

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1398

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Gear

3. Committee: Finance

4. Title: **Tire recycling fee**

5. Summary: The bill extends, until July 1, 2011, the \$1.00 recycling fee imposed on each new tire sold; thereafter, the fee is reduced to 50 cents. Under current law the fee is to be reduced to 50 cents on July 1, 2008.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$1,914,263	nongeneral
2010	\$2,552,350	nongeneral
2011	\$2,552,350	nongeneral
2012	\$638,088	nongeneral

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$1,914,263	nongeneral
2010	\$2,552,350	nongeneral
2011	\$2,552,350	nongeneral
2012	\$638,088	nongeneral

7. Budget Amendment Necessary: No, the bill extends an existing fee, and the nongeneral fund appropriation is build into the department's base budget in House Bill 30.

8. Fiscal Implications: In 2003, the General Assembly increased the waste tire recycling fee from 50 cents to one dollar per tire, with the additional revenue directed at clean-up of historic and illegal waste tire piles. In 2006, the one dollar fee was extended through 2008 to allow for the clean-up of the remaining 139 identified waste tire piles. The additional revenue generated by extending the fee to 2011 will be used to address the discovery of new piles, finding additional tires in previously identified piles, and increases in clean-up costs.

The expenditure and revenue estimates are based on current tire sales, which have historically remained fairly stable. The variance in revenue in FY 2009 and FY 2011 is due to a 90 day delay in the reporting and submittal of the tax by tire retailers.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality.

10. Technical Amendment Necessary: No.

11. Other Comments: The bill is identical to Senate Bill 665.

Date: 1/18/2008 dpbkbs

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cc: Secretary of Natural Resources