

**ADDENDUM  
NO.1**

October 18, 2022

SOUTH CAROLINA

# Waste Tire Management at a Crossroads

A Special Report Prepared by the  
S.C. Department of Health and Environmental Control



Prepared by the  
S.C. Department of Health and Environmental Control  
for the S.C. Scrap Tire Sustainability Coalition



# Introduction

The S.C. Scrap Tire Sustainability Coalition met on September 27 to address waste tire management issues including rising costs, funding and markets.

This addendum is a follow up to that meeting and is designed to provide essential information central to that discussion. It also is the first supplement to the special report “Waste Tire Management at a Crossroads” – which is a fundamental reference to the overall issues.

Multiple challenges were discussed, questions asked and knowledge shared. Stakeholders were polled on the biggest challenges. The top three results were: 1) funding; 2) markets; and 3) education.

Funding is the most immediate challenge. The rising costs in the collection, hauling and processing of waste tires cannot be met with current funding – placing instant pressure on county government budgets.

The advance recycling fee of \$2 per tire – set in 1991 – has been the source of the vast majority of the funding to counties and covered the majority of their expenditures for the management of waste tires in the past 30-plus years. See “How it Works: Advance Recycling Fee to Waste Tire Recovery” on page 3 for additional information.

The fee, however, has not kept pace.

## Income doesn't meet expenses.

Here is a breakdown of the significant surge in costs as well as the reduction in revenue to counties for the collecting, hauling and processing of waste tires:

- **A nearly 54 percent increase** from fiscal year (FY) 2018 (July 1, 2017 to June 30, 2018) to FY23 (i.e., a state average of \$122.93 to \$188.72 per ton);
- **A nearly 21 percent upsurge** (\$156.39 to \$188.72 per ton) from FY22 to FY23;
- **A 186 percent rise** from 59 cents per tire in FY10 to \$1.70 per waste tire in FY21;
- **A 20 percent overall decrease** in the S.C. Department of Health and Environmental Control's (DHEC) grant funding for county governments in FY23 – more than \$633,000;
- **The above reduction DOES NOT include** more than \$488,000 in professional development, public education and other direct costs that have been funded in the past resulting in an overall cut of more than \$1.1 million; and
- **The above figures DO NOT include** the county's cost for staffing, equipment and more.



## What to do?

Stakeholder suggestions included:

- **Finding ways to reduce costs** (e.g., provide specific counties with shredders, disposal);
- **Developing markets** that will provide value to a waste tire;
- **Increasing the advance recycling fee** by a flat fee or a percentage of the cost of a new tire. The General Assembly is required to review the tire fee every 5 years;
- **Increasing the advance recycling fee for large truck tires;**
- **Adding the advance recycling fee on tires with a new car purchase.** The National Auto Dealers Association reported that the average number of new car/light trucks sold per dealership across the United States was 895 vehicles in 2021. Using that average, South Carolina's 252 dealerships sold an estimated 225,540 vehicles. The current \$2 fee would generate more than \$1.8 million in revenue;
- **Removing current limitations** on what counties can charge for accepting “undocumented” waste tires; and
- **Considering potential funding from recent federal legislation.**



## How It Works: Advance Recycling Fee to Waste Tire Recovery

- South Carolina has an advance recycling fee of \$2 per tire** placed on the purchase of specific new tires (i.e., bus, car, light truck, motorcycle, tractor trailer).
- The fee is paid by the consumer** to the new tire retailer.
- The fee is submitted by the new tire retailer to the S.C. Department of Revenue (DOR)** minus any credits lawfully claimed by the retailer for the recycling of waste tires.
- DOR is required to administer, collect, and enforce the tire recycling fee** in the same manner that the sales and use taxes are collected pursuant to S.C. Code of Laws, Title 12, Chapter 36.
- DOR distributes revenue** to new tire retailers, county governments and DHEC.
- New tire retailers may retain 3 percent (6 cents per tire) of the total fees collected** as an administrative collection allowance;
- New tire retailers receive a \$1 per waste tire credit** if the waste tires are sent to a DHEC-approved recycler or processor. The credit for the number of tires recycled cannot be greater than the number of tires sold.
- New tire retailers may not claim a \$1 credit** if the tires are taken to a county collection center.
- Counties receive DOR funding of \$1.50 per tire** – less new tire retailer credits outlined above – based on their population (percent of South Carolina’s population). Each county must use this revenue for the collection and processing of waste tires.
- DHEC receives DOR funding of 50 cents per tire to be used in the administration of the overall waste tire program** (i.e., permitting, compliance, enforcement, technical assistance and public outreach) as well as grants to county governments.
- Counties are eligible for additional funding from DHEC’s waste tire grant program** if the DOR allocations do not cover their overall costs. This shortfall is determined by subtracting DOR funds, tipping fees and other county tire revenues from contractor costs. Grants are available annually.
- In FY22, DHEC provided more than \$2.2 million in grant funding and DOR allocated more than \$2.8 million to counties.** Overall, more than \$110 million has been provided to South Carolina’s waste tire recovery program since FY94.

**TABLE: 1.1: Waste Tire Fees by State**

STATE	FEE	NOTES
Alabama	\$1	
Alaska	\$2.50	Additional \$5 fee on sale of new tires with metal studs or spikes
Arizona	2 percent of retail price or \$2 maximum	
Arkansas	\$1-\$3	Based on purchase of used or new tires
California	\$1.75	
Colorado	\$2	
Connecticut	None	Retailers may charge
Delaware	\$2	
Florida	\$1	
Georgia	\$1	
Hawaii	\$1	Surcharge on imported tires paid by importer
Idaho	None	Residents should contact local landfills to see if accepted
Illinois	\$2.50	
Indiana	25 cents	
Iowa	No fee/program	Retailers may charge
Kansas	\$3	
Kentucky	\$2	
Louisiana	\$2-\$5-\$10	\$2 per tire less than 100 pounds \$5 per medium truck tire \$10 per off-road tire
Maine	\$1	
Maryland	80 cents	
Massachusetts	None	Best practices recommended
Michigan	\$1.50	Funded by vehicle title transfer fee
Minnesota	None	Retailers may charge
Mississippi	\$1 or \$2 (size)	
Missouri	50 cents	
Montana	None	Landfill disposal allowed
Nebraska	\$1	Fee on new tires and new/used car sales including spare
Nevada	\$1	
New Hampshire	None	Towns may charge for disposal
New Jersey	\$1.50	
New Mexico	\$1.50	Fee part of vehicle registration
New York	\$2.50	
North Carolina	1 or 2 percent (size)	
North Dakota	None	
Ohio	\$1	
Oklahoma	\$2.50 or \$3.50 or more (size)	
Oregon	None	
Pennsylvania	\$1	
Rhode Island	\$5 (refundable)	
South Carolina	\$2	
South Dakota	25 cents to \$1 max per vehicle	Fee part of vehicle registration
Tennessee	\$1.35	
Texas	No fee/program	Retailers may charge/landfill disposal allowed
Utah	\$1	Fee on new tires and new car sales
Vermont	None	Retailers will take waste tires for a fee typically of \$3 to \$5 per tire
Virginia	50 cents	
Washington	\$1	
West Virginia	\$5	Fee part of vehicle registration
Wisconsin	None	Local jurisdictions have own fees
Wyoming	None	Landfill may charge for disposal

**SOURCE:** U.S. Tire Manufacturers Association, tirebuyer, United Tires, Amazon

# Waste Tire Fees

Most states have a fee of some sort on the purchase of new tires (See Table 1.1 on page 3). Generally, these fees are collected by tire retailers. The fees generally go to the collection, hauling, storage and processing of waste tires as well as cleanup of waste tire piles and market development grants.

Here are varying examples of state programs.

- **Arkansas** – There is a \$3 fee is for all tires removed from the rim and replaced by a new tire or \$1 for a used tire. A \$3 fee shall be charged by commercial tire retailers for new tires as part of fleet services. Tire retailers may deduct 5 percent per tire from the fees charged to customers before remitting to the Arkansas Department of Finance and Administration.
- **Connecticut** – A \$2 fee charged on the retail sale of each tire commonly used on a motor vehicle was repealed on July 1, 1997. Currently, any extra surcharges on tires are done so at the discretion of the retailer and are not mandated by the state. Fees are typically collected to assist the retailer in the handling of waste tires left behind when a new tire is purchased. There are no statutes which require a tire retailer to take waste tires, but most will when a new tire is purchased
- **Michigan** – Michigan imposes a \$1.50 vehicle transfer tax to fund its waste tire program.
- **North Carolina** – A scrap tire disposal tax is placed on the retail sale of new tires. The tax is 2 percent of the cost of tires with a bead diameter of 20 inches and 1 percent on tires with a bead diameter of 20 inches or more. The purchases of new tires from outside North Carolina: 1) for storage, use or consumption; or 2) for placement in the state on vehicles offered for sale, lease or rental are subject to the tax.
- **Tennessee** – Tennessee requires a \$1.35 pre-disposal fee paid by consumers on new tires sold at retail. The fee includes all tires for vehicles that travel on state roads along with those from farm tractors and equipment. In addition, Tennessee also charges a tire environmental fee on each purchase of a new motor vehicle to be titled and registered in the state. The fees are: (1) \$5 for a motor vehicle with four or fewer wheels (2) \$10 for a motor vehicle with more than four but less than 11 wheels an (3) \$15 for a motor vehicle with 11 or more wheels.
- **Utah** – Funding for the waste tire recycling program comes from a \$1 fee assessed on the purchase of a new tire including those associated with a new vehicle purchase. Tire retailers and new vehicle dealerships collect the fee and transfer it to the Tax Commission. Fees collected are placed into the Waste Tire Recycling Fund. Utah has an incentive program for tire recyclers operating in the state that provides reimbursements for: 1) waste tires converted into crumb rubber if used as a component in an ultimate product; 2) tires recycled other than crumb rubber; 3) chipped tires used for beneficial use; 4) transportation costs to remove tires from a tire pile; and 5) tires disposed of properly in a landfill.

**TABLE: 1.2 Whole Tire Landfills Bans by State**

STATE	BAN
Alabama	No
Alaska	No
Arkansas	Yes
Arizona	Yes
California	Yes
Colorado	Yes
Connecticut	Yes
Delaware	Yes
Florida	Yes
Georgia	Yes
Hawaii	Yes
Idaho	Yes
Illinois	Yes
Indiana	Yes
Iowa	Yes
Kansas	Yes
Kentucky	Yes
Louisiana	Yes
Maine	Yes
Maryland	Yes
Massachusetts	Yes
Michigan	Yes
Minnesota	No
Mississippi	Yes
Montana	No
Nebraska	Yes
Nevada	No
New Hampshire	No
New Jersey	No
New Mexico	No
New York	Yes
North Carolina	Yes
North Dakota	No
Ohio	Yes
Oklahoma	Yes
Oregon	Yes
North Carolina	Yes
Pennsylvania	Yes
Rhode Island	No
South Carolina	Yes
South Dakota	No
Tennessee	Yes
Texas	No
Utah	No
Vermont	Yes
Virginia	No
Washington	No
West Virginia	Yes
Wisconsin	Yes
Wyoming	No