

# POTPOURRI

Department of Environmental Quality  
Office of Environmental Assessment

## RISK/COST BENEFIT STATEMENT Waste Tire Fees Amendments, Log #SW039 (LAC 33:VII.10505, 10509, 10519, 10521, 10535, and 10537) (0503Pot1)

### **Introduction**

The Louisiana Department of Environmental Quality (LDEQ) is proposing amendments to the waste tire regulations that would assess the waste tire disposal fee on the sale of new motor vehicles, retreaded tires, and used tires. These fees, designated for the Waste Tire Management Fund, are collected by retailers and remitted to the Department. The increase in fees was authorized by Act 846 of the 2004 Louisiana Legislature.

The fee increase will provide funding to address the proper collection, processing, and marketing of these tires. The rule will affect all retailers selling new motor vehicles, retreaded tires, and used tires. The rule will also affect those consumers who purchase these items.

This statement is prepared to satisfy the requirements of R.S. 30:2019(D) and R.S. 49.953(G) (Acts 600 and 642 of the 1995 Louisiana Legislature, respectively). However, this document is not a quantitative analysis of cost, risk, or economic benefit, although costs of implementation were identified to the extent practical. The statutes allow a qualitative analysis of economic and environmental benefit where a more quantitative analysis is not practical. The Department asserts that the benefits of a rule designed to support a legislatively-passed broadening of the waste tire program justify the costs associated with the fee increases.

Therefore, the qualitative approach is taken with this risk/cost benefit statement. As discussed further in this document, these amendments to the waste tire regulations provide environmental and economic benefits. Assessing dollar benefits of avoided environmental risk or economic benefits of this rule is not practicable. In addition, the Department asserts that the indirect and direct environmental and economic benefits to be derived from this rule will, in the judgement of reasonable persons, outweigh the costs associated with the implementation of the rule and that the rule is the most cost-effective alternative to achieve these benefits.

### **Risks Addressed by the Rule**

The fee portion of the rule addresses the risks associated with the pollution caused by improper disposal of the tires mentioned above, to include unauthorized waste tire piles consisting of these types of tires. The rule does this by bringing tires

sold with new motor vehicles into the waste tire program with the addition of a fee. The fee will allow the Department, through the Waste Tire Management Fund, to pay waste tire processors for the processing of these tires and the marketing of the resulting waste tire material.

Numerous risks are associated with the improper disposal of tires. Unprocessed tires hold water that provides a fertile breeding ground for mosquitoes, which provide an excellent vector for diseases. Unprocessed tires also provide shelter for vermin, such as rats, that are another vector for disease in addition to being a destructive pest. Tire piles may catch fire under certain circumstances. These fires are extremely difficult to extinguish, and they emit noxious gases and thick smoke. Lastly, individual tires or tire piles that litter the landscape are unsightly. Waste tires do not degrade, which provides a long-lasting hazard to the environment.

### **Environmental and Health Benefits of the Rule**

The additional money collected through this rule will provide an incentive for waste tire processors to continue to process and market waste tires. The removal, processing, and marketing of these tires will eliminate potential breeding places of disease-spreading insects and mammals. The removal of these tires would eliminate the possibility of tire pile fires.

### **Social and Economic Costs**

This rule is an amendment to implement fees on tire sales that are not currently assessed, and as such there are no significant costs to implement the rule. The new fees will be assessed on the retail sale of new motor vehicles, used tires, and retreaded tires.

Persons purchasing new motor vehicles with passenger/light truck tires will now pay \$2 per tire (excluding the spare). Persons purchasing new motor vehicles with medium truck tires (those tires weighing more than 100 pounds) will pay \$5 per tire at the time of sale. Persons purchasing new off-road motor vehicles with tires weighing more than 100 pounds will pay \$10 per tire. There will be no charge for tires above 500 pounds or solid tires. These new fees will generate an estimated \$2,108,815 for the Waste Tire Management Fund.

### **Conclusion**

The Department believes that the benefits of enhanced environmental and public health protection, as well as other benefits, outweigh the costs of implementation of the rule. Therefore, the rule is obviously the most cost-effective alternative to achieve these benefits.

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