



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S. 0763	Introduced on May 2, 2023
Author:	Loftis	
Subject:	Waste Tires	
Requestor:	Senate Medical Affairs	
RFA Analyst(s):	Manic and Griffith	
Impact Date:	November 27, 2023	

Fiscal Impact Summary

This bill amends Section 44-96-170 of the South Carolina Code of Laws to remove the cap of \$1.50 per tire or \$150 per ton on tipping fees that counties may charge for recycling and disposal of specific types of waste tires. Also, the bill adds new requirements for the Department of Health and Environmental Control (DHEC) and the Department of Commerce to collaborate and establish a statewide market infrastructure for tire recycling. The bill stipulates that these two agencies are to implement a state plan for the efficient and effective management of waste tires as well as create robust market development opportunities for end-of-life tire recycling in collaboration with other public and private entities including: the Department of Transportation (DOT), SC Asphalt Paving Association, county governments, SC public colleges and universities, waste tire recyclers and processors, new tire retailers, SC tire manufacturers, the US Tire Manufacturers Association, and other regional and national stakeholders.

DHEC and the Department of Commerce do not anticipate any fiscal impact from this bill and will implement all the additional requirements with existing staff and resources.

DOT expressed concerns that the removal of caps on tipping and recycling fees could increase their expenditures. The agency is responsible for the collection and removal of tires that are illegally dumped. If fees are increased, illegal dumping may increase overall. However, the potential impact is unknown and will depend on county decisions regarding any changes to the fees. DOT also expects contract litter pickup costs to increase as the contracts are resolicited or change orders are requested. However, the amount of the increase is undetermined.

Although the removal of the cap on tipping fees that counties can charge on specific types of tires may increase local fee revenues, the specific impact on county revenues is undetermined because it is unclear how many counties will choose to increase their fees. The Revenue and Fiscal Affairs Office (RFA) surveyed all forty-six counties and received responses from Greenwood, Orangeburg, Cherokee, and Berkeley counties. All four counties reported no anticipated impact from this bill. However, other counties may elect to increase their fees. Overall, the potential impact on local revenues is undetermined and will depend on whether any other counties choose to increase the fee.

Explanation of Fiscal Impact

Introduced on May 2, 2023

State Expenditure

Section 2 of the bill adds additional duties to DHEC and the Department of Commerce related to the creation and maintenance of markets for waste tire recycling with help from public and private entities as well as gathering data on waste tires in SC, researching tire recycling technologies and approaches, collaborating with relevant national and local stakeholders, creating and publishing reports, and developing educational and outreach programs intended to inform the public about the benefits of waste tire recycling.

Department of Health and Environmental Control. DHEC does not anticipate any increase in expenditures from the duties added in this bill. Under the bill, DHEC is specifically required to: 1) provide disposal and recycling data to the Department of Commerce's Recycling Market Development Program; 2) develop and implement educational/outreach programs for various stakeholders on the benefits of waste tire recycling; and 3) develop and implement educational/outreach programs related to the prevention of illegal dumping of waste tires. The agency will fulfill these responsibilities with existing staff and resources.

South Carolina Department of Commerce. The bill adds responsibilities to the Department of Commerce's Recycling Market Development Program, which include: 1) conducting research on new approaches, technologies, end uses, and other aspects of waste tire recycling; 2) prioritizing specific end-of-life uses for recycled tires; 3) encouraging increased use of rubberized asphalt with the DOT; 4) creation of partnerships with public and private stakeholders in order to share the responsibilities in managing waste tires and the development and maintenance of tire recycling markets; and 5) publishing a report by March 15th of each year covering the state's waste tire market performance (successes, obstacles, data, trends, etc.).

This bill will not impact the expenditures for the agency. Commerce already employs staff charged with similar activities, has a website where it promotes and publishes tire-recycling information, leads collaboration efforts with various public and private stakeholders related to end uses of waste tires as well as tire recycling development in South Carolina, and publishes an annual report that can be enhanced to include tire recycling performance indicators.

Department of Transportation. DOT reports that the removal of caps on recycling and tipping fees may increase the amount of illegal dumping of waste tires and the agency's expenditures for removal of these tires. The department is currently charged with the collection and removal of tires that are illegally dumped. However, the number of waste tires DOT collects and removes is unknown because they are not documented separately from other litter and debris. Further, without knowing whether counties will increase their fees or how many tires DOT currently collects and removes, the expenditure impact of the bill on the agency is undetermined.

Additionally, DOT indicates that contract litter pickup costs may increase as the contracts are resolicited or change orders are requested to accommodate illegal dumping increases. However, the amount of the potential increase in these contract costs is also undetermined.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

The bill amends Section 44-96-170 related to caps on tipping fees for waste tires of certain characteristics: tires that have a greater diameter than the largest tire with a DOT number; tires generated outside of SC; fleet tires with no documentation proving previous payment of any fees; tires manufactured within SC for which no fee has been previously paid. The bill proposes to remove the current cap of \$1.50 per tire or \$150 per ton of waste tires that fall in one of the above-mentioned categories.

This bill may result in an increase in the tipping fees collected by counties once the cap is removed. However, because local councils must first vote for such increases, it is unknown which counties may elect to increase these fees, and the potential impact is undetermined. Currently, only 23 counties have a tipping fee for waste tires according to a 2022 DHEC report.¹ RFA surveyed all forty-six counties and received responses from Greenwood, Orangeburg, Cherokee, and Berkeley counties. Greenwood indicated that during FY 2022-23 their tipping fee level was \$150 per ton, and they took in 191.77 tons of waste tires that fall in the specific categories listed above. During the same fiscal year, Orangeburg reported a tipping fee of \$150 per ton, and they recycled 384.59 tons of waste tires. Cherokee does not charge a tipping fee, and they recycled 603.48 tons during FY 2022-23. Berkeley reported that the majority of non-documented waste tires generated by citizens are placed at special convenience sites, and there is a limit to the number of tires allowed. The county is paying \$369 per ton of mixed load of tires (passenger and truck) to recycle. None of these counties anticipated increasing the fee currently. Overall, the potential impact on local revenues is undetermined and will depend on whether any other counties choose to increase the fee.

¹ <https://scdhec.gov/sites/default/files/Library/OR-2416.pdf>



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