



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. 0171	Introduced on January 14, 2025
Subject:	Regrooved and Regroovable Tires	
Requestor:	Senate Labor, Commerce, and Industry	
RFA Analyst(s):	Griffith	
Impact Date:	February 19, 2025	

Fiscal Impact Summary

This bill requires a waste tire hauler transporting waste tires for handling, altering, storage, recycling, or disposal to complete a manifest and submit it to the Department of Environmental Services (DES). The manifest must be readily accessible to show upon demand to any representative of DES or law enforcement. DES must develop and implement a system for auditing manifests submitted to the department and must issue decals to waste tire haulers displaying the waste tire hauler's registration or identification number and the decal's expiration date. The bill specifies penalty fees for a waste tire hauler who transfers waste tires with an expired decal. DES may charge a fee to defray the cost of the decal.

The bill also prohibits the installation of an unsafe used tire onto a passenger car or light truck. This provision does not apply to a business selling used tires for retreading, tires intended solely for agricultural use or for off-road industrial use, or a business or individual buying and selling motor vehicles or its parts, when the tires were mounted on the motor vehicle at the time the motor vehicle was bought.

Additionally, the bill provides that grants from the Waste Tire Trust Fund may also be awarded to businesses or manufacturers that generate or process waste tires to develop, create, or otherwise utilize waste tires for alternative productive uses or tire-derived products. Waste tire grants are awarded by a committee appointed by the director of DES, and this bill amends the committee members to include a member of the Department of Commerce.

Further, this bill increases the tipping fees a county may charge for waste tires originating outside of the state, for non-USDOT tires, for tires submitted to the county for disposal for which no fee has been paid otherwise, and for tires sold or used in the county when, by local ordinance, the county prohibits the acceptance of tires with documentation. Currently, counties may charge up to \$1.50 per tire or up to \$150 per ton for waste tires. This bill increases the optional tipping fee to \$400 per ton. Additionally, a county may charge a tipping fee of \$150 per ton for waste tires with documentation if the county accepts waste tires with documentation.

This bill will increase General Fund expenditures of DES by approximately \$140,000 in FY 2025-26 for 1.0 FTE, equipment, and operating expenses. Expenses will decrease to approximately \$137,000 each year thereafter for the FTE and operating expenses. DES will request an increase in General Fund appropriations for these expenditures.

This bill may increase expenditures of the Department of Transportation (DOT) if counties choose to implement the optional tipping fees. However, the amount of the increase is undetermined due to the permissive nature of the bill.

The expenditure impact to the Department of Commerce is pending, contingent upon a response from the agency.

This bill gives DES the authority to charge a fee for the issuance of waste tire hauler decals, which will increase Other Funds of DES. While the increase is undetermined, DES anticipates that the revenue from the fee will offset the costs for the decals.

The bill will also increase Other Funds revenue of DES by \$12,000,000 annually by extending the per-tire recycling fee to used tire purchases and to tires already mounted on both new and used vehicles that are sold. The increase in revenue is expected to be offset by also expanding the pool of applicants for grants involving alternative productive uses of waste tires and by allowing the use of funds for the development of a statewide tire-derived product market infrastructure.

The Revenue and Fiscal Affairs Office (RFA) contacted all forty-six counties and the South Carolina Association of Counties (SCAC) to determine the fiscal impact of the bill on county governments. Since the bill allows counties to choose whether to charge or increase tipping fees, the revenue impact on county governments is undetermined. However, data from counties shows that many, if not all, counties experience a deficit in funds due to the cost of handling and disposing of waste tires. Several counties expressed that the bill will help offset the deficit.

Explanation of Fiscal Impact

Introduced on January 14, 2025

State Expenditure

This bill requires a waste tire hauler transporting waste tires for handling, altering, storage, recycling, or disposal to complete a manifest and submit it to DES. The manifest must be readily accessible in the transporting vehicle to show upon demand to any representative of DES or law enforcement. DES must develop and implement a system for auditing manifests submitted to the department and must issue decals to waste tire haulers displaying the waste tire hauler's registration or identification number and the decal's expiration date. The bill specifies penalty fees for a waste tire hauler who transfers waste tires with an expired decal.

Additionally, the bill prohibits the installation of an unsafe used tire onto a passenger car or light truck. This provision does not apply to a business selling used tires for retreading, tires intended solely for agricultural use or for off-road industrial use, or a business or individual buying and selling motor vehicles or its parts, when the tires were mounted on the motor vehicle at the time the motor vehicle was bought.

Further, the bill provides that grants from the Waste Tire Trust Fund may also be awarded to businesses or manufacturers that generate or process waste tires to develop, create, or otherwise utilize waste tires for alternative productive uses or tire-derived products. Waste tire grants are awarded by a committee appointed by the director of DES, and this bill amends the committee members to include a member of the Department of Commerce.

Department of Environmental Services. DES indicates that this bill will increase the agency's General Fund expenditures by approximately \$140,000 in FY 2025-26. Of this amount, \$116,000 is for 1.0 FTE to manage a manifest auditing system and to issue decals. Additional recurring expenditures are expected to total approximately \$21,000 for operating expenses. One-time expenses of \$2,700 are needed for equipment and supplies for the new FTE. Expenses will decrease to approximately \$137,000 beginning in FY 2025-26. DES will request an increase in General Fund appropriations for these expenditures.

Department of Transportation. This bill allows counties to charge a tipping fee of \$150 per ton for waste tires with documentation if the county accepts waste tires. DOT estimates that the agency disposed of approximately 151 tons of tires in FY 2023-24. Given the permissive nature of the bill, and since the amount of tires DOT will dispose of in the future is unknown, the expenditure increase to DOT is undetermined.

Department of Commerce. The expenditure impact to the Department of Commerce is pending, contingent upon a response from the agency.

State Revenue

This bill gives DES the authority to charge a fee for the issuance of waste tire hauler decals, which will increase Other Funds of DES. While the increase is undetermined, DES anticipates that the revenue from the fee will offset the costs for the decals.

Additionally, the bill extends the \$2.00 per tire fee to used tire purchases and tires already mounted on both new and used vehicle sales. Currently, the fee applies only to new replacement tires and produces approximately \$8,000,000 in revenue. DES estimates that the inclusion of used and mounted tires will increase the fee revenue by \$12,000,000 annually. Revenue from the \$2.00 per tire fee is allocated to the Waste Tire Trust Fund, which is managed by DES and used to provide grants to counties and regions for various activities involving waste tires. This bill allows DES to award grants to businesses or manufacturers that generate or process waste tires to develop, create, or otherwise utilize waste tires for alternative productive uses or tire-derived products. The bill also allows DES to use funds from the Waste Tire Trust Fund to develop, in collaboration with the Department of Commerce, a sustainable statewide market infrastructure for tire-derived products. Thus, the bill will increase Other Funds revenue of DES by \$12,000,000 annually, which will be offset by the larger grant applicant pool and the development of the tire-derived product market infrastructure.

Local Expenditure

N/A

Local Revenue

This bill increases the tipping fees a county may charge for waste tires originating outside of the state, for non-USDOT tires, for tires submitted to the county for disposal for which no fee has been paid otherwise, and for tires sold or used in the county when, by local ordinance, the county prohibits the acceptance of tires with documentation. Currently, counties may charge up to \$1.50 per tire or up to \$150 per ton for waste tires. This bill increases the optional tipping fee to \$400 per ton. Additionally, a county may charge a tipping fee of \$150 per ton for waste tires with documentation if the county accepts waste tires with documentation.

RFA contacted all forty-six counties and the SCAC to determine the fiscal impact of the bill on county governments. Of the eight counties that responded, only one charges a tipping fee for documented waste tires. Two of the eight counties also do not charge a tipping fee for undocumented tires. Of the six counties that do charge for undocumented tire disposal, all except one charge the current full amount of \$150 per ton.

The SCAC also provided a report compiled by the Horry County Solid Waste Authority that surveyed seven additional counties that did not respond to RFA. All nine counties surveyed reported a deficit in funds due to waste tire disposal. This is consistent with several direct responses from counties, that indicate an increase in the tipping fee for waste tires will help to offset the costs for handling and disposal of the tires.

Therefore, since the bill allows counties to choose whether to charge or increase tipping fees, the revenue impact on county governments is undetermined.



Frank A. Rainwater, Executive Director