Senate, Energy & Nat'l Resources
January 18, 1996
Attachment 2

**MID-CONTINENT
RESOURCE
RECOVERY INC.**

Tire Recyclers



MID-CONTINENT RESOURCE RECOVERY WAS FOUNDED IN 1992 AS A PRIVATE /PUBLIC VENTURE SPECIFICALLY DESIGNED TO HANDLE THE EVER GROWING PROBLEM OF WASTE TIRES. MID-CONTINENT WAS FORMED FOR THE SOLE PURPOSE OF RECYCLING TIRES AND FINDING A USEFUL WAY TO PUT THEM BACK TO WORK IN OUR COMMUNITIES, INSTEAD OF OVERLOADING OUR VALUABLE LANDFILLS WITH WHAT CAN NOW BE CONSIDERED A RESOURCE. TO DATE WE HAVE TAKEN 16 ACRES OF 2,000,000 TIRES AND REDUCED THEM TO LESS THAN 5 ACRES OF INVENTORY THAT IS NO LONGER THE FIRE HAZARD IT WAS. THROUGH A COMBINED EFFORT WITH SOUTH CENTRAL KANSAS ECONOMIC DEVELOPMENT DISTRICT (SCKEDD) WE HAVE CLEANED UP 13 SURROUNDING COUNTIES WASTE TIRE PILES AS WELL AS THE ON GOING TIRE FLOW FROM SEDGWICK AND THESE 13 COUNTIES .

THE TESTIMONY GIVEN BY CLIFFORD BURK (PAST PRESIDENT OF THE KANSAS PLANT MANAGERS ASSOCIATION) IN FRONT OF THE SUB COMMITTEE OF ENERGY AND NATURAL RESOURCES LAST OCTOBER, SHOWED THAT BY UTILIZING RECYCLED TIRE MATERIAL ON THE PLAYGROUNDS IN HIS SCHOOL DISTRICT THEY REALIZED A 73% REDUCTION IN ACCIDENTS. STATISTICS PROVE THE MAJORITY OF INJURIES OCCUR FROM FALLS. I KNOW THE SAFETY OF OUR CHILDREN IS IMPORTANT TO ALL OF US. BY PLACING TIRE DERIVED SURFACING UNDER EXISTING PLAY EQUIPMENT WE GREATLY REDUCE THEIR CHANCE OF LIFE THREATENING OR LONG TERM DEBILITATING TRAUMA TO THE HEAD , AS WELL AS OTHER INJURIES.

WE AT MID -CONTINENT RESOURCE RECOVERY , AS CONCERNED PARENTS AND ACTIVE ENVIRONMENTALISTS, WOULD LIKE TO PROPOSE A PROGRAM NOT UNLIKE WHAT OTHER STATES HAVE IMPLEMENTED , ALLOWING SCHOOLS TO APPLY FOR A GRANT TO UTILIZE THIS MATERIAL ON THEIR PLAYGROUNDS. WE WOULD SUGGEST A 50% MATCHING GRANT FOR THE COST OF THE MATERIAL TO BE PLACED ON ELEMENTARY SCHOOLS ACROSS THE STATE OF KANSAS. AGAIN THIS IS THE TYPE OF PROGRAM THAT WAS INTRODUCED IN INDIANA, MISSOURI, ILLINOIS, FLORIDA, TEXAS, AND CALIFORNIA TO NAME A FEW. THESE STATES HAVE FOUND THIS RECYCLED SURFACING PROVIDES SOLUTIONS TO SEVERAL ISSUES WE ARE ALL CONCERNED ABOUT NAMELY:

- INCREASING THE SAFETY OF OUR CHILDREN
- COST EFFECTIVENESS
- REDUCING ACCIDENTS THIS
- REDUCING LIABILITY AND INSURANCE PREMIUMS
- A POSITIVE ALTERNATIVE FOR OUR WASTE TIRES
- NOW AND IN THE FUTURE

IF THIS PROGRAM WERE TO BE IMPLEMENTED IN THE STATE OF KANSAS, THE 1100 PUBLIC ELEMENTARY SCHOOLS (THIS DOES NOT INCLUDE PRIVATE SCHOOLS OR PUBLIC PARKS AND RECREATIONAL PLAYGROUNDS) WILL RESULT IN THE TOTAL CONSUMPTION OF WASTE TIRES FOR THE NEXT FOUR YEARS IN THE STATE OF KANSAS . ANOTHER OF THE MANY ADVANTAGES OF ADOPTING THIS PROGRAM IS THE BENEFITS TO THE MORE RURAL AREAS. WE CAN DELIVER A TRUCK LOAD OF PLAYGROUND MATERIAL AND ON RETURN REMOVE THEIR WASTE TIRES FOR RECYCLING. THIS PROGRAM GIVES A POSITIVE ALTERNATIVE TO EVERY ONE

THIS IN ADDITION TO OTHER PROJECTS BEING DEVELOPED BY MID-CONTINENT IS PROVIDING MORE AND MORE MARKET OPENINGS FOR RECYCLED TIRE MATERIAL PRODUCTS, FOR EXAMPLE OUR QUICK -BRICK PAVER MATS, HORSE MATS , ANTI-FATIGUE MATS, MUD FLAPS, AND ADA PLAYGROUND MATTING TO NAME JUST A FEW. WE HAVE DISCOVERED THAT NECESSITY IS INDEED THE MOTHER OF INVENTION, KEEPING IN MIND MCRR GEARED UP TO PRODUCE RUBBER FOR THE FEDERAL ROAD PROGRAM (ISTEA) ONLY TO HAVE TO CREATE ALTERNATIVE MARKETS FOR THIS MATERIAL.

PLEASE KEEP IN MIND RECYCLING IS A NEW AND EVER DEVELOPING INDUSTRY. LET'S NOT "THROW AWAY" THE ADVANCEMENTS ALREADY MADE IN DISCOVERING THE TIRE RECYCLING POTENTIAL.

U.S.D.

453

LEAVENWORTH PUBLIC SCHOOLS

ADMINISTRATIVE OFFICE, UNIFIED SCHOOL DISTRICT 453

P.O. BOX 186, 200 N. 4TH ST., LEAVENWORTH, KS 66048

PHONE (913) 684-1400 FAX (913) 684-1407

9/18/95

Terry Hines
Mid-Continent Resource Recovery
2700 S. West St.
P.O. Box 17072
Wichita, Ks. 67217

Dear Terry:

Thought I would drop you a letter letting you know how the shredded rubber has been doing on our playgrounds.

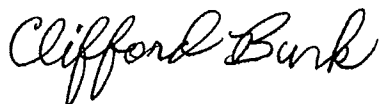
We installed our first playground with rubber four years ago and I'm happy to say everything is still fantastic.

The rubber stays in place better than the sand/pea gravel, when it does get onto the asphalt play surface it doesn't create a slip fall hazard like the sand/pea gravel. It doesn't rot, get compacted or need to be turned like wood chips. Over the summer when the students are not using the equipment the rubber doesn't get overgrown with weeds and sand burrs like the sand/pea gravel.

But I guess the two biggest reason's I install the shredded rubber is that the kids really enjoy playing in the rubber, it's safer because the cats don't use it as a litter box as much. Also in the area's where the rubber has been installed our accidents have decreased dramatically.

In conclusion I would recommend installing the shredded rubber to any institution who maintains a playground.

Sincerely:



Clifford Burk
Director of Buildings and Grounds
913-684-1560
fax 913-684-1407



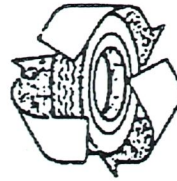
Excellence through Education

TIRE RECYCLING IN TROUBLE

Under legislation being considered by the Kansas House Energy & Natural Resources Committee, most tire recycling in Kansas would come to a halt. This in spite of the fact that no general tax money is being spent but rather recycling is being supported by the 50 cents per tire collected on the sale of new tires. This money goes for administration at the Department of Health & Environment (KDHE) and for planning, making new products and marketing of processed tire products. One extremely successful use of shredded tires is as a cover on playgrounds. It has greatly reduced injuries on children at play. At the present time it is illegal to bury whole tires in landfills. Under the new law, old, dirty tires could be buried whole in landfills. New tires could be shredded and then buried in landfills or monofills. One reason tires are now banned from landfills is that they work their way up to the surface and become nuisances there. The Committee wants to reduce the amount collected to 25 cents per tire with the same \$200,000 going to KDHE for administration, in spite of legislative complaints about bureaucracy. The largest tire recycler in Kansas is Mid Continent Resource Recycling in Wichita. To protest quitting recycling tires, contact Rep. Carl Holmes, chair of the Energy & Natural Resources Committee, PO Box 2288, Liberal KS 67905 - (316) 624-7361 and also your own state representative.

Advantages of Tire Derived Playground Material

- Reduces chance of injury
- Doesn't compact
- Non Toxic
- Non Staining
- Harmless to environment
- Doesn't track like sand
- Easily installed
- Easily maintained
- Won't scratch floors



Material Facts

Playground material consists of small rubber chips which absorb impact and cushion falls, but do not compact or deteriorate.

Playground material does not absorb moisture. Snow and rain pass through it, allowing children to be back on the playground much quicker.

Installation

- Small boarder to retain material
- Surface under material to drain such as gravel or sand, or material liner allowing moisture to pass through
- Material should be four to eight inches thick, depending on height of equipment above it
- Rake into place

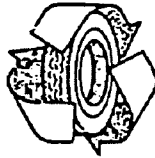


Maintenance

- Smooth surface with rake
- Wash with garden hose
- Easily replaced

For Information Please Contact

MID-CONTINENT RESOURCE RECOVERY INC.



**1901 Southwest Boulevard
Wichita, Kansas 67213**

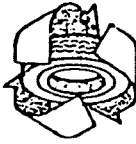
**P.O. Box 17072
Wichita, Kansas 67217**

Call Terry At
316-941-9696

Fax Number
316-941-9523

***References
Are Available!***

The Tire Recyclers



**MID-CONTINENT
RESOURCE
RECOVERY INC.
P.O. Box 17072
Wichita, Kansas 67217**

Tire Derived Playground Material

*A Rubber Chip
produced from tires!*

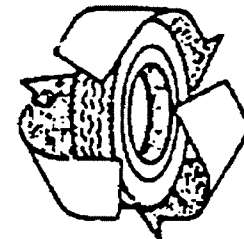
Offers a safer playing surface
for children.

Easily Maintained

Easily Installed

Doesn't Compact or Deteriorate

MID-CONTINENT RESOURCE RECOVERY INC.



The Tire Recyclers

The Lake Region Solid Waste Management Authority
Waste Tire Management
January 18, 1996

I would like to thank you very much for allowing me to present our ideas on waste tire management. My name is Jack Rowlett Jr.. I am a self-employed individual who is also chair of the Lake Region Solid Waste Management Authority, which is composed of Anderson, Coffey, Franklin, Linn, Miami and Osage Counties. The Authority makes applications for and administers grants pertaining to solid waste management in the Lake Region. This includes waste tire management. I am also chair of the Lake Region Solid Waste Management Committee, which was responsible for writing the solid waste management plan for the six county region. I believe that we are still one of the only two solid waste management plans submitted that was written in total by the Committee members.

Testimony from the Lake Region will be presented in two parts. I will present the problem as we see it, and Ray De Julio from Franklin County, will speak to our view of how these problems could be addressed by the Legislature

Currently, waste tires in Kansas are collected and disposed by each of the 105 Counties. Whether they act individually or as a region, each County is still responsible for funding, enforcement, compliance, collection, and disposal of waste tires. As you know, the **Waste Tire Fund** was established by the Legislature to assist the Counties with waste tire abatement and the purchase of equipment to process and dispose of the waste tires.

We feel that this current method of management is not meeting the needs of the Counties. It is inefficiently using our limited financial resources, it has created a very complicated process, and has not nor will not solve the waste tire problem.

THE FIRST PROBLEM IS THE RELATIONSHIP BETWEEN TIRE DUMPING AND DISPOSAL FEES.

If disposal fees are placed on the tires at the collection site, many tires are not properly disposed of. They are dumped. Thus requiring the need to abate those tires. This created one of the reasons for the Waste Tire Management Fund which brought about the implementation of the \$.50 per tire excise tax to fund that program.

Senate Energy & Nat'l Resources
January 18, 1996
Attachment 3

Linn and Coffey Counties, in our Region, have accumulated thousands of tires primarily because they do not have a tire disposal charge at their collection site. That is the objective of tire management-----to collect and properly dispose of all the tires. Unfortunately, the current waste tire grant guidelines, will not fund any abatement of those tires.

Those Counties are essentially penalized for a good faith effort to collect waste tires. We are convinced, there should be no charge for tire disposal at the collection site. This charge should be placed elsewhere, as will be discussed later.

THE SECOND PROBLEM IS THAT TAX FUNDS END UP BEING USED TO COVER THE COSTS OF DISPOSAL.

Currently, for the Counties to recover their tire management costs, they must decide whether to impose a disposal fee at the collection site, or not impose a disposal fee at the collection site, and then cover their costs with tax revenues ie. Ad Valorem, sales tax, or special assessments.

Disposal costs are inequitably spread over the tax base when County tax revenues are used to fund tire disposal. All tax payers, do not contribute to the tire disposal problem in proportion to their taxes. The only fair way to cover the cost of tire disposal is for every individual to pay for the disposal of their tires.

The Counties are under a tax lid. When they are forced to use tax revenues to dispose of tires that **should be paid for and can be paid for** by those individuals that discard those tires, then we are inappropriately using valuable public resources.

THE THIRD PROBLEM IS THAT OUR CURRENT SOLUTION FORCES GOVERNMENT TO GROW .

Bureaucracy is established at the local and State level to handle waste tires. If the process was reorganized, the local level could be virtually eliminated, freeing up those resources.

'The Waste Tire Management Fund Grants' require a considerable amount of time and money from the Counties. We feel these grants should be eliminated.

To give you a rough idea on the grant procedures; an application must be written for each grant. Guidelines must be met for each application. If the application is accepted, and almost every time it is bounced back and forth for clarification and/or modifications, then a contract must be signed. The grant must be administered. Detailed documentation must be provided from the Counties to KDHE for reimbursement. An audit must be performed at the State level. The grant must be closed out. A review and evaluation of the grant must be written and submitted. The cost for almost this entire procedure is covered by the Counties.

Each County must individually or as a region, determine how this whole process is to be accomplished. This is done in countless meetings, encompassing literally hundreds of hours of discussion and administration. All in the name of trying to deal with the waste tire problem.

LASTLY, THE CURRENT SYSTEM DOES NOT SOLVE THE PROBLEM.

The current system has not reduced the problems involving waste tires in Kansas. Each year, 10 to 14 million new tires are sold in Kansas.

There are already sufficient tire disposal charges in the system. The problem is, everyone who discards waste tires, does not pay the disposal charge. It is not uncommon to pay \$1.00 to \$2.00 per tire disposal fee at the collection site and if we include the \$.50 per tire that goes to the Tire Management Fund, this is a total charge of \$1.50 to \$2.50 per tire. More than adequate to cover the disposal costs. People that dump their tires don't pay. Then, if you add in how much each County is spending out of their budget to clean up the road sides and ditches that is not covered by State abatement grants. the charge per tire is even higher.

The Counties are required to cut up the waste tires for disposal. As we understand, this is necessary, not because there is a problem with tires floating to the top after they have been buried, but in reality it was to artificially increase tire disposal costs that would in turn stimulate alternative disposal markets and to conserve landfill and monofill space. This is a cost covered by the Counties that is apparently not necessary.

Alternative markets have not been successfully established, and current legislation is to direct waste tires solely into monofills. We feel that a final solution of burying tires is wrong, environmentally and economically. Why should we go to the added expense of processing when it does not accomplish what we feel are the correct goals.

In summary, the proposed legislation will require the Counties to become fully responsible and liable for all tire disposal after July 1, 1999. Unless we are prepared to continue to spend tax dollars for tire disposal indefinitely, the system must be changed. We believe it is time to try a different method which goes to the source of the problem, rather than by trying to fix the symptoms of the problem.

LAKE REGION SOLID WASTE AUTHORITY

My name is Ray De Julio: I am employed by Franklin County in several capacities among which are the Household Hazardous Waste Coordinator and the Recycling Program Coordinator. I am also a member of the Lake Region Solid Waste Management Authority and a member of the Franklin county Solid Waste Management Committee.

Our proposed solution to the waste tire disposal problem is relatively simple: require manufactures of tires which are sold in Kansas (through their vendors) to be responsible for the disposal of waste tires in accordance with State mandated disposal methods. We are proposing this INDUSTRY SOLUTION of waste tire management for a number of reasons.

*** THE INDUSTRY SOLUTION ELIMINATES GOVERNMENT INTERFERENCE WITH PRIVATE INDUSTRY.**

Tire manufacturers make and sell their product to the public for profit. Tire disposal is one of the costs associated with the use of tires. What possible benefit can the State of Kansas and it's consumers have for tire disposal to be overseen by 105 different county governments or the State of Kansas? Surely no one believes that Government is more efficient than is private industry. At one time even gasoline was a waste product: industry found a way to make a profit from this waste.

*** THE MONEY FOR TIRE DISPOSAL IS ALREADY IN THE SYSTEM.**

Tire purchasers are NOW paying "disposal fees" to dealers to cover the costs of disposal. If DEALERS FEEL that those costs are too high, they can lower the fees: if they feel that they are too low, they can raise the fees. In either case, TAXPAYERS ARE LEFT OUT OF THE LOOP. Dealers will have additional monies because the tax NOW COLLECTED FOR THE STATE OF KANSAS would be passed on to them or eliminated. THE MONEY FOR TIRE DISPOSAL IS ALREADY IN THE SYSTEM: IT MERELY NEEDS TO BE RE-ALLOCATED.

*** THERE ARE ANY NUMBER OF POSSIBLE METHODS WHICH COULD BE USED BY THE INDUSTRY TO ADDRESS THE PROBLEM.**

Faced with the tire disposal problem, we believe that the tire industry can meet the challenge.

1- New tires COULD carry a "core charge" as is now done with many other automotive parts: each tire sold would require that one tire was turned in for shipment back to point of origin (or consolidation). Those not turning in a tire at purchase time would be charged a "core charge" (\$ 5.00?) which would be administered by an industry group of representatives to oversee the State-wide tire disposal problem.

2- Tire processing COULD be done at the dealer level with purchasers paying a fee (determined by the TIRE INDUSTRY) when new tires were purchased: the fee would be

Senate Energy & Nat'l Resources
January 18, 1996
Attachment 4

imposed automatically so that there was no incentive for individuals to keep their old tires to avoid paying the fee. The TIRE INDUSTRY could process the tires for disposal at a landfill or mono-fill, ship them out-of-state for disposal, use the tires for "waste to energy", or whatever other method they chose to address the problem based on the environmental laws of the State of Kansas.

3- WHO KNOWS? The PURPOSE of this proposal is for the tire industry to find a better way, not for Government to tell them how to meet the challenge.

*** THERE ARE A NUMBER OF ADVANTAGES TO THE INDUSTRY SOLUTION TO WASTE TIRE DISPOSAL.**

- 1- The costs of tire disposal will be handled by the source of the problem, NOT AT THE EXPENSE OF THE TAXPAYING PUBLIC.
- 2- There will be LESS GOVERNMENT involved in the process. Only a minimum amount of regulatory action by the State of Kansas should be necessary, and it's regulatory funding "fee" on tires should be minimal.
- 3- If there are going to be environmentally friendly and cost-effective methods of recycling or disposing of tires, the tire industry is in a much better position to instigate that solution than are Kansas Counties.
- 4- The funds for waste tire disposal are ALREADY IN THE SYSTEM: they simply have to be relocated.

*** THE TRANSITION FOR THE GOVERNMENT SYSTEM TO THE INDUSTRY SYSTEM COULD BE RELATIVELY PAINLESS.**

- 1- The INDUSTRY SYSTEM would begin on a specific date (say July 1, 1997). This would allow the industry time to contract with processors or to implement whatever other plans they wish prior to the change in the law. Counties would retain responsibility for tires until that date.
- 2- Existing funds could be divided between industry and the counties based upon grant applications to be used for implementing the new process and for the abatement of tires. At worst, counties will have to pay for the abatement of existing tires: at least they will see an END to the problem.
- 3- Current funding (ie: the WASTE TIRE FUND) would continue, but would primarily go directly to the Industry for assistance in dealing with their problem. The State would keep a minimum amount of monies to assist in monitoring compliance with the new law. The law could be reviewed two years after implementation of the program so that the TAX could be raised, lowered or eliminated.

Thank you for your time. We sincerely hope that you will give this proposal serious consideration as an alternative method of WASTE TIRE MANAGEMENT.

**STATEMENT
OF THE
KANSAS TIRE DEALERS ASSOCIATION**

**BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE**

January 18, 1996

Senate Energy & Nat'l Resources
January 18, 1996
Attachment 5

Mis. Chairman, Mister Vice Chairman and Members of the Committee:

My name is Jerry Glasgow. I'm the President and owner of Performance Tire and Wheel, a small independent tire dealership in Topeka. As a Board member, Past President and on behalf of the Kansas Tire Dealers Association, I appreciate the opportunity to be here today to express our position on SB 399.

Tire dealers in Kansas realize a need to address the scrap tire disposal problem, and support all reasonable efforts to remedy this ongoing management issue. The continued mishandling of scrap tires gives our industry a "black eye," and upstanding dealers must compete with those who refuse to play by the rules.

Our members feel there are two problems with the waste tire program in our state.

First: In Kansas today, there are no markets for recycling and there is a demographic explanation. Our small population in comparison to other states generates a small amount of waste, which makes would-be recyclers cautious about a constant supply. Also, our large land area, given that transportation is the largest cost factor in managing waste tires, results in an economic barrier. However, a national trend provides hope that markets may be coming. I have attached a short article that quotes John Serungard, Scrap Tire Management Council Chairman, as saying "it is not unreasonable that we will have demand for more than 75 percent of all the scrap tires generated by the end of 1996." Kansas may follow this trend, but it may be a regional effort.

Second: Over the last five years, there has been a lack of enforcement and proper follow-through on the existing laws and regulations by the regulating community. This mismanagement has not only allowed the perpetuation of, but also may have increased tire dumping in our state.

Until there is a cost-effective market for waste tires and the enforcement of laws reaches a level effective at stopping illegal dumping, waste tires should be allowed to be monofilled.

From a tire dealer's prospective, there are several changes in the law that we would respectfully request the legislature to consider. I have attached a balloon for each change and numbered them accordingly.

1. (Page 2 - line 4) Definition of Tire - The current definition does not include at least seven types of tires for the collection of the excise tax and other laws. All tires pose the same problems and should be included in this law. Our suggested definition should be more equitable and would eliminate any confusion. We would favor the exception of innertubes, innerliners, and belts because they don't pose the same problems.

A letter of ruling from Dept. of Revenue in 1991 notes that the tire tax does not apply to new tires for use on vehicles not authorized or allowed to operate on public streets, for example:

- 1. all terrain vehicles*
- 2. earthmoving equipment not authorized or allowed to be operated on public streets or highways*
- 3. riding lawn mowers*
- 4. golf carts*
- 5. bicycles*
- 6. go carts*
- 7. wheel barrows*

2. (Page 2 - line 12) In this definition the use of the word "original" does not account for the use of aircraft tires as implement tires, for example.

3. (Page 2 - line 15) It is a common practice in the industry for waste haulers to park an empty trailer at a retailers shop to be filled with waste tires then removed for disposal when full. Depending on the size and mix of tires, more than 1,000 tires may be accumulated. We would favor increasing this limit to 1,500.

4. (Page 3 - line 16) The KDHE regulation 28-29-32 (b) requires dealers to use permitted parties to transport waste tires. Our members would like to have this in law with the addition of a new section. The new section would alleviate the liability of the waste tires (that they paid for disposal of once) from haunting them later. If a dealer is in good faith complying with the law, the ownership of waste tires should be transferred to the hauler that has been blessed by the state.

5. (F 5 - line 29) This may already be in law under Sec. 7 (3). In one section or the other, our members feel that the tire management fund should also be used to abate tire accumulations where the owner or operator cannot be identified, has no means to pay for the abatement, or the age of the accumulation cannot be determined.

6. 65-3424i. Since the inception of this part of the law, there has been confusion about this language. Our members understand the legislative intent. Dealers don't want people to dump tires in the ditch on the way home to save a buck either.

If "monetary inducement" is interpreted to mean a tire dealer cannot charge for the service of managing a waste stream, then tire dealers are expected to bear the expense for this service. If a person were to take his waste to the landfill, he would be charged. Tire dealers should also be able to recoup their costs. Dumping tires in the ditch is a social problem and there are solid waste dumping laws allowing a \$500 dollar fine for open dumping. Tire dealers should not be responsible for policing this problem.

If "monetary inducement" is interpreted to mean the dealer can charge, but it must be applied to all customers, then, for example, when a customer wants to take the waste tire home for a son's car or for use on a farm implement, the customer will most likely become angry when he or she is informed that they will be charged a disposal fee even if they don't leave the waste.

Just hiding the expense in the price of the tire is not an option for many tire dealers, especially in urban settings. Large discount stores can absorb this expense much more easily than a small independent, widening the price advantage of the chains.

Around Topeka, you may find at least three different scenarios. One dealer may hide his cost of waste tire disposal in the price of the tire, one may put a \$2.00 waste tire disposal charge on the invoice, and one may not charge anything and "eat" the cost of disposal; all of these actions should be dictated by competition. But the language of the law "monetary inducement" is confusing and dealers don't want to break the law, make their customers angry or be forced out of business.

Our suggestion is that this language be stricken from the law. Let free enterprise and economics take care of the issue of dealers charging, and let the open dumping laws take care of illegal dumping.

In conclusion, tire dealers feel that, given time, our waste tire problems will diminish. In our own state we should enforce the current laws to ensure that illegal dumping is halted, and there are provisions for the ongoing management of this waste stream. Also, we should allow time for the abatement of existing piles and for markets to emerge.

With these issues addressed, I would like to make it clear that the independent tire dealers, as an industry, do want to cooperate and help to be part of the solution to this problem.

Thank you for allowing me to express my thoughts. I will try to answer any questions you may have.

SENATE BILL No. 399

By Special Committee on Energy and Natural Resources
Re Proposal No. 28

12-20

10 AN ACT concerning waste tires; relating to regulation of processing and
11 disposal; amending K.S.A. 65-3424 and 65-3424b and K.S.A. 1995
12 Supp. 65-3424a, 65-3424d, 65-3424f and 65-3424g and repealing the
13 existing sections.

14

15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 65-3424 is hereby amended to read as follows: 65-
17 3424. As used in K.S.A. 65-3424 through 65-3424i, and amendments
18 thereto, unless the context otherwise requires:

19 (a) "Abatement" means the processing or removing to an approved
20 storage site of waste tires which are creating a danger or nuisance.

21 (b) "Beneficial use" means the use or storage of waste tires in a way
22 that creates an on-site economic benefit, other than from processing or
23 recycling, to the owner of the tires.

24 (c) "Contaminated waste tire" means a tire which, as determined in
25 accordance with rules and regulations adopted by the secretary, is recov-
26 ered in a project to abate a waste tire accumulation and is so coated by
27 or filled with dirt, mud, sludge or other natural substances as to render
28 the tire substantially unsuitable for processing.

29 (d) "Landfill" means a disposal site in which the method of disposing
30 of solid waste is by landfill, dump or pit and which has a solid waste
31 disposal area permit issued under K.S.A. 65-3401 et seq., and amend-
32 ments thereto.

33 ~~(d)~~ (e) "Mobile waste tire processor" means a person who processes
34 waste tires at other than a fixed site.

35 (f) "Municipal landfill" means a landfill where residential waste, or
36 residential and other nonhazardous waste, is placed for disposal.

37 (g) "Person" means any individual, association, partnership, limited
38 partnership, corporation or other entity.

39 (h) "Process" means bale or cut or otherwise alter whole waste tires
40 so that they are no longer whole.

41 ~~(e)~~ (i) "Secretary" means the secretary of health and environment.

42 ~~(f)~~ (j) "Store" or "storage" means the placing of waste tires in a man-
43 ner that does not constitute disposal of the waste tires. Storage includes

1 the beneficial use of waste tires as fences, silo covers and erosion control,
2 and such other beneficial uses as the secretary determines do not create
3 health or environmental risks.

4 ~~(g)~~ (k) "Tire" means a ~~continuous solid or pneumatic rubber covering~~ #1 except innertubes, innerliners, and belts
5 encircling the wheel, of a vehicle or aircraft, or an innertube of such a
6 ~~covering.~~

7 ~~(h)~~ (l) "Tire retailer" means a person in the business of selling new
8 or used replacement tires at retail.

9 ~~(i)~~ (m) "Vehicle" has the meaning provided by K.S.A. 8-1485 and
10 amendments thereto.

11 ~~(j)~~ (n) "Waste tire" means a whole tire that is no longer suitable for
12 its ~~original~~ intended purpose because of wear, damage or defect. #2

13 ~~(k)~~ (o) "Waste tire collection center" means a site where used or
14 waste tires are collected from the public prior to being offered for recy-
15 cling and where fewer than ~~1,000~~ tires are kept on the site on any given
16 day. #3

17 ~~(l)~~ (p) "Waste tire processing facility" means a *fixed* site where equip-
18 ment is used to ~~cut, burn or otherwise alter whole waste tires so that they~~
19 ~~are no longer whole process waste tires.~~

20 ~~(m)~~ (q) "Waste tire site" means a site at which 1,000 or more whole 1,500
21 tires are accumulated.

22 Sec. 2. K.S.A. 1995 Supp. 65-3424a is hereby amended to read as
23 follows: 65-3424a. (a) The owner or operator of any waste tire site, within
24 six months after the effective date of this act, shall provide the department
25 with information concerning the site's location and size and the approx-
26 imate number of waste tires that are accumulated at the site and shall
27 initiate steps to comply with subsection (b).

28 (b) No person shall:

29 (1) Maintain a waste tire site unless: (A) ~~such~~ The site is an integral
30 part of the person's waste tire processing facility; or (B) the tires accu-
31 mulated at such site are for use in the person's tire retreading business;

32 (2) dispose of waste tires in the state unless the waste tires are dis-
33 posed of for processing, or collected for processing, at a solid waste proc-
34 essing facility, a waste tire site which is an integral part of a waste tire
35 processing facility, a waste tire processing facility or a waste tire collection
36 center or are made available to: (A) The department of wildlife and parks
37 for use by the department; or (B) a person engaged in a farming or ranch-
38 ing activity, including the operation of a feedlot as defined by K.S.A. 47-
39 1501, and amendments thereto, as long as the accumulation has a bene-
40 ficial use to the person accumulating the tires and (i) the secretary
41 determines that the use has no adverse environmental effects and (ii) the
42 accumulation is in accordance with all applicable zoning regulations;

43 (3) deposit waste tires in a landfill as a method of ultimate disposal,

1 except that the secretary, by rules and regulations, may ~~(A)~~ authorize: (A)
 2 The final disposal of waste tires at a permitted solid waste disposal facility
 3 provided, before July 1, 1999, of uncontaminated waste tires at a munic-
 4 ipal landfill if the tires have been cut into sufficiently small parts to assure
 5 their proper disposal or are utilized; (B) the final disposal of processed
 6 waste tires at a permitted waste tire monofill; (C) the final disposal of
 7 contaminated whole, unprocessed waste tires at a municipal landfill or
 8 permitted waste tire monofill; (D) the use of waste tires in their original
 9 state as part of a proven and approved leachate collection system in their
 10 original state and ~~(B) allow~~ at a landfill; or (E) the use of waste tire ma-
 11 terial which has been cut into sufficiently small parts to be used as daily
 12 cover material for a landfill; or

13 (4) receive money in exchange for waste tires unless: (A) The person
 14 holds a permit issued by the secretary pursuant to K.S.A. 65-3424b, and
 15 amendments thereto; or (B) the person is a tire retailer who collects waste
 16 tires from the public in the ordinary course of business.

17 Sec. 3. K.S.A. 65-3424b is hereby amended to read as follows: 65-
 18 3424b. (a) The secretary shall establish a system of permits for mobile
 19 waste tire processors and waste tire processing facilities and permits for
 20 waste tire collectors and collection centers. Such permits shall be issued
 21 for a period of one year and shall require an application fee established
 22 by the secretary in an amount not exceeding \$250 per year.

23 (b) The secretary shall ~~establish~~ adopt rules and regulations estab-
 24 lishing standards for mobile waste tire processors, waste tire processing
 25 facilities and associated waste tire sites, waste tire collection centers and
 26 waste tire collectors. Such standards shall include a requirement that the
 27 permittee file with the secretary a bond or other financial assurance in
 28 an amount determined by the secretary to be sufficient to pay any costs
 29 which may be incurred by the state to process any waste tires or dispose
 30 of any waste tires or processed waste tires if the permittee ceases business
 31 or fails to comply with this act.

32 (c) ~~On and after December 31, 1991,~~ No person shall:

33 (1) Own or operate a waste tire processing facility or waste tire col-
 34 lection center or act as a mobile waste tire processor or waste tire collector
 35 unless such person holds a valid permit issued therefor pursuant to sub-
 36 section (a); or

37 (2) own or operate a waste tire processing facility or waste tire col-
 38 lection center or act as a mobile waste tire processor or waste tire collector
 39 except in compliance with the standards established by the secretary pur-
 40 suant to subsection (b).

41 (d) The provisions of subsection (c)(1) shall not apply to:

42 (1) A tire retreading business where fewer than 1,000 waste tires are
 43 kept on the business premises;

#4(c) Any person who contracts or
 arranges with another person to
 collect or transport waste tires
 for storage, processing or disposal
 shall only employ a person holding
 a permit from the secretary

New Sec. - Any person contracting or
 arranging with a person, permitted by the
 secretary, to collect or transport
 waste tires for storage, processing
 or disposal, transfers ownership of
 those waste tires to the permitted
 person.

1 (2) a business that, in the ordinary course of business, removes tires
 2 from motor vehicles if fewer than 1,000 of these tires are kept on the
 3 business premises; 1,500

4 (3) a retail tire-selling business which is serving as a waste tire col-
 5 lection center if fewer than 1,000 waste tires are kept on the business
 6 premises; 1,500

7 (4) the department of wildlife and parks; or

8 (5) a person engaged in a farming or ranching activity, including the
 9 operation of a feedlot as defined by K.S.A. 47-1501, and amendments
 10 thereto, as long as the accumulation has a beneficial use.

11 (e) *All fees collected by the secretary pursuant to this section shall be*
 12 *remitted to the state treasurer. The state treasurer shall deposit the entire*
 13 *amount of the remittance in the state treasury and credit it to the waste*
 14 *tire management fund.*

15 Sec. 4. K.S.A. 1995 Supp. 65-3424d is hereby amended to read as
 16 follows: 65-3424d. (a) In addition to any other tax imposed upon the retail
 17 sale of new *vehicle* tires, there is hereby imposed ~~an excise tax~~ on retail
 18 sales of new ~~tires at the rate of \$.50 per tire sold~~ *vehicle tires (excluding*
 19 *innertubes)*, including new tires mounted on a vehicle sold at retail for
 20 the first time, *an excise tax at the following rate: (1) Before July 1, 1999,*
 21 *\$.50 per vehicle tire; and (2) on or after July 1, 1999, \$.25.* Such tax shall
 22 be paid by the purchaser of such tires and collected by the retailer thereof.

23 (b) The tax imposed by this section collected by the retailer shall
 24 become due and payable as follows: When the total tax for which any
 25 retailer is liable under this act does not exceed the sum of \$80 in any
 26 calendar year, the retailer shall file an annual return on or before January
 27 25 of the following year; when the total tax liability does not exceed \$1,600
 28 in any calendar year, the retailer shall file returns quarterly on or before
 29 the 25th day of the month following the end of each calendar quarter;
 30 when the total tax liability exceeds \$1,600 in any calendar year, the retailer
 31 shall file a return for each month on or before the 25th day of the follow-
 32 ing month. Each person collecting the tax imposed pursuant to this sec-
 33 tion shall make a true report to the department of revenue, on a form
 34 prescribed by the secretary of revenue, providing such information as may
 35 be necessary to determine the amounts of taxes due and payable hereun-
 36 der for the applicable month or months, which report shall be accom-
 37 panied by the tax disclosed thereby. Records of sales of new tires shall be
 38 kept separate and apart from the records of other retail sales made by
 39 the person charged to collect the tax imposed pursuant to this section in
 40 order to facilitate the examination of books and records as provided
 41 herein.

42 (c) The secretary of revenue or the secretary's authorized represen-
 43 tative shall have the right at all reasonable times during business hours

1 to make such examination and inspection of the books and records of the
 2 person required to collect the tax imposed pursuant to this section as may
 3 be necessary to determine the accuracy of such reports required hereun-
 4 der.

5 (d) The secretary of revenue is hereby authorized to administer and
 6 collect the fees tax imposed hereunder by this section and to adopt such
 7 rules and regulations as may be necessary for the efficient and effective
 8 administration and enforcement of the collection thereof. Whenever any
 9 person liable to collect the taxes imposed hereunder refuses or neglects
 10 to pay them, the amount, including any penalty, shall be collected in the
 11 manner prescribed for the collection of the retailers' sales tax by K.S.A.
 12 79-3617 and amendments thereto.

13 (e) The secretary of revenue shall remit daily to the state treasurer
 14 all revenue collected under the provisions of this act section. The state
 15 treasurer shall deposit the entire amount of each remittance in the state
 16 treasury and credit it to the waste tire management fund.

17 (f) Whenever, in the judgment of the secretary of revenue, it is nec-
 18 essary, in order to secure the collection of any taxes, penalties or interest
 19 due, or to become due, under the provisions of this act, the secretary may
 20 require any person charged with the collection of such tax to file a bond
 21 with the director of taxation under conditions established by and in such
 22 form and amount as prescribed by rules and regulations adopted by the
 23 secretary.

24 Sec. 5. K.S.A. 1995 Supp. 65-3424f is hereby amended to read as
 25 follows: 65-3424f. (a) The secretary shall establish a program to make
 26 base and abatement grants to private companies, cities and counties
 27 which, individually or collectively, submit to the secretary plans, approved
 28 by the secretary. Abatement grants shall be used to abate waste tire ac-
 29 cumulations in existence before July 1, 1990, and shall not be used for
 30 any tires accumulated, or added to an existing accumulation, on or after
 31 July 1, 1990. Not more than one abatement grant shall be awarded to
 32 abate the same waste tire accumulation unless it can be demonstrated by
 33 the applicant that the waste tire accumulation exceeded initial quantity
 34 estimates or that unknown circumstances, identified by the applicant, in-
 35 creased project difficulty and cost. No abatement grant payment shall be
 36 made on or after July 1, 2000.

37 (b) The secretary shall establish a program to make base grants to
 38 counties which, individually or collectively, submit to the secretary plans
 39 approved by the secretary. Base grants shall be used to: (1) Enforce laws
 40 relating to collection and disposal of tires; (2) Encourage recycling of tires;
 41 or (3) develop and implement management plans for collection, abate-
 42 ment, recycling and disposal of tires survey the county or counties to
 43 identify and develop an inventory of waste tire accumulations in the

#5 (1) Abatement grants may be used for waste tire accumulations where the time of existence cannot be determined, owner or operator cannot be identified or has no means to pay for the abatement

1 county or counties. Applications for base grants shall be submitted to the
2 secretary before January 1, 1997, and no base grant payment shall be
3 made on or after January 1, 1998.

4 (c) The secretary shall establish a program to make enforcement
5 grants to counties which, individually or collectively, submit to the sec-
6 retary plans approved by the secretary. Enforcement grants shall be used
7 to pay the county's or counties' costs of assessing and enforcing compli-
8 ance with this act and rules and regulations adopted under this act and
9 to educate the public on the provisions and purposes of this act. Enforce-
10 ment grants shall be for an amount not exceeding 75% of the costs in-
11 curred by the county or counties for eligible costs.

12 (b) ~~Each private company, city, county or group of private companies,~~
13 ~~cities or counties submitting a plan approved by the secretary shall be~~
14 ~~eligible for grants pursuant to this section on the basis of priority as de-~~
15 ~~termined by the secretary. No recipient shall be eligible to receive base~~
16 ~~grants for more than two consecutive fiscal years, but such limitation shall~~
17 ~~not apply to abatement grants. The secretary shall require any private~~
18 ~~company receiving a grant pursuant to this section to file with the sec-~~
19 ~~retary a surety bond, cash bond or other security in an amount and form~~
20 ~~approved by the secretary and conditioned on the use of the grant in~~
21 ~~accordance with the plan approved by the secretary.~~

22 ~~(e) (d) Private companies, cities and counties may join together, pool-~~
23 ~~ing their financial resources, when utilizing their grants for the purposes~~
24 ~~described in subsection (a).~~

25 ~~(d) (e) The secretary, in cooperation with the statewide coordinator~~
26 ~~of waste reduction, recycling and market development, may provide tech-~~
27 ~~anical assistance, upon request, to a private company, city, county or group~~
28 ~~of private companies, cities or counties desiring assistance in applying for~~
29 ~~waste tire grants or choosing a method of waste tire management which~~
30 ~~would be an eligible use of the grant funds.~~

31 (f) The secretary shall submit to the legislature, on or before the first
32 day of the regular legislative session each year, a report of all grants made
33 pursuant to this section. The report shall include: (1) The total contract
34 amounts awarded for each type of grant in each fiscal year and, of those
35 amounts, the total amount awarded to individual counties, groups of
36 counties and private entities; and (2) with respect to each grant awarded,
37 the contract amount and type of grant, the recipient, a description of the
38 project for which the grant was awarded, the number of tires involved
39 and the amount actually spent. The secretary shall submit the report by
40 filing it with the secretary of the senate, the chief clerk of the house of
41 representatives and the chairperson and ranking minority member of each
42 of the senate and house committees on energy and natural resources.

43 New Sec. 6. (a) The county official, or the official of a designated

1 city, responsible for solid waste management in each county shall report
2 to the secretary any known waste tire accumulation within the county not
3 later than: (1) October 1, 1996, if the accumulation is known before July
4 1, 1996; or (2) three months after the accumulation becomes known, if
5 unknown before July 1, 1996.

6 (b) After July 1, 1999, each county shall be responsible for abatement
7 of any waste tire accumulation within the county.

8 Sec. 7. K.S.A. 1995 Supp. 65-3424g is hereby amended to read as
9 follows: 65-3424g. (a) There is hereby established in the state treasury
10 the waste tire management fund.

11 (b) Moneys in the waste tire management fund shall be used only for
12 the purpose of:

13 (1) Making grants as provided by K.S.A. 65-3424f, and amendments
14 thereto;

15 (2) paying compensation and other expenses of employing personnel
16 to carry out the duties of the secretary pursuant to K.S.A. 65-3424 through
17 65-3424h, and amendments thereto, but not more than *the following shall*
18 *be used for such purpose: (A) For fiscal years beginning before July 1,*
19 *2000, 16% or \$200,000, whichever amount is less, of the moneys credited*
20 *to the fund during the fiscal year shall be used for such purpose preceding*
21 *fiscal year; and (B) for fiscal years beginning on or after July 1, 2000,*
22 *32% or \$200,000, whichever amount is less, of the moneys credited to the*
23 *fund during the preceding fiscal year; and*

24 (3) action by the department to abate waste tires accumulated prior
25 to July 1, 1990, or to abate a nuisance or risk to the public health or the
26 environment created or which could be created by waste tires accumu-
27 lated after July 1, 1990, if the owner or operator of the site has not been
28 identified or has not abated the nuisance.

29 (c) All expenditures from the waste tire management fund shall be
30 made in accordance with appropriations acts upon warrants of the direc-
31 tor of accounts and reports issued pursuant to vouchers approved by the
32 secretary.

33 Sec. 8. K.S.A. 65-3424 and 65-3424b and K.S.A. 1995 Supp. 65-
34 3424a, 65-3424d, 65-3424f and 65-3424g are hereby repealed.

35 Sec. 9. This act shall take effect and be in force from and after its
36 publication in the statute book.

History: L. 1990, ch. 319, § 8; L. 1991, ch. 197, § 7; L. 1994, ch. 283, § 7; May 5.

65-3424h. Same; rules and regulations. The secretary shall adopt such rules and regulations as necessary to administer and enforce the provisions of this act.

History: L. 1990, ch. 319, § 9; July 1.

65-3424i. Same; prohibited acts by tire retailers. (a) Except as provided by subsection (b), no tire retailer shall refuse to accept waste tires from customers or, ~~offer any discount or other monetary inducement to customers to encourage customers to remove their old tires from the tire retailer's premises at the time or point of transfer.~~

#6

(b) A tire retailer may: (1) Ask customers if they wish to retain their old tires at the time of sale; (2) refuse to accept more tires from a customer than purchased by that customer at the time of sale; or (3) refuse to accept waste tires from a customer purchasing replacement tires for commercial use if the tire retailer does not mount such replacement tires.

History: L. 1991, ch. 197, § 6; July 1.

65-3424j.

History: L. 1990, ch. 319, § 5; L. 1991, ch. 197, § 4; L. 1992, ch. 50, § 1; L. 1993, ch. 274, § 6; Repealed, L. 1994, ch. 283, § 10; May 5.

Revisor's Note:

Section was amended twice in the 1993 session, see also 65-3424d.

Scrap tires are on a roll

Recycling jumps 26% in 1995

WASHINGTON—If current market trends continue throughout 1996, the much-maligned scrap tire may emerge as the most re-usable secondary material in the country, according to the Scrap Tire Management Council, a division of the Rubber Manufacturers Association that promotes market development for scrap tires.

According to STMC statistics, of the 253 million scrap tires generated in the U.S. last year, 69 percent were consumed in the marketplace—a 26-percent increase over 1994.

"This new level of demand is truly amazing when you consider that as recently as 1990 market demand for scrap tires was a mere 11 percent of the total number generated annually," said STMC Executive Director Michael Blumenthal.

And, according to STMC Chairman John Serumgard, "it is not unreasonable that we will have

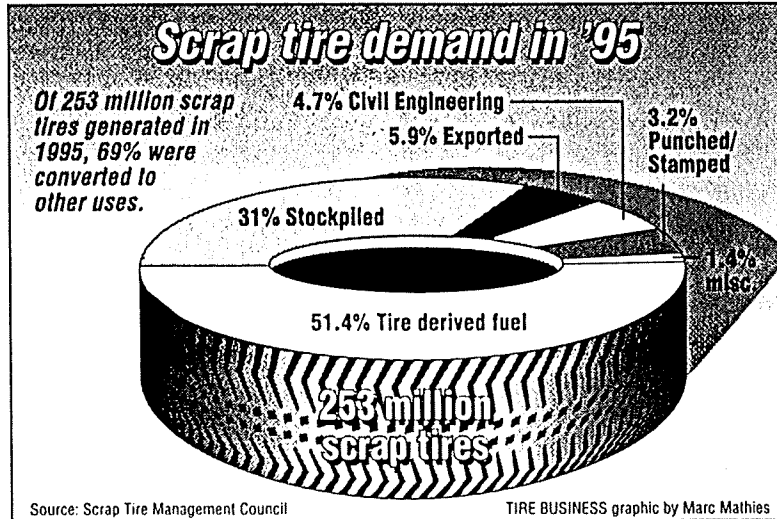
demand for more than 75 percent of all the scrap tires generated by the end of 1996. This would make scrap tires the most re-usable secondary material in the nation."

The largest increase in scrap tire consumption last year was in

tires in 1994.

Civil engineering and ground rubber applications each consumed 33 percent more scrap tires in 1995 than in the previous year.

Only the pyrolysis market experienced a downturn in scrap tire



the tire-derived fuel market, where 130 million tires were burned to fuel cement kilns and power generators vs. 101 million

use, which the STMC attributed to no full-time, commercially operational facilities and a virtual shut-down of demonstration sites.

Group proposes 'feebates' to boost 'green' tire sales

By Miles Moore

WASHINGTON CORRESPONDENT

WASHINGTON—"Feebates" for tires—rebates on tires with low rolling resistance, and fees on those with higher rolling resistance—are among the methods the federal government should use to reduce greenhouse gas emissions from cars, according to a report released Dec. 13.

The report—which also calls for feebates on cars and higher corporate average fuel economy standards—was the work of the non-auto-industry and non-oil-industry members of the Policy Dialogue Advisory Committee to Recommend Options for Reducing Greenhouse Gas Emissions from Personal Motor Vehicles.

That committee, organized at the order of President Clinton, had a series of meetings in 1994 and 1995, but disbanded without making any official recommendations. The new report has no official force, but represents the views of a majority of the committee members.

"The committee members signing this report believe that a (greenhouse gas reduction) package cannot be complete, and is unlikely to be cost-effective or equitable, without including direct policies for addressing fuel economy and the cost of travel," the report said.

According to the report, a feebate system on tires

should operate as additions or credits to the existing manufacturers' excise tax on tires. The report recommended the feebate be applied to aftermarket tire sales for all cars and half of light trucks beginning in 1997.

Low-rolling-resistance tires "can meaningfully increase fuel economy while not sacrificing safety or performance," the report said. "However, low-rolling-resistance tires are more expensive than other tires." Encouraging their purchase could increase their share of the aftermarket from 2.5 to 20 percent by 2010, it added.

At the recommendation of Michelin North America, President Clinton called for a federal fuel economy grade for tires, and the National Highway Traffic Safety Administration proposed replacing the temperature resistance grade in the Uniform Tire Quality Grading System with a fuel economy grade.

The rest of the tire industry protested, however, and Congress added a provision to Transportation Department appropriations for fiscal year 1996 forbidding NHTSA from using any of its funds to issue a tire fuel economy grade.

Signers of the new report include: Public Citizen President and former NHTSA Administrator Joan Claybrook; Clarence M. Ditlow III, executive director of the Center for Auto Safety; and Daniel Becker, director of the Sierra Club's Global Warming and Energy Program.

new

ARA, NTDR re 'positive' meeting

LOUISVILLE, Ky.—Without getting into specifics, Paul Bobzin, president of the National Tire Dealers & Retreaders Association, called a Dec. 6 meeting between the American Retreaders Association and NTDR delegates "positive."

According to a joint news release, extensive discussion involved a possible combination industry trade show, including locations, dates and agenda, such as an event, and various member benefits that may be enhanced by the two associations pooling their efforts.

While more discussions between the associations are anticipated, Mr. Bobzin said dates had been set.

CGT sales executive McCarthy, to retire

CHARLOTTE, N.C.—Continental General Tire's senior vice



Joseph McCarthy

president sales a market Joseph McCar will retire March nearly decade the company's Chri

Dickson president of replacement sales will assume Mr. McCarthy's duties under the new title president, replacement sales and marketing and will be responsible for replacement, private brand, export and two-wheel sales.

Mr. McCarthy began his career in 1944 working in father's tire dealership before joining General Tire as a territory salesman in 195



Chri Dickson

3 Safe Tire manufacturers sentenced to prison

BEAUMONT, Texas—A U.S. District Court judge sentenced three Safe Tire Disposal (