



Legislative Fiscal Bureau

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June 20, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 197: Natural Resources -- Nuisances Caused by Solid Waste Resulting from Manufacturing Tires

Assembly Bill 197 would make changes to the definition of a tire dump. The bill was recommended for passage by the Assembly Committee on the Environment on April 15, 1997, by a vote of 10-0.

BACKGROUND

Currently, "tire dump" means any location that is used for storing or disposing of waste tires. If DNR determines that a location used to store or dispose of used tires is a nuisance (an unreasonable danger to public health, safety or welfare or the environment), DNR may order the person responsible for the tire dump to abate the nuisance by removing the tires and eliminating the danger. If the responsible party fails to remove the tires, DNR may take necessary actions to remove the tires and eliminate the danger. DNR may refer responsible parties who fail to adequately remedy a site to the Attorney General for enforcement action and may request the Attorney General to initiate a civil action to recover the Department's cost of removing the tires.

DNR is authorized to use the waste tire removal and recycling program to remove stockpiles of tires from tire dumps, provide reimbursement grants to end-users and processors of waste tires and provide management or recovery grants to fund activities that reduce illegal dumping of tires. The program receives program revenue from a tire recovery fee of \$2 per tire (\$10 per car, including the spare), which is collected by the Department of Transportation when a new vehicle is registered in Wisconsin for the first time. In 1995 Act 27, the fee and waste tire program are repealed effective June 30, 1997, and any remaining program balance (an estimated \$1.5 million) will lapse to the general fund on June 30, 1997.

By June 30, 1997, 500 to 700 stockpiles containing approximately 20 million waste tires, will be cleaned up or have a consent order or agreement in place for the responsible party to clean up. DNR estimates that 40 stockpiles will remain, with cleanup costs that total approximately \$150,000, where the responsible party is unable or unwilling to cleanup the tires.

The remaining sites would likely not be a high enough priority to be cleaned up through DNR's state-funded spills and environmental repair cleanup appropriation. The state-funded cleanup appropriation is utilized for the highest priority sites where no responsible party is known or where the responsible party is unable or unwilling to fund the cleanup. High priority sites generally pose an imminent threat to health and safety, threaten a public or private water supply, have contaminated groundwater or pose a direct human contact threat from contaminants such as heavy metals. Under the 1997-99 biennial budget bill (SSA1 to SB 77), there would be \$3,239,500 SEG annually from the environmental management account of the environmental fund for state-funded cleanup.

SUMMARY OF THE BILL

AB 197 would expand the definition of "tire dump" to include locations that are used for storing or disposing of solid waste resulting from manufacturing tires. The bill would also expand DNR's authority to determine that if a site that meets the expanded definition of tire dump is a nuisance, the Department may order the person responsible for the tire dump to remove the solid waste resulting from manufacturing tires. If the responsible party does not comply, DNR would be authorized to take necessary actions to remove the solid waste resulting from manufacturing tires.

Until June 30, 1997, DNR would be authorized to utilize the existing waste tire program revenue appropriation to remove the tires. Under current law and after the waste tire program ends on June 30, 1997, DNR could utilize the state-funded cleanup appropriation to remove tires or solid waste resulting from manufacturing tires if the tire dumps are a high priority when compared with other projects that could be cleaned up with state funds.

FISCAL EFFECT

AB 197 would not make any changes in appropriations and does not extend the current waste tire removal and recycling program beyond June 30, 1997. The bill would allow, but does not require, DNR to make sites with tire manufacturing waste eligible for state-funded cleanup.

DNR's fiscal estimate states that the Department is aware of eight tire manufacturing waste sites in Eau Claire County that could cost \$375,000 to \$500,000 to cleanup. The eight sites are ravines where rubber components used to manufacture tires 40 or more years ago were dumped. The tire manufacturing waste came from the former Uniroyal tire plant, a World War II military tire manufacturer or both. Some of the eight sites contain tire manufacturing waste up to 80 feet

deep. Seven of the sites apparently pose no immediate threat to health and safety (other than the combustible characteristics of tire components), but one of the sites has barrels at the bottom of the stockpile that is leaking zinc into a stream.

DNR has: (1) expended \$4.0 million from the current waste tire removal and recycling appropriation for cleanups, reimbursement grants and recovery grants in 1996-97; (2) has encumbered an additional \$0.6 million; and (3) has remaining funds of 258,300, primarily from prior year encumbrances which were not expended and will lapse on June 30, 1997.

DNR's March 31, 1997, fiscal estimate indicated that even if additional expenditure authority would be provided for the program in 1996-97 to address the eight sites, there would not be sufficient time for all of the following to happen before June 30, 1997: (a) DNR issuance of an order to a responsible party to remove the tire manufacturing waste; (b) noncompliance with the order; (c) DNR bidding for a state-funded cleanup; and (d) DNR issuance of a contract for the removal of the tire manufacturing waste.

DNR indicates that under the bill, the person considered responsible for the tire manufacturing waste sites would be Uniroyal, the U.S. military or the current property owners (each of the eight ravines is likely under separate ownership). DNR has worked with Uniroyal and landowner representatives for several years. The Department indicates that it is unlikely any of these parties would voluntarily remove the tires.

It is unlikely that any of the eight sites would be a high enough priority for immediate funding under the state-funded cleanup appropriation.

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