

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 746** HLS 15RS 1336
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 4, 2015 10:40 AM	Author: MIGUEZ
Dept./Agy.: Environmental Quality	Analyst: Charley Rome
Subject: Makes Changes to the Waste Tire Program	

ENVIRONMENT/WASTE TIRES RE1 +\$87,000 SD RV See Note Page 1 of 1
 Provides for the waste tire program in the Department of Environmental Quality

Proposed law provides for definitions of "medium truck tire", "motor vehicle", "motor vehicle dealer", "off-road tire", "off-road vehicle", "passenger/light truck/small farm service tire", "sale of a motor vehicle", and "waste tire material". The bill defines "processed" as any method or activity that alters whole waste tires so that they are no longer whole; such as, cutting, slicing, chipping, shredding, distilling, freezing, or other processes as determined by the administrative authority. At a minimum, the tire must be cut more than in half to be considered processed. Proposed law requires the rules and regulations to provide for standards and requirements for expedited approval of customary end-market uses including but not limited to those recognized by the EPA, the Rubber Manufacturers Association, or previously approved by DEQ. The bill requires the standards and requirements in proposed law shall not include disposal as an end market use of eligible waste tire material and shall not contravene present law prohibiting waste tire disposal in solid waste facilities and providing for waste tires commingled with solid waste. Requires the secretary to make rules or guidelines by March 31, 2016.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$87,000	\$87,000	\$87,000	\$87,000	\$87,000	\$435,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$87,000	\$87,000	\$87,000	\$87,000	\$87,000	\$435,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Statutorily dedicated funds from the Waste Tire Management Fund will increase by an estimated \$87,000 per year due to the proposed legislation. The proposed legislation amending the description of medium truck tires will likely cause some tires that were misclassified as passenger/light truck tires to be classified as medium truck tires. This change would result in a \$3 increase in fees per reclassified medium truck tire going to the Waste Tire Management Fund due to the difference between the medium truck tire fee (\$5/tire) and the passenger/light truck tire fee (\$2/tire). The three year annual average sales of medium truck tires statewide are 290,000 tires. Based upon discussions with industry representatives, the Louisiana Department of Environmental Quality estimated that the number of tires that could be reclassified from passenger/light truck to medium truck tires will represent 10% of the annual average medium truck tire sales, or 29,000 tires per year. Using the \$3 difference in fees per tire, revenues to the Waste Tire Management Fund will increase by an estimated \$87,000 per year (29,000 tires X \$3/tire = \$87,000).

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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