

LATE

HADA supplemental (revised) testimony
Opposed to Senate Bill 2685

Relating to Motor Vehicle Tires
--because significant scrap tire funds remain to address the issue--

Presented to the Senate Committee on Energy and the Environment
at the committee hearing to be held
2:45 p.m. Tuesday, January 28, 2014
in Conference Room 225, Hawaii State Capitol

Respectfully submitted by the Members of the Hawaii Automobile Dealers Association
Hawaii's franchised new car dealers

Chair Gabbard, Vice Chair Ruderman and members of the committee:

HADA CORRECTION FOR THE RECORD--PLEASE SEE UNDERLINED PORTIONS BELOW.

HADA arrived at conclusions based upon the data provided in the Department of Health's DRAFT report.

Now, after helpful discussions with Health Department officials, HADA corrects our reference made to "4,142" scrap tires. That number, according to Department officials, is an "annual estimate of abandoned tires (requiring pickup) by county agencies—not the number of tires that has accumulated since the large tire cleanup 2000-2005.

The Counties, using funds from operating budgets and beautification funds, will need to spend (by Health Dept. estimates), some \$48,908.49 annually to clean up abandoned tire piles on county properties.

TESTIMONY

The members of the Hawaii Automobile Dealers Association participated in the task force created by the legislature to examine the issue of scrap tires.

We commend the members of the legislature, the State Department of Health and all the participants for facilitating a thorough review of the illegally-discarded scrap tires.

The State Department of Health prepared a comprehensive, thorough, clearly-presented report.

From the DRAFT report's information, HADA reached the following conclusions:

- The amount spent for the million tire cleanup from 1999-2005 was under \$3 per tire.
- Some \$685,700 remains in the fund as of September 30, 2013.
- Currently the Department has identified 4,142 scrap tires that still require clean up. **POINT OF CLARIFICATION:** The Department later explained that this number is an estimate derived from information provided by the Counties –and refers to amounts of scrap tires (on average) that likely accumulate in a year on County properties.
- This is a relatively small number of tires, compared to the previous million-tire problem. The accumulation rate over 7 years is 591 tires per year. (DELETE UNDERLINED SENTENCE) The Department explained that their chart in their DRAFT refers to an ANNUAL estimate of scrap tires needing pickup on County property. The number (4,142) is NOT an “accumulation” over the past 7 years.
- The Department estimates that \$48,908 is required for clean up. (COUNTIES provide these funds to facilitate the pickups on county properties.
- That would be \$6,978 per year required-- if budgeted per year over the last 7 years. (DELETE).
- With the money remaining in the fund there is adequate funding for many years to come, even allowing for the Department allocating to the fund some of its overhead expenses.

Additional considerations:

1. **County Beautification Fees, which are \$7 per vehicle registration annually on Oahu, are, in part applicable to scrap tire clean-up.** The City and County of Honolulu fund is filled with \$5 million annually. Programs exist for scrap tire pickup.
2. **Retailers of used tires do not charge disposal fees at the point of sale, putting retailers of new tires at a price disadvantage.** A few tire retailers commented at task force meetings that they are at a competitive disadvantage compared to resellers of used tires who do not charge disposal fees. While the price disparity is noted, the larger issue is whether used tire resellers are properly managing old tires by sending them to facilities permitted by the department. One could interpret the signage posting requirement in Sec. 342I-22(a) that it only applies to retailers of new tires, not used tires. A clarification to Hawaii statute is necessary before the department conducts further compliance assistance.

(Comments published in an early DRAFT report of the task force—NOTE: The Department indicated it may not include in the FINAL REPORT the final sentence referencing “A clarification to Hawaii statutes is necessary...”)

In conclusion, HADA applauds the excellent work of the Department of Health and the task force. We add:

- The scrap problem is manageable within the current funding available.
- Adequate funding exists in the fund for many years to come.

For these reasons HADA opposes the problematic creation of a \$1 fee on replacement tires and encourages the Department of Health to apply funds from the sizeable balance in the fund to clean-up projects as needed. We respectfully request that SB 2685 be held.

Respectfully submitted,

David H. Rolf

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LATE

SB2685

Submitted on: 1/30/2014

Testimony for ENE on Jan 30, 2014 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Marilyn Begg	Individual	Support	No

Comments: I support SB2685 to impose a surcharge of \$1 per tire on any tire retailer/wholesaler, etc. This would help in the disposal of all motor vehicle tires dumped our our road.