

NEBRASKA SCRAP TIRE GRANT PROGRAM HISTORY

January 20, 2016

LB 163

In accordance with LB 163, passed in the 1990 Nebraska Legislative session, commencing on October 1, 1990 a fee of one dollar on each new motor vehicle, trailer, semitrailer, and farm tractor tire sold at retail in the state would be collected by the county treasurer and remitted to the Nebraska Dept. of Revenue, and then transferred to the Nebraska Dept. of Environmental Quality. The definition of tire included any tire made of rubber or other resilient material and normally used on any vehicle listed in this paragraph. Both pneumatic and solid tires were included, but not recapped or regrooved tires.

LB 1257

LB 1257, passed in by the Nebraska Legislature in 1992, prohibited land disposal of waste tires other than properly processed tires on and after September 1, 1995. LB 1257 further prohibited land disposal of waste tires in any form on and after September 1, 1998.

In 1993 a statewide scrap tire collection and processing analysis project was conducted to gather information relating to the scrap tire problem in Nebraska. Representatives of the cities of Lincoln, Lexington, and Kearney, the Nebraska Public Power District, Lincoln Electric, tire retailers and distributors, and the League of Nebraska Municipalities conducted the project. In order to estimate the quantities of scrap tires in existing tire piles, a survey of county sheriff's departments, county extension offices, tire retailers, and local government agencies across Nebraska was conducted. The survey asked participants to identify the location of waste tire piles and to estimate the quantities of scrap tires in each pile. Respondents to the survey identified scrap tire piles with approximately 1,550,000 tires. However, the survey acknowledged that additional existing scrap tire piles might not have been identified by the survey.

LB 1034

The Scrap Tire Reduction and Recycling Incentive Fund was created by LB 1034 in 1994 as part of the Waste Reduction and Recycling Incentive Grants Program. LB 1034 placed the revenue generated from the \$1 tire fee into a separate fund available for programs which assist in the management of Nebraska's scrap tires. Approximately \$1.4 million was available annually. The Tire fee remained in this separate fund until July 1, 1999 when it went back into the original Waste Reduction and Recycling Incentive Fund.

Under LB 1034, funds were available to political subdivisions, or other organizations, public, private, or nonprofit for the following:

1. Grant funds up to 50% of the eligible cost to clean up existing scrap tire collection sites.

2. Loan program paying up to 50% of the cost to establish scrap tire collection sites and capital costs of land, structures, and equipment needed to establish scrap tire collection sites and to collect and transport scrap tires.
3. Grant funds for capital costs needed in the process of recovering energy from scrap tires for the purpose of generating electricity (available only for political subdivisions).
4. Grant funds for studies to determine the technical and economic feasibility of a scrap tire project not to exceed \$30,000, and not to exceed 75% of the cost of the study.

LB 495

During the first two years the Department was not able to award all the funds generated by the fees and the fund built up a significant surplus. In examining the reason for the surplus, it was determined that the existing statutory provisions inhibited the Department from being as responsive to cleanup and market development as necessary to successfully manage scrap tires. Therefore, legislation was proposed to encourage the quick cleanup of existing collection sites to eliminate their environmental hazards, and to promote long-term sustainable markets for newly generated scrap tires. The proposed legislation came into law on June 11, 1997 as LB 495.

LB 495 eliminated the loan program and broadened the list of activities eligible for grant funding. The fund now paid up to 100% of eligible costs for scrap tire cleanups of scrap tires in existence as of June 11, 1997 if the cleanup was completed by August 31, 1998, and 70% if completed by June 1, 1999. The loan program was replaced with grants for up to 50% of the eligible costs, not to exceed \$500,000, for capital and startup costs for scrap tire processing, manufacturing, collecting, and transporting. Scrap tire studies were funded up to 100% of eligible costs.

Two new grant categories were introduced under LB 495:

1. Cost-sharing for processing, manufacturing, and civil engineering uses. Grant funds became available for individuals and businesses who manufacture tire-derived products, process scrap tires, or use scrap tires for specified civil engineering projects. The funding could not exceed \$20 per ton or \$250,000 annually, whichever is less.
2. Partial reimbursement for the purchase of tire-derived products. Funds were available to reimburse 25% of the retail cost to purchase tire-derived products with a minimum of 25% recycled tire content. Only purchases made after June 11, 1997 were eligible and must be made from a Nebraska or out-of-state company that uses scrap tires from Nebraska.

Non-eligible activities included projects related to tire-derived fuel, projects which did not represent a permanent use, and projects which were not consistent with applicable federal, state, and local rules and regulations.

These changes ignited the scrap tire program. So much activity was generated that it became apparent that it would be hard for the scrap tire processors to handle the cleanups prior to the August 31, 1998 deadline for the 100% reimbursement.

LB 1161

LB 1161 was signed into law on April 14, 1998 to help enhance the scrap tire program. LB 1161 extended the deadline for 100% reimbursement of eligible scrap tire cleanup costs to June 1, 1999. The new legislation also allowed for political subdivisions to clean up collection sites existing on or before June 11, 1997, or collection sites created on or after June 11, 1997, if the cleanup was complete by June 1, 1999. This change allowed political subdivisions to hold community cleanup days to collect small quantities of scrap tires from individuals and create a collection site for the cleanup. In order to qualify for a scrap tire cleanup grant, the collection site owner must have a minimum of 1 ton of scrap tires (100 passenger tires). This new legislation allowed individuals the opportunity to dispose of smaller quantities. The political subdivision had to have a minimum of one ton of tires to be eligible for a grant.

In the event that more applications were received than available funding, the following priority list was developed to determine which applications received funding:

1. Cleanup of scrap tire collection sites.
2. Reimbursement of up to 25% of the retail cost to purchase tire-derived products with a minimum of 25% recycled tire content manufactured by a Nebraska company or out-of-state company using Nebraska scrap tires.
3. Cost-sharing for manufacturing tire-derived products, processing scrap tires, or the use of scrap tires in civil engineering projects.
4. Capital or startup costs for scrap tire processing and capital or startup costs for manufacturing tire-derived products.
5. Studies to determine economic and technical feasibility of uses of scrap tires or tire-derived products.
6. Capital or startup costs to establish collection sites or collect and transport scrap tires.

LB 592

LB 592 passed in the 1999 legislative session with an emergency clause and became effective on May 28, 1999 with the Governor's signature. LB 592 extended the time available to clean up scrap tires from June 1, 1999 until September 1, 2000 as long as a grant application was made by June 1, 1999. Under the previous law, the \$1 fee on the sale of new tires would go into the Waste Reduction Fund as of June 30, 1999. Under LB 592 this was still the case, however, until June 1, 2002, the first \$1 million of these fees would be available exclusively for scrap tire projects if enough acceptable applications are received. The funds would be available to all applicants, public and private. Funds generated from the tire fee over \$1 million would be available to political subdivisions, only, for eligible waste reduction or recycling projects through the Waste Reduction and Recycling Incentive Grants Fund. Under LB 592 the following were eligible for grant funds:

1. Cost-share grants up to, but not more than \$20 per ton for \$250,000 annually, whichever is less, could be paid for:
 - a. Manufacturing tire-derived products.
 - b. Processing scrap tires.
 - c. Using scrap tires for specified civil engineering products
2. Reimbursement of up to 25% of the retail cost to purchase tire-derived products with a minimum of 25% recycled tire content.
3. Reimbursement of up to 50% of the cost to purchase crumb rubber generated and used in Nebraska.
4. Up to 100% of the costs for studies to determine economic and technical feasibility of uses of scrap tires or tire-derived products.
5. Capital or startup costs for scrap tire processing and capital or startup costs for manufacturing tire-derived products. Disbursements could not exceed 50% of the eligible costs, or \$500,000, whichever is less.
6. Capital or startup costs to establish collection sites or collect and transport scrap tires. Disbursements could not exceed 50% of the eligible costs.

Non-eligible activities were projects which did not represent a permanent use, and projects which were not consistent with applicable federal, state, and local rules and regulations. The restriction on projects related to tire-derived fuel was no longer in effect.

LB 461

LB 461, was signed into law with an emergency clause on May 31, 2001. LB 461 provided that grants up to one million dollars annually will be available until June 1, 2004, for new scrap tire projects for the following categories, but not limited to:

1. Reimbursement for the purchase of crumb rubber generated and used in Nebraska, with disbursements not to exceed fifty percent of the cost of the crumb rubber.
2. Reimbursement for the purchase of tire-derived product which utilizes a minimum of twenty-five percent recycled tire content, with disbursements not to exceed twenty-five percent of the product's retail cost, except that persons who applied for a grant between June 1, 1999, and the effective date of this act (May 31, 2001) for the purchase of tire-derived product which utilizes a minimum of twenty-five percent recycled tire content may apply for reimbursement on or before July 1, 2002. Reimbursement shall not exceed twenty-five percent of the product's retail cost and may be funded in fiscal years 2001-02 and 2002-03.
3. Participation in the capital costs of building, equipment, and other capital improvement needs or startup costs for scrap tire processing or manufacturing of tire-derived product, with disbursements not to exceed fifty percent of such costs or five hundred thousand dollars, whichever is less.

4. Participation in the capital costs of building, equipment, or other startup costs needed to establish collection sites or to collect and transport scrap tires, with disbursements not to exceed fifty percent of such costs.
5. Cost-sharing for the manufacturing of tire-derived product, with disbursements not to exceed twenty dollars per ton or two hundred fifty thousand dollars, whichever is less, to any person annually.
6. Cost-sharing for the processing of scrap tires, with disbursements not to exceed twenty dollars per ton or two hundred fifty thousand dollars, whichever is less, to any person annually.
7. Cost-sharing for the use of scrap tires for civil engineering applications for specified projects, with disbursements not to exceed twenty dollars per ton or two hundred fifty thousand dollars, whichever is less, to any person annually.
8. Disbursement to a political subdivision up to one hundred percent of costs incurred in cleaning up scrap tire collection sites.

LB 461 also stated that no disbursements could be made for scrap tire processing related to tire-derived fuel.

LB 144

LB 144, passed in the 2003 Legislature, extended the priority for scrap tire grants through June 30, 2007. The law transferred scrap tire permitting regulations from Title 136 to Title 132. The law also required NDEQ to change solid waste management regulations (Title 132) concerning scrap tire management, including:

1. Scrap tires were renamed "waste" tires.
2. Disposal of tires continued to be prohibited, but now allowed landfilling of non-recyclable tires (e.g. press-on solid tires, solid pneumatic-shaped tires, or foam pneumatic tires).
3. Activities not considered disposal were identified as:
 - a. Tires processed into crumb rubber, reused, or recycled into manufactured products.
 - b. Tires used for tire-derived fuel for energy recovery.
 - c. Retreaded tires.
 - d. Tires processed into chip or shred form and used as drainage media in landfill construction or septic fields.
 - e. Tires processed into shred form and used as drainage media in landfill construction or septic fields.
 - f. Tires used for fish habitat, bank stabilization, and blowout stabilization (criteria by rule and regulation).
 - g. Steel making.
 - h. Agricultural uses, such as bumpers on agricultural equipment, ballast to maintain covers or structures on the agricultural site, feeders or water tanks for livestock, and blowout stabilization (criteria by rule and regulation).

4. Permits and financial assurance were requirements only for scrap tires haulers, not collectors or processors.
5. Up to 500 passenger tire equivalents (PTEs) could be stored for one year by any party, then must be recycled. More than 500 PTEs can be stored if documentation can show that 75% of waste tires accumulated during a calendar year are recycled, reused, or shipped out of state. Any person storing waste tires in a container for less than one year and tire retailers are exempt from the 500 PTE storage rule. NO permit is required.
6. A passenger tire equivalent was defined as 20 pounds of waste tire or processed tire.
7. 75% of tires collected must be recycled within one year. The collector must show that tires are not being accumulated speculatively.
8. Civil penalties for violations were increased from \$1,000 to \$10,000 per day, and criminal penalties were provided.
9. Provided for grants to political subdivisions for up to 100% of costs to clean up scrap tire collection and disposal sites.

LB 568

LB 568, passed into law on March 30, 2007, extended grants up to one million dollars annually from June 30, 2007 until June 30, 2009.

LB 379

LB 379, passed into law on March 18, 2009, extended grants up to one million dollars annually from June 30, 2009 until June 30, 2014.

LB 549

LB 549, passed into law on May 7, 2013, increased grants up to one million dollars annually to grants up to one million five hundred thousand annually, extended grants from June 30, 2014 to June 30, 2019.

Program Accomplishments

Scrap Tire Grant Program Accomplishments

Since 1992, NDEQ has awarded \$31.3 million toward scrap tire projects, including \$11.5 million awarded to clean up scrap tires. Other award categories include capital and startup costs for processing, manufacturing, collecting, and transporting scrap tires, studies, partial reimbursement for the purchase of tire-derived products and/or crumb rubber, and cost-sharing for processing and manufacturing tire-derived products and civil engineering uses. A breakdown of grant award categories follows:

\$11.1 million – Scrap tire cleanups under the 100% reimbursement program
Examples: cleanups of tire piles from farms and businesses, along with scrap tire amnesty cleanups

\$.4 million – Scrap tire cleanups under the 50% reimbursement program

Examples: cleanup of existing tire piles from businesses.

\$4.1 million – Capital and startup costs for processing, manufacturing, collecting, and transporting scrap tires

Examples: crumb rubber processing equipment, shredding equipment, modifications to manufacturing equipment to use crumb rubber, equipment to manufacture products such as airport runway light protectors, gaskets, and scraper mats, collection vans, roll-off boxes, skid loaders, tire cutters, and debadders.

\$ 4.3 million – Studies to determine the technical and economic feasibility of scrap tire projects.

Examples: using chipped tires in an airport runway, using powdered scrap tires in place of plastic in manufacturing, using crumb rubber in soil for aeration to benefit grass, study the feasibility of recycling scrap tires into molded products, using crumb rubber asphalt on a city street, using scrap tire bales in the reconstruction of a storm sewer outfall, using scrap tires as fish habitat, and using crumb rubber to manufacture peat pot germination trays. Rubber modified asphalt has been used for demonstration projects on Interstate 80, along with other state and county highways.

\$.7 million – Cost-share grants for scrap tire processing, manufacturing tire-derived products, and civil engineering uses

Examples: using scrap tire bales in feedlots for erosion control, using scrap tire bales for lake shoreline restoration, and shredding scrap tires for leachate collection system at landfill.

\$ 10.7 million – Partial reimbursement of the cost of tire-derived products and the purchase of crumb rubber

Examples: athletic track renovation using crumb rubber asphalt, crumb rubber artificial turf on football, soccer, and baseball fields, loose crumb rubber for playgrounds, and crumb rubber mats and poured-in-place surfaces for playgrounds. Loose crumb rubber has also been used as a top dressing for football and soccer fields.

As of November 21, 2000, an estimated 100,000 scrap tires at D & S Tires – West Point, NE, who received funds through the scrap tire cleanup grant program, may remain to be cleaned up. Only expenses incurred for cleanup performed by September 1, 2000 were eligible for reimbursement through the grant program. Cleanup costs incurred after September 1, 2000 are at the owner's expense, and those sites not cleaned up will be subject to scrap tire permitting requirements. Two other known scrap tire pile sites existing as of this date are Strong Tire Company in Wakefield, NE, containing approximately 700,000 tires, and a missile silo at Eastern Nebraska Auto Recyclers in Elmwood, NE, containing an estimated 87,200 tires. The cleanup of these sites are not grant-funded.

As of March 9, 2004 an additional site in Bassett, Nebraska contained an estimated 300,000 tires. Final cleanup at this site was completed in 2015 with grant dollars.

It is estimated that Nebraska generates 1.8 million scrap tires annually, or one tire per Nebraska resident per year.

Below is a breakdown of grants awarded for scrap tire projects between 2002 and 2012. Funds came from the \$1,000,000 set aside for scrap tire projects and the subsequent \$1,500,000 set aside for scrap tire projects beginning in 2014, along with additional projects funded through the Waste Reduction and Recycling Incentive Grants Program:

<u>Year</u>	<u>Total Tire Projects Funded</u>
2002	\$1,868,481.84
2003	\$1,344,842.24
2004	\$2,198,155.26
2005	\$2,104,040.60
2006	\$1,158,807.16
2007	\$1,781,245.69
2008	\$2,541,016.00
2009	\$2,552,768.04
2010	\$1,000,000.00
2011	\$1,152,555.83
2012	\$1,855,485.08