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BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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**House Bills 4005 (Substitute H-3) and 4884 (Substitute H-1)**

Sponsor: Representative Claude A. Trim (House Bill 4005)

Representative James A. Kosteva (House Bill 4884)

House Committee: Conservation and Environment

Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 5-9-88

***SUMMARY OF HOUSE BILLS 4005 (H-3) and 4884 (H-1) as passed by the House:***

House Bill 4005 (H-3) would create the "Scrap Tire Regulatory Act" to regulate the disposal of scrap tires, and House Bill 4884 (H-1) would amend the Clean Michigan Fund Act to expand the Fund's advisory panel from 11 members to 17 members.

**House Bill 4005 (H-3)**

The bill would create the "Scrap Tire Regulatory Act" to do all of the following:

- Specify requirements for persons who owned tire collection sites.
- Impose registration requirements upon persons who owned tire collection sites.
- Specify penalties for violations of the proposed Act.
- Impose requirements upon the Department of Natural Resources (DNR) relative to tire collection sites.

**Tire Collection Sites**

Under the bill, a "collection site" would be a site, other than a sanitary landfill, that contained adjacent real property in which 500 or more scrap tires were accumulated and was not associated with a retail operation; or that contained adjacent real property in which 1,500 or more scrap tires were accumulated and was owned by a person who was in the business of selling tires at retail.

The bill would prohibit a person from discarding a tire on property that he or she did not own, without the written permission of the property owner. A person who accumulated less than 2,500 scrap tires, stored outside, would have to comply with all of the following:

- Only tires could be accumulated in the storage areas; tires would have to be accumulated in piles that were no higher than 15 feet and no larger than 200 x 40 feet horizontally; and piles could not be within 20 feet of the property line or 60 feet of a building.
- Tires would have to be maintained in a manner that limited the potential for mosquito breeding by covering the tires with plastic sheets or other impermeable barriers; chemically treating the tires to eliminate breeding; or shredding or chipping tires into pieces no larger than 4 x 6 inches and stored in piles that would allow complete water drainage.
- There would have to be at least 20 feet between tire piles, and the open spaces between piles would have to be free of rubbish, equipment, and other materials.

- Tire piles would have to be accessible to fire fighting equipment on all sides.
- Those accumulating tires would have to maintain a surety bond in favor of the State in an amount, as determined by the DNR, sufficient to cover tire removal costs in the case of an emergency or insolvency.

A person who accumulated between 2,500 and 100,000 scrap tires would have to comply with all of the above requirements as well as all of the following:

- The area where the tires were stored would have to be completely enclosed by a fence at least six feet tall that had lockable gates, and by an earthen berm not less than five feet tall positioned outside the fence.
- The collection site would have to contain sufficient drainage to prevent pooling of water, and the approach and access roads to the site would have to be made of all-weather construction and be maintained in good condition.
- Storage areas would have to be mowed regularly, or kept free of weeds, vegetation, and other growth.
- An emergency procedures plan would have to be prepared and displayed. (The plan would have to include telephone numbers of the local fire and police departments and be reviewed by the local fire department prior to posting.)

A person who accumulated 100,000 or more scrap tires would have to comply with both sets of requirements and operate as a "scrap tire processor" (i.e., "a person engaged in the business of storing, buying, or otherwise acquiring scrap tires, to reduce their volume by shredding or otherwise to facilitate recycling or resource recovery techniques for scrap tires").

**Registration Requirements**

Persons who owned a tire collection site or were in the business of transporting scrap tires would have to register annually with the DNR. Registration forms would have to be prescribed by the DNR and contain information required by the Department. A \$50 registration fee, to be credited to the General Fund, would have to accompany each registration.

**Penalties and Violations**

A violation of the proposed Act would be a misdemeanor, punishable by up to 90 days' imprisonment, a maximum fine of \$500, or both. A law enforcement officer or conservation officer could issue an appearance ticket for a violation, and each day that a violation continued would

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be considered a separate violation. The compliance and penalty sections of the proposed Act would not be enforced for two years following the bill's effective date.

#### DNR Requirements

Within six months after the bill's effective date, the DNR would have to compile a list of all tire collection sites in Michigan and identify the owners of those sites. Within one year after the bill's effective date, the DNR would have to notify the owners of the Act's existence, the owners' responsibilities under the bill, and the bill's penalty provisions. The failure of a property owner to receive such notice would not relieve the owner of his or her responsibilities under the bill.

Five years after the bill's effective date, the DNR would have to report to the Legislature on: 1) the Act's effectiveness and whether the DNR recommended changes; and 2) the volume of tires being deposited in landfills and whether the DNR recommended banning tires from landfills.

#### House Bill 4884 (H-1)

The bill would amend the Clean Michigan Fund Act to increase the size of the Fund's advisory board from 11 members to 17 members. Currently, the Governor, the Senate Majority Leader, and the Speaker of the House of Representatives each appoint a member to represent municipalities, nonprofit private entities and private entities engaged in resource recovery alternatives, and conservation and environmental organizations. The bill would add both retailers and small business to that list.

The bill is tie-barred to House Bill 4003, which would create the "Tire Recovery Fund Act" to impose a charge on each new tire sold in Michigan. (House Bill 4003 currently is in the House Committee on Appropriations.)

MCL 299.390

Legislative Analyst: P. Affholter

#### ***FISCAL IMPACT***

House Bill 4005 would result in a revenue increase of about \$2,000 per year from registration fees and would cost the Department about the same amount for record keeping and preparing inventories and reports.

House Bill 4884 would have no fiscal impact on State or local government.

Fiscal Analyst: A. Rich

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.