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Department of
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MARYLAND SCRAP TIRE ANNUAL REPORT

FY2020

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Land and Materials Administration
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Senate Education, Health, and Environmental Affairs Committee

House Environment and Transportation Committee

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Executive Summary

Introduction

This is the FY20 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 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 2019 through June 2020, 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 (Fund).
- The Fund is generated through the collection by the Comptroller of the Treasury of an \$0.80 per tire recycling fee imposed 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 over 17% decrease (from \$3,996,950 in FY19 to \$3,296,009 in FY20) in the amount of gross tire fee revenues deposited into the Fund (see Table I).
- MDE used \$999,009 of the revenues received by the Fund in FY20 for administrative expenses of the Land and Materials Administration, as per Section 9-275(a) of the Environment Article.

Accomplishments and Results

- Maryland's licensed scrap tire facilities processed 7.4 million scrap tires in FY20, including 4.5 million Maryland-generated scrap tires, and 2.9 million scrap tires imported from out-of-state (see Figure 1).
- Maryland generated an estimated 6.1 million scrap tires in FY20 that were managed in the following manner: recycled or used as fuel in Maryland (74%) and exported to other states for disposal, recycling, or use as fuel (26%) (see Figure 2).
- Approximately 97% of the scrap tires processed in Maryland were recycled and 3% were used as supplemental fuel in a cement kiln and a solid waste acceptance facility.
- Since the inception of the Scrap Tire Program in 1992, more than 11 million scrap tires have been recovered from 1,130 stockpile cleanup sites.
- During FY20:
 - 11 illegal scrap tire stockpile sites were cleaned up, and approximately 1,564 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;
 - 104 new scrap tire licenses were issued (see Table IV); and
 - 218 scrap tire licenses were renewed (see Table IV).
- At the end of FY20, there were 2,803 valid Maryland scrap tire licenses (see Table IV).

**Table I – Maryland Used Tire Cleanup and Recycling Fund
FY20 Revenues and Expenditures**

Fund Balance (7/1/2019)	<u>\$ 903,127.84</u>
Add Open Prior Year Encumbrances	<u>\$ 87,193.13</u>
Adjusted Beginning Balance	<u>\$ 990,320.97</u>
FY20 Revenues *	
Gross Used Tire Fees Revenues after Comptroller Adjustment	<u>\$ 3,295,880.98</u>
Cost Recovery	<u>\$ 128.00</u>
Total Revenue for FY20	<u>\$ 3,296,008.98</u>
FY20 Expenditures	
Scrap Tire Program Expenses	<u>\$ 1,245,088.58</u>
Land and Materials Administration Expenses	<u>\$ 999,009.19</u>
Department Indirect Costs	<u>\$ 439,397.52</u>
Stockpile Cleanups	
<i>Garner/Brandywine</i>	<u>\$ 629,926.99</u>
<i>Boehm/Crownsville (credit)</i>	<u>-\$ 3,654.78</u>
<i>Scrap Tire Drop-Off Event (credit)</i>	<u>-\$ 59,747.22</u>
Total Stockpile Cleanups	<u>\$ 566,524.99</u>
MES Projects and Administration	<u>\$ 42,607.90</u>
Total FY20 Expenditures	<u>\$ 3,292,628.18</u>
Total Open Encumbrances	<u>\$ 44,585.23</u>
Total Fund Balance (6/30/2020)	
	<u>\$ 949,116.54</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 FY20 were \$30,038.

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 Used Tire Cleanup and Recycling Fund (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 of scrap tires are cleaned up, the Scrap Tire Program initially attempts to use administrative enforcement procedures to direct property owners to remove stockpiles using their own resources. If administrative enforcement efforts are unsuccessful, then 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, more than 11 million scrap tires have been recovered from 1,130 stockpile cleanup sites.

In FY20, MDE accomplished its goal to initiate the planning and cleanup process for 100% of illegal scrap tire stockpile sites identified during the year. Approximately 424 scrap tires in six stockpiles were newly identified in FY20. During FY20, the Scrap Tire Program continued to oversee the cleanup and recovery of 121,621 scrap tires identified in stockpiles at the end of FY19.

During FY20, the Scrap Tire Program successfully completed cleanup of 11 illegal scrap tire stockpiles, consisting of approximately 1,564 scrap tires (see Table II). These sites were located in six of the state's 24 jurisdictions, and ranged in size from 10 to 480 scrap tires. The Scrap Tire Program also initiated the planning and cleanup process for the six illegal scrap tire stockpile sites newly identified during FY20.

All of the scrap tire stockpile cleanups completed in FY20 were conducted by the responsible party without using the Fund.

Table II – Scrap Tire Stockpile Cleanups Completed in FY20

Site Name	County	Initial Number of Scrap Tires
Nabely / Landover (7410 Jefferson) SWP	Prince George's	480
Route 144 In Hancock, LLC / Hancock	Washington	250
Addison / Bushwood	St. Mary's	200
Johnson / Bel Alton	Charles	150
Koontz / Boonsboro	Washington	149
Broadwater / Accokeek	Prince George's	110
Mendenhall / Elkton	Cecil	100
Hostetter / Hagerstown	Washington	50
Monroe / Upper Marlboro	Prince George's	40
Galbreath / Street	Harford	25
Foxley, LLC / Upper Marlboro	Prince George's	10
TOTAL SCRAP TIRES REMOVED		1,564

FY21 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 38 scrap tire stockpile sites in FY21. Most of the scrap tire stockpiles will be cleaned up by responsible parties using administrative and enforcement actions. Table III details the scrap tire stockpile cleanups to be continued during FY21.

Table III – Scrap Tire Stockpile Cleanups Pending or Ongoing in FY21

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
Ewings Used Cars & Parts, Inc. / Middle River	Baltimore	7	4,500
Johns-Gibbs / Maryland	Caroline	36	3,050
Harpers / Elkton	Cecil	36	3,000
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
Thomas / Chesapeake Beach	Calvert	27B	1,000
Tucker Enterprizes, LLC / Clarksville	Howard	13	800
Lynn / Upper Marlboro (Charles Lynn Property)	Prince George's	27B	750
Ridgely / Mt. Airy	Carroll	4	690
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
Johnson Auto Parts & Recycling / Indian Head	Charles	28	300
Rodenhauser / Bowie	Prince George's	23B	250
Tower Terra, LLC / Brandywine #2	Prince George's	27A	250
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
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
McAlear / Dickerson	Montgomery	15	60
Connors / Mt. Airy	Frederick	4	50
TOTAL SCRAP TIRES REMAINING TO BE REMOVED			117,171

† 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 FY20.

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 FY20

MDE did not initiate any scrap tire projects during FY20.

Licensing

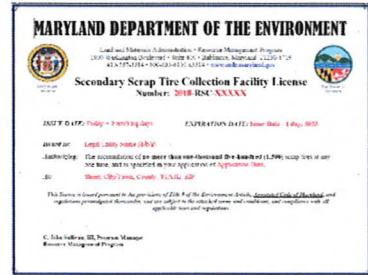
Under Section 9-228 of the Environment Article, MDE is required to license facilities that collect or process scrap tires, as well as scrap tire haulers.

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 FY20:

- 104 new and 218 renewal scrap tire licenses were issued (see Table IV).
- There were 2,803 valid scrap tire licenses and other approvals at the end of FY20.

Table IV – Scrap Tire Licenses in FY20

Type	New	Renewed	Total Issued (FY20)	Total Valid Licenses
General Collection	31	N/A	31	1,466
Secondary Collection	31	159	190	766
Primary Collection	0	0	0	4
Recyclers	0	0	0	4
TDF Facility	0	0	0	2
Solid Waste	0	0	0	1
Haulers	42	59	101	560
TOTAL	104	218	322	2,803

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 market 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 FY20. The actual number of scrap tires generated could vary from the estimate due to factors such as economic conditions, special government programs, product recalls, the COVID-19 pandemic, and other factors.

Notably, although the agricultural scrap tire recycling program was an in-demand program in FY19, in FY20 there were not enough funds available to continue this program and it is not expected to continue under current revenue estimates.

During FY20, the state's scrap tire processing facilities managed approximately 7,384,080 scrap tires. Details are provided in Tables V and VI.

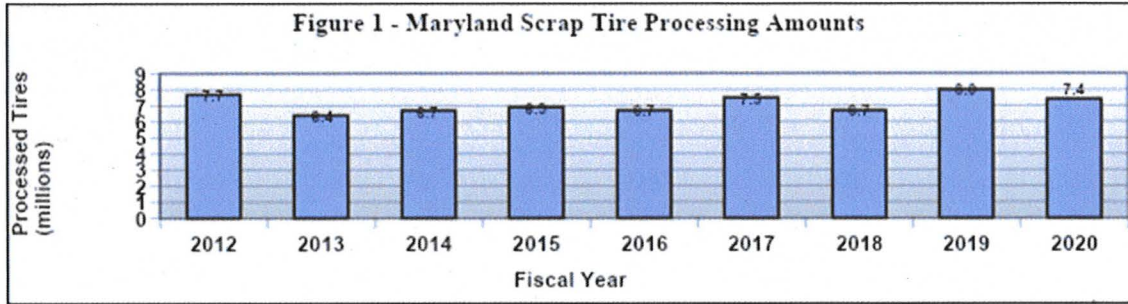
- This represents an 8% decrease from the previous year (see Figure 1). The 7,384,080 scrap tires processed include approximately 61% (4,503,598) Maryland generated and 39% (2,880,482) imported scrap tires.
- Of the 7,384,080 scrap tires processed, approximately 97% (7,164,576) were recycled, a 1% increase from the percentage reported in FY19. The remaining 3% (219,504) were used as fuel.

Table V – Maryland Licensed Scrap Tire Processing Facilities

Facility Name/Type	Location	Operation	Telephone	Scrap Tires Processed in FY20
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	5,342,996
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	1,453,580
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	206,536
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	368,000
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	12,968
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				7,384,080

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 FY20
Emanuel Tire Company/ Recycler	3,059,816	2,283,180	5,342,996
Auston Tire Recycling/ Recycler	978,841	474,739	1,453,580
Holcim US, Inc. (formerly St. Lawrence Cement Co.)/ TDF	83,973	122,563	206,536
K & K Tire, Inc./ Recycler	368,000	0	368,000
Wheelabrator Baltimore LP (BRESKO) / SWAF	12,968	0	12,968
Fort Detrick / SWAF	0	0	0
TOTAL	4,503,598	2,880,482	7,384,080



Of the estimated 6.1 million Maryland-generated scrap tires, approximately 72% (4,406,657) were recycled in Maryland facilities and 2% (96,941) were used as fuel in Maryland facilities during FY20. The remaining 26% of the Maryland generated scrap tires (1,596,402) were exported (see Figure 2 and Figure 3).

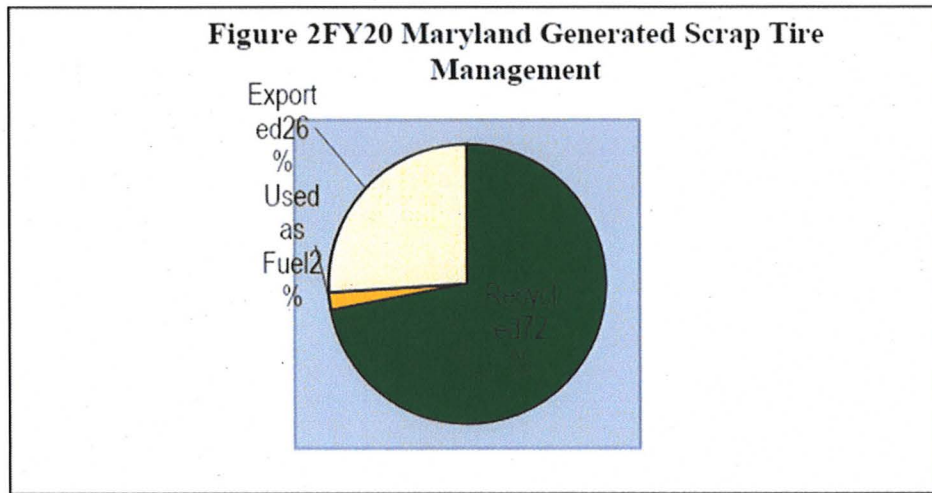


Figure 3 – Scrap Tire Flow in FY20

