

---

Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

---

House Bill 4242 (as passed by the House)  
Sponsor: Representative Michelle McManus  
House Committee: Conservation, Environment and Recreation  
Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 4-22-97

### **CONTENT**

**The bill would amend Part 169 of the Natural Resources and Environmental Protection Act, which regulates scrap tires, to add to existing requirements regarding the storage of scrap tires at a tire collection site; establish specific performance bonds for persons who own a collection site; allow a performance bond to be used for costs associated with a fine or other emergency at a collection site; include an automotive recycler as a collection site under certain circumstances; and require the Department of Environmental Quality to prepare and implement a statewide plan for responding to fires at a collection site.** Following is a detailed description of the bill's provisions.

#### Collection Sites

Currently, a person who owns or operates a collection site must comply with a list of requirements specified in the Act; the requirements regulate the size of tire piles and the location of the piles on property, provide for the maintenance of the piles to prevent or limit mosquito breeding; and provide for the accessibility of the piles to fire fighting equipment. The bill also would require that tires, including shredded tires, be isolated from other stored materials that could create hazardous products if there were a fire. These materials would include, but would not be limited to, lead acid batteries, fuel tanks, solvent barrels, and pesticide containers. In addition, the collection site would be subject to annual inspection by the local fire department that served the jurisdiction in which the site was located. All persons employed to work at a collection site would have to be trained in emergency response operations, and the owner or operator of the site would have to maintain training records and make them available to the local fire department.

Currently, the Act requires that there be a separation of at least 20 feet between tire piles. The bill would increase the distance to at least 30 feet, but provides that a collection site that was in operation on the effective date of the bill would have two years to comply. During this two-year period, there would have to be a minimum of 20 feet between tire piles. The Department of Environmental Quality (DEQ) could grant an exception to the 30-foot separation distance for a specified period of time if the owner or operator demonstrated to the Department's satisfaction that expansion of the collection site was not possible due to the unavailability of additional space, and that the owner or operator had made a sincere effort to find markets for the excess scrap tires that would have to be removed in order to comply with the 30-foot separation distance.

Currently, "collection site" means a site, excluding a landfill, a racecourse, or a feed storage location, that contains: one or more pieces of adjacent real property where 500 or more scrap tires are accumulated if the property is not associated with a tire retailer; or, one or more adjacent parcels where 1,500 or more scrap tires are accumulated if the property is owned or leased by a tire retailer. The bill specifies that a collection site also would include one or more pieces of adjacent real property where 2,500 or more scrap tires were accumulated, if the property were owned or leased by an automotive recycler.

The bill provides that at a collection site where there was an accumulation of between 2,500 and 100,000 scrap tires, the tires could not be accumulated in excess of 10,000 cubic yards per acre.

#### Performance Bond

Currently, the Act provides that a person who owns a collection site must maintain a bond in favor of the DEQ, in an amount determined by the Department, for removing tires from the site, in case of an emergency at the site, owner insolvency, or failure of the owner to comply with the Act. The bill would require, instead, that the amount of the performance bond be \$25,000 per quarter acre, or fraction thereof, of outdoor tire storage area; \$2 per square foot of tire storage area in a building; and \$750 for each vehicle used as a tire storage area. Further, the bill would allow the bond to be used for other cleanup costs, and for the costs associated with responding to a fire or an emergency at a collection site.

The bill provides that a scrap tire processor that possessed a permit to burn tires under the Act, or a permit to construct a landfill under the Act, would not be required to maintain a performance bond under the Act with respect to whole tires or tires that had been shredded or chipped to specification for the end user, if not less than 75% of the amount, by weight or volume, of the whole tires or pieces that were stored each year were recycled or used for resource recovery that year.

#### Scrap Tire Markets

The bill would require the DEQ to assist owners and operators of collection sites and scrap tire processors in Michigan in developing markets for scrap tires.

MCL 324.16901 et al.

Legislative Analyst: G. Towne

#### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on State and local government, dependent upon the appropriations process.

The DEQ currently receives \$1.3 million in scrap tire recycling funds, half of which is used to administer the current Act. The Department has indicated that it does not have staff to design or implement scrap tire fire response or suppression and that additional resources would be needed.

Fiscal Analyst: G. Cutler

S9798\S4242SA

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.