



Maryland
Department of
the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

October 29, 2019

The Honorable Nancy J. King, Chair
Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401-1991

The Honorable Maggie McIntosh, Chair
House Appropriations Committee
House Office Building
Annapolis MD 21401-1991

Dear Senator King and Delegate McIntosh:

The April 2019 Joint Chairman's Report restricts appropriation within the Maryland Department of the Environment's (MDE) fiscal year 2020 operating budget pending submission of the Maryland Scrap Tire Annual Report by November 1, 2019. Enclosed is a copy of the 2019 report.

MDE respectfully requests the release of the funding withheld pending submission of this report.

If you have questions or need additional information, please have a member of your staff contact Terri Wilson at 410-537-4155 or via email at terria.wilson@maryland.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Grumbles".

Ben Grumbles
Secretary

cc: Andrew Gray, Department of Legislative Services
Terri Wilson, Director, MDE Office of Budget and Infrastructure Financing



Maryland
Department of
the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

October 25, 2019

The Honorable Thomas V. "Mike" Miller, Jr.
President
Senate of Maryland
State House, H-107
Annapolis MD 21401-1991

The Honorable Adrienne A. Jones
Speaker
Maryland House of Delegates
State House, H-101
Annapolis MD 21401-1991

Dear President Miller and Speaker Jones:

As required in Section 9-275(b) of the Environment Article, Annotated Code of Maryland, I am enclosing a copy of the 2019 report on the Maryland Scrap Tire Program.

If the Department can provide you with any additional information, please contact me at 410-537-3084, or Ms. Kaley Laleker, at 410-537-3304, or kaley.laleker@maryland.gov.

Sincerely,

A handwritten signature in blue ink that reads "Ben Grumbles".

Ben Grumbles
Secretary

Enclosures

cc: Kaley Laleker, Director, Land and Materials Administration
Sarah T. Albert, Department of Legislative Services (5 Copies)



Maryland
Department of
the Environment

MARYLAND SCRAP TIRE ANNUAL REPORT

FY19 Data
October 2019

Prepared by:
Land and Materials Administration
Resource Management Program

Prepared for:
Senate Education, Health, and Environmental Affairs Committee

House Environment and Transportation Committee

Thomas V. Mike Miller, Jr., Senate President
Maryland General Assembly

Adrienne A. Jones, Speaker of the House
Maryland General Assembly

MARYLAND DEPARTMENT OF THE ENVIRONMENT
1800 Washington Boulevard | Baltimore, MD 21230 | mde.maryland.gov | 410-537-3314 | 800-633-
6101 x3314 | TTY Users: 7-1-1

Larry Hogan, Governor | Boyd K. Rutherford, Lt. Governor | Ben Grumbles, Secretary

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	1
FINANCIAL STATEMENT SUMMARY	1
ACCOMPLISHMENTS AND RESULTS	1
OVERVIEW	3
SCRAP TIRE STOCKPILE CLEANUPS	3
OBJECTIVE	3
ACCOMPLISHMENTS	3
FY20 ONGOING SCRAP TIRE STOCKPILE CLEANUPS	4
STATE FUNDED SCRAP TIRE STOCKPILE CLEANUPS	5
SCRAP TIRE PROJECTS	6
PROJECTS INITIATED DURING FY19	6
LICENSING	6
SCRAP TIRE MARKETS	7

TABLE OF FIGURES & TABLES

FIGURE 1 – MARYLAND SCRAP TIRE PROCESSING AMOUNTS	9
FIGURE 2 – FY19 MARYLAND GENERATED SCRAP TIRE MANAGEMENT	9
FIGURE 3 – SCRAP TIRE FLOW IN FY19	9
TABLE I – MARYLAND USED TIRE CLEANUP AND RECYCLING FUND FY19 REVENUES AND EXPENDITURES	2
TABLE II – SCRAP TIRE STOCKPILE CLEANUPS COMPLETED IN FY19	4
TABLE III – SCRAP TIRE STOCKPILE CLEANUPS PENDING OR ONGOING IN FY20	4
TABLE IV – SCRAP TIRE LICENSES IN FY19	7
TABLE V – MARYLAND LICENSED SCRAP TIRE PROCESSING FACILITIES	8
TABLE VI – MARYLAND SCRAP TIRE MARKETS DATA	8

The Resource Management Program of the Maryland Department of the Environment produced this report. Contents may be used without permission, provided credit is given.

Executive Summary

Introduction

This is the FY19 Scrap Tire Annual Report as required by Environment Article, Section 9-275(c), Annotated Code of Maryland. This report is prepared for the Senate Education, Health, and Environmental Affairs Committee and the House Environment and Transportation Committee of the Maryland General Assembly to advise the Standing Committees of the Maryland Department of the Environment's ("MDE") progress in implementing the law, and ensuring the proper management of scrap tires in Maryland. The report includes Maryland's Scrap Tire Program activities undertaken by MDE and the Maryland Environmental Service ("MES") from July 2018 through June 2019, and describes planned activities for the coming year.

Financial Statement Summary

- The Environment Article, Section 9-275, Annotated Code of Maryland, provides MDE with the responsibility for administering the Used Tire Cleanup and Recycling Fund ("the Fund").
- The Fund is generated through the collection by the Comptroller of the Treasury of an \$0.80 per tire recycling fee on the first sale of any new tire in the state. This fee is set by the Board of Public Works ("BPW") up to \$1.00 per tire.
- There was an almost 8% increase (from \$3,679,670.07 in FY18 to \$3,996,949.98 in FY19) in the amount of gross tire fee revenues deposited into the Fund (see Table I).
- MDE used \$1,676,575.78 of the revenues received by the Fund in FY19 for administrative expenses of the Land and Materials Administration, as per Section 9-275(a) of the Environment Article.
- The budget bill passed by the Maryland General Assembly for FY20 states that \$200,000 of the General Fund Appropriation may not be expended pending the submission of the Maryland Scrap Tire Annual Report. The report shall be submitted by Nov. 1, 2019, and the budget committees shall have 45 days to review and comment.
- Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Accomplishments and Results

- Maryland generated an estimated 6.1 million scrap tires in FY19 that were managed in the following manner: recycled or used as fuel in Maryland (79%) and exported to other states for disposal, recycling, or use as fuel (21%) (see Figure 2).
- Maryland's licensed scrap tire facilities processed 8.0 million scrap tires in FY19, including 4.8 million Maryland-generated scrap tires, and 3.2 million scrap tires imported from out-of-state (see Figure 1).
- Approximately 96% of the scrap tires processed in Maryland were recycled and 4% were used as supplemental fuel in a cement kiln.
- Since the inception of the Scrap Tire Program in 1992, over 11 million scrap tires have been recovered from 1,119 stockpile cleanup sites.

- During FY19:
 - 21 illegal scrap tire stockpile sites were cleaned up, and approximately 7,197 scrap tires were removed (see Table II);
 - 100% of stockpile site cleanups were completed by the responsible parties in response to administrative efforts and enforcement actions, without using the Fund;
 - 136 new scrap tire licenses were issued (see Table IV); and
 - 142 scrap tire licenses were renewed (see Table IV).
- At the end of FY19, there were 2,950 valid Maryland scrap tire licenses (see Table IV).

**Table I – Maryland Used Tire Cleanup and Recycling Fund
FY19 Revenues and Expenditures**

Fund Balance (7/1/2018)	<u>\$ 3,208,689.98</u>
Add Open Prior Year Encumbrances	\$ 83,068.63
Adjusted Beginning Balance	<u>\$ 3,291,758.61</u>
FY19 Revenues *	
Gross Used Tire Fees Revenues after Comptroller Adjustment	\$ 3,996,949.98
Cost Recovery	\$ 0.00
Total Revenue for FY19	<u>\$ 3,996,949.98</u>
FY19 Expenditures	
Scrap Tire Program Expenses	\$ 2,517,397.51
Land and Materials Administration Expenses	\$ 1,676,575.78
Department Indirect Costs	\$ 780,262.84
Stockpile Cleanups	\$ 1,229,549.70
MES Projects and Administration	\$ 94,601.79
Total FY19 Expenditures	<u>\$ 6,298,387.62</u>
Total Open Encumbrances	<u>\$ 87,193.13</u>
Total Fund Balance (6/30/2019)	
	<u>\$ 903,127.84</u>

* **Note:** Revenue collected from scrap tire penalties is deposited into the Maryland Clean Water Fund, not the Used Tire Cleanup and Recycling Fund. Scrap tire penalties for FY19 were \$1,715.00.

Overview

The Scrap Tire Recycling Act (“Act”) established a mechanism for the cleanup of scrap tire stockpiles and for the collection, transportation, and recycling or processing of all scrap tires that are generated annually in Maryland. The Act established the Fund to support the Scrap Tire Program.

- MDE uses the Fund for administration of the Scrap Tire Program, such as scrap tire licensing activities, stockpile cleanups, enforcement/compliance, remedial actions, and for the development and distribution of public information concerning scrap tire issues.
- Under MDE’s authorization, MES may use portions of the Fund to implement and oversee programs established as part of a scrap tire recycling system and other projects that reduce, recover, and/or recycle scrap tires.

Scrap Tire Stockpile Cleanups

Objective

In order to ensure that illegal stockpiles are cleaned up, the Scrap Tire Program initially attempts to use administrative enforcement procedures to persuade property owners to remove stockpiles using their own resources. If administrative enforcement efforts are unsuccessful the Fund may be used. In cases in which the Fund is used, the Scrap Tire Program seeks cost recovery from responsible parties for any expenses incurred at sites that are not eligible for exemption from paying cost recovery.

Accomplishments

Since the inception of the Scrap Tire Program in 1992, over 11 million scrap tires have been recovered from 1,119 stockpile cleanup sites.

In FY19, MDE accomplished its goal to initiate the planning and cleanup process for 100% of illegal scrap tire stockpile sites identified during the year. Approximately 1,116 scrap tires in 12 stockpiles were newly identified in FY19. During FY19, the Scrap Tire Program continued to oversee the cleanup and recovery of 126,952 scrap tires identified in stockpiles at the end of FY18.

During FY19, the Scrap Tire Program successfully completed cleanup of 21 illegal scrap tire stockpiles, consisting of approximately 7,197 scrap tires (see Table II). These sites were located in 11 of the state’s 24 jurisdictions, and ranged in size from 20 to 3,000 scrap tires. The Scrap Tire Program also initiated the planning and cleanup process for the 12 illegal scrap tire stockpile sites newly identified during FY19.

All of the scrap tire stockpile cleanups completed in FY19 were conducted by the responsible party without using the Fund.

Table II – Scrap Tire Stockpile Cleanups Completed in FY19

Site Name	County	Initial Number of Scrap Tires
Howard 2 / Reisterstown	Baltimore	3,000
Sexton / North East	Cecil	1,000
Urciolo Associates / Point of Rocks	Frederick	500
Ficklin / Aberdeen	Harford	500
Amtrak / Lanham	Prince George's	500
Stewart / Ijamsville	Frederick	400
Alderson / Church Hill	Queen Anne's	300
Kaminski / Baltimore	Baltimore City	120
AA County Board of Edu / Brooklyn Park	Anne Arundel	100
Mickley / Savage	Howard	100
Comer / Middle River	Baltimore	100
Corp of Roman Catholic Clergy of MD / Bowie	Prince George's	100
Blythedale LLC / Perryville	Cecil	96
Hancock / Faulkner	Charles	84
Maryland Food Center Authority / Jessup	Howard	75
Michniak / Pomfret	Charles	50
Slattery / Jarrettsville	Harford	50
Suchy / Upper Marlboro	Prince George's	45
Papa / Hagerstown	Washington	32
Clark / Bel Air	Harford	25
Rogers / Churchville	Harford	20
TOTAL SCRAP TIRES REMOVED		7,197

FY20 Ongoing Scrap Tire Stockpile Cleanups

New scrap tire stockpile sites are continually being identified for cleanup in Maryland. The Scrap Tire Program expects to continue or complete cleanup on 42 scrap tire stockpile sites in FY20. Most of the scrap tire stockpiles will be cleaned up by responsible parties using administrative efforts and enforcement actions. Table III details the scrap tire stockpile cleanups to be continued during FY20.

Table III – Scrap Tire Stockpile Cleanups Pending or Ongoing in FY20

Site Name	County	Legislative District	Initial Number of Scrap Tires
Snap Holdings, LLC / Clarksville (formerly Tyler Towing / Clarksville) †	Howard	13	61,376
Mt. Airy Auto & Truck Parts, LLC / Mt. Airy	Frederick	4A	15,000
Elkton Used Tires / Elkton	Cecil	35A	10,000
G & TL Smith Contracting LLC / Chesapeake Beach	Calvert	27B	5,000
Ewings Used Cars & Parts, Inc. / Middle River	Baltimore	7	4,500
Johns-Gibbs / Marydel	Caroline	36	3,050
Harpers / Elkton	Cecil	36	3,000

Site Name	County	Legislative District	Initial Number of Scrap Tires
Tilghman / Easton	Talbot	37B	3,000
Hackett / Rhodesdale	Dorchester	37B	2,500
Irene Glenwood Place / Nanjemoy	Charles	28	2,000
Frederick / Crownsville	Anne Arundel	33A	1,000
McIntyre / Huntingtown	Calvert	27B	1,000
Zepp / Pasadena	Anne Arundel	31	1,000
DNR / Mardela Springs	Wicomico	37B	1,000
Tucker Enterprizes, LLC / Clarksville	Howard	13	800
Lynn / Upper Marlboro (Charles Lynn Property)	Prince George's	27B	750
Szymanski / Rock Hall #2	Kent	36	600
Beachwood North H.O.A. / Sparrows Point	Baltimore	6	500
Turner Transit / Capitol Heights	Prince George's	24	500
Decatur / Cumberland	Allegany	1C	500
Carter / Nanjemoy	Charles	28	500
Munson / Waldorf	Charles	28	500
Nabely / Landover (7410 Jefferson) SWP	Prince George's	22	480
Johnson Auto Parts & Recycling / Indian Head	Charles	28	300
Route 144 In Hancock, LLC / Hancock	Washington	1C	250
Rodenhauer / Bowie	Prince George's	23B	250
Tower Terra, LLC / Brandywine #2	Prince George's	27A	250
Addison / Bushwood	St. Mary's	29A	200
Roberts / Ocean City	Worcester	38C	200
Bruner / Galena	Kent	36	200
WMATA / Landover	Prince George's	18	200
Womack Brothers, Inc. / Baltimore SWP	Baltimore City	44A	200
Sarver-Hill / Cumberland	Allegany	1B	200
Pasta / Abingdon	Harford	34B	150
Broadwater / Accokeek	Prince George's	27A	110
Mendenhall / Elkton	Cecil	35A	100
Monocacy River at Devilbiss Bridge Road / Frederick	Frederick	4	100
Anne Arundel County / Pasadena	Anne Arundel	2	100
Bailey-Dean / Hurlock	Dorchester	37B	80
Robinson / Hurlock SWP	Dorchester	37B	65
McAler / Dickerson	Montgomery	15	60
Connors / Mt. Airy	Frederick	4	50
TOTAL SCRAP TIRES REMAINING TO BE REMOVED			121,621

† Cleanup preparations began using the Fund before the property was sold. The remainder of the cleanup is expected to be performed without use of the Fund.

State Funded Scrap Tire Stockpile Cleanups

No new state funded scrap tire stockpile cleanups were initiated in FY19.

Scrap Tire Projects

MES has the primary role in the planning and implementation of scrap tire projects to promote the development of new technologies for processing scrap tires while reducing, recovering, and recycling scrap tires from stockpiles in Maryland.

Projects Initiated During FY19

Agricultural Scrap Tire Drop-Off Event Project

- MDE, in conjunction with MES and the Maryland Farm Bureau, Inc. (“MFB”), conducted a regional Agricultural Scrap Tire Drop-Off Event in four Maryland counties (Carroll, Cecil, Frederick, and Harford).
- The events were held during January through March 2019.
- Approximately 1,670 tons of agricultural scrap tires (the equivalent of over 167,000 passenger tires) were collected during FY19 events.
- Over 8,933 tons of agricultural scrap tires (the equivalent of over 893,300 passenger tires) in total have been collected from farmers during FY19 and past events of this type.

Licensing

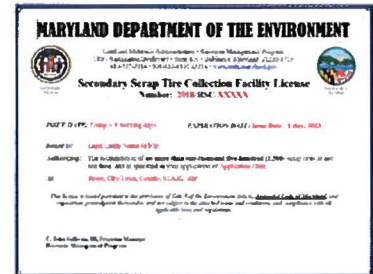
Under Section 9-228 of the Environment Article, MDE is required to license facilities that collect or process scrap tires, as well as scrap tire haulers.

This comprehensive licensing program allows for the efficient management of scrap tires:

- **From** the point of generation;
- **Via** a licensed or approved transportation system; and
- **To** a licensed or approved scrap tire facility for the transfer, collection, or processing of the scrap tires.

MDE issues the following types of scrap tire licenses and approvals:

- **Scrap Tire Recycler License** – For a facility that converts scrap tires into marketable products.
- **Scrap Tire Collection Facility License** – For a facility that collects or accumulates scrap tires temporarily on a site and transfers scrap tires to licensed or approved scrap tire facilities. There are three categories of collection facility licenses:
 - **General License:** Sites with up to 50 scrap tires at any given time.
 - **Secondary License:** Sites with up to 1,500 scrap tires at any given time.
 - **Primary License:** Sites with more than 1,500 scrap tires at any given time, based on the capacity of the facility.
- **Scrap Tire Hauler License** – For a person who, as a part of a commercial business, transports scrap tires in the state.
- **Substitute Fuel/Tire Derived Fuel (TDF) Facility Approval** – For a facility that uses whole or chipped scrap tires to replace or supplement existing fuel sources.



- **Solid Waste Acceptance Facility (SWAF) Approval** – For a permitted refuse disposal or acceptance facility that accepts scrap tires for collection or processing.

Licensing Accomplishments in FY19:

- 136 new and 142 renewal scrap tire licenses were issued (see Table IV).
- There were 2,950 valid scrap tire licenses and other approvals at the end of FY19.

Table IV – Scrap Tire Licenses in FY19

Type	New	Renewed	Total Issued (FY19)	Total Valid Licenses
General Collection	38	N/A	38	1,463
Secondary Collection	50	90	140	862
Primary Collection	0	0	0	4
Recyclers	0	0	0	4
TDF Facility	0	0	0	2
Solid Waste	0	0	0	1
Haulers	48	52	100	614
TOTAL	136	142	278	2,950

Scrap Tire Markets

All licensed or approved scrap tire facilities and haulers are required to submit semiannual reports to MDE, which are used to compile scrap tire markets data. The reports must include:

- The origin and number of scrap tires received, collected, or processed at the facility;
- The scrap tire haulers that transported the scrap tires;
- The quantity of scrap tires transported, in number or weight; and
- The approved facilities where the scrap tires were deposited.

There is no data currently available on actual amounts of scrap tires generated, so an estimate based on population is used. Based on the assumption that scrap tires are generated at a rate of one tire per person per year, the most recent census numbers were used to estimate that 6.1 million scrap tires were generated in Maryland during FY19. The actual number of scrap tires generated could vary from the estimate due to factors such as economic conditions, special government programs, product recalls, etc.

During FY19, the state’s scrap tire processing facilities managed approximately 8,014,692 scrap tires. Details are provided in Tables V and VI.

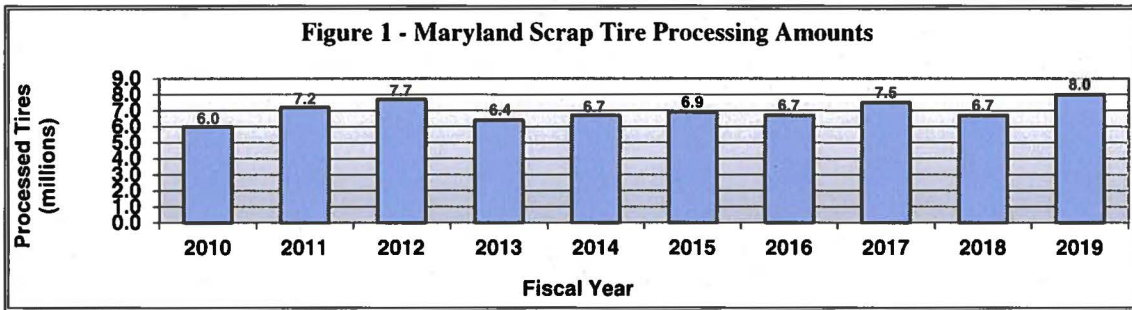
- This represents a 20% increase from the previous year (see Figure 1). The 8,014,692 scrap tires processed include approximately 60% (4,788,231) Maryland generated and 40% (3,226,461) imported scrap tires.
- Of the 8,014,692 scrap tires processed, approximately 96% (7,733,596) were recycled, a 21% increase from the percentage reported in FY18. The remaining 4% (281,096) were used as fuel.

Table V – Maryland Licensed Scrap Tire Processing Facilities

Facility Name/Type	Location	Operation	Telephone	Scrap Tires Processed in FY19
Emanuel Tire Company / Recycler	1300 Moreland Avenue Baltimore, MD 21216	The company has been processing scrap tires since 1957. The operation converts scrap tires into 1 to 2 inch size tire chips.	(410) 947-0660	5,731,101
Auston Tire Recycling / Recycler	1202 Pauls Lane Joppa, MD 21085	Processes scrap tires into products such as rubber mulch material for landscaping or playgrounds.	(410) 335-1016	1,621,595
Holcim US, Inc. / TDF	1260 Security Road Hagerstown, MD 21741	The operation utilizes tire chips as a supplemental fuel in its cement kiln to generate up to 35% of the process heat needed to convert the raw material into cement.	(301) 739-1150	273,400
K & K Tire, Inc. / Recycler	816 Oregon Avenue Linthicum, MD 21090	Processes scrap tires into products such as rubber mulch material for landscaping or playgrounds.	(410) 636-2002	380,900
Wheelabrator Baltimore LP (BRESKO) / SWAF	1801 Annapolis Road Baltimore, MD 21230	The facility has been approved to burn scrap tires with municipal solid waste.	(410) 234-0808	7,696
Fort Detrick / SWAF	393 Beasley Road Frederick, MD 21702	This federal facility has been approved to burn scrap tires with solid waste and medical waste.	(301) 619-2323	0
TOTAL				8,014,692

Table VI – Maryland Scrap Tire Markets Data

Facility Name/Type	MD Generated Scrap Tires	Out-of-State Generated Scrap Tires	Scrap Tires Processed in MD in FY19
Emanuel Tire Company/ Recycler	3,265,469	2,465,632	5,731,101
Auston Tire Recycling/ Recycler	1,043,166	578,429	1,621,595
Holcim US, Inc. (formerly St. Lawrence Cement Co.)/ TDF	91,000	182,400	273,400
K & K Tire, Inc./ Recycler	380,900	0	380,900
Wheelabrator Baltimore LP (BRESKO) / SWAF	7,696	0	7,696
Fort Detrick / SWAF	0	0	0
TOTAL	4,788,231	3,226,461	8,014,692



- Of the estimated 6.1 million Maryland-generated scrap tires, approximately 77% (4,689,535) were recycled in Maryland facilities and 2% (98,696) were used as fuel in Maryland facilities during FY19. The remaining 21% of the Maryland generated scrap tires (1,311,769) were exported (see Figure 2 and Figure 3).

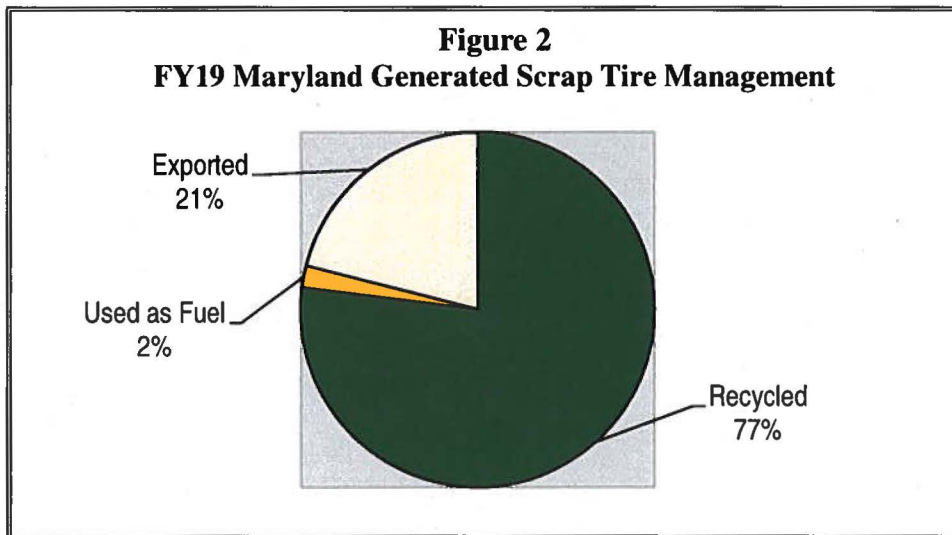


Figure 3 – Scrap Tire Flow in FY19

