

MARYLAND SCRAP TIRE ANNUAL REPORT

FY23 Data October 2023

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

House Environment and Transportation Committee

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Executive Summary

Introduction

The FY23 Scrap Tire Annual Report, as required by Environment Article, Section 9-275(c), Annotated Code of Maryland, 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 2022 through June 2023, and describes planned activities for the coming fiscal year. The Scrap Tire Cleanup and Recycling Fund continues to offer Marylanders a healthy method to dispose of tires.

Financial Statement Summary

- The Environment Article, Section 9-275, Annotated Code of Maryland, authorizes MDE to administer the State 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 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 per tire.
- There was a 13.3% increase (from \$3,421,356 in FY22 to \$3,875,545 in FY23) in the amount of gross tire fee revenues deposited into the Fund (see Table I).
- MDE used \$1,311,518.51 of the revenues received by the Fund in FY22 for administrative expenses of the MDE Land and Materials Administration, pursuant to Section 9-275(a) of the Environment Article.

Accomplishments and Results

- Maryland's licensed scrap tire facilities processed 6.8 million scrap tires in FY23, including 3.9 million Maryland-generated scrap tires, and 2.3 million scrap tires imported from out-of-state (see Figure 3).
- Maryland generated an estimated 6.2 million scrap tires in FY23 that were managed in the following manner: recycled or used as fuel in Maryland (63%) and exported to other states for disposal, recycling, or use as fuel (37%) (see Figure 2).
- Approximately 99% of the scrap tires processed in Maryland were recycled and 1% were used as supplemental fuel in a cement kiln and a solid waste acceptance facility.
- Since the inception of the Scrap Tire Program, more than 11.1 million scrap tires have been recovered from 1,174 illegal stockpile cleanup sites.
- During FY23:
 - o 3 illegal scrap tire stockpile sites were cleaned up, and approximately 1,518 scrap tires were removed (see Table II);
 - 100% of illegal stockpile site cleanups were completed by the responsible parties in response to administrative efforts and enforcement actions, without use of the Fund;
 - o 94 new scrap tire licenses were issued (see Table IV); and

- o 104 scrap tire licenses were renewed (see Table IV).
- At the end of FY23, there were 2,604 valid Maryland scrap tire licenses (see Table IV).

Table I – Maryland Used Tire Cleanup and Recycling Fund FY23 Revenues and Expenditures

Fund Balance (7/1/2022)	\$ 2,117,006.30
Add Open Prior Year Encumbrances	\$ 150,000.00
Adjusted Beginning Balance	<u>\$ 2,267,006.30</u>
FY23 Revenues *	
Gross Used Tire Fees Revenues after	
Comptroller Adjustment	\$ 3,875,545.42
Cost Recovery	\$ 0.00
Total Revenue for FY23	\$ 3,875,545.42
FY23 Expenditures	
Scrap Tire Program Expenses	\$ 908,620.03
Land and Materials Administration Expenses	<u>\$1,311,518.51</u>
Department Indirect Costs	\$ 393,280.98
Illegal Stockpile Cleanups	
Garner/Brandywine	\$ 0.00
MES Projects and Administration	\$ 53,161.94
Total FY23 Expenditures	<u>\$ 2,666,581.46</u>
Total Open Encumbrances	<u>\$ 216,838.06</u>
Total Fund Balance (6/30/2023)	\$ 3,259,132.20

^{*} **Note:** Revenue collected from scrap tire penalties is deposited into the Maryland Clean Water Fund, not the State Used Tire Cleanup and Recycling Fund. Scrap tire penalties for FY23 were \$2,500.00.

Overview

The Scrap Tire Recycling Act (Act) established a mechanism for the cleanup of illegal 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, illegal 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.

Illegal Scrap Tire Stockpile Cleanups

Objective

To ensure that illegal stockpiles are cleaned up, the Scrap Tire Program initially attempts to use administrative enforcement procedures to direct property owners to remove illegal 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 11.1 million scrap tires have been recovered from 1,175 illegal stockpile cleanup sites.

During FY23, the Scrap Tire Program continued to oversee the cleanup and recovery of 307,676 scrap tires identified in illegal stockpiles at the end of FY22. There were three newly identified illegal scrap tire stockpiles in FY23.

In FY23, the Scrap Tire Program successfully completed cleanup of 3 illegal scrap tire stockpiles, consisting of approximately 1,518 scrap tires (see Table II). These sites were in 3 of the state's 24 jurisdictions and ranged in size from 31 to 1,447 scrap tires.

The illegal scrap tire stockpile cleanups completed in FY23 were conducted by the responsible party without using the Fund.

Table II – Illegal Scrap Tire Stockpile Cleanups Completed in FY23

Site Name	County	Initial Number of Scrap Tires
McDowell/Aberdeen	Harford	31
Mont/Newburg	Charles	40
Perez/East New Market	Dorchester	1,447
TOTAL SCRAP TIRES REMOVED		1,518

FY24 Ongoing Illegal Scrap Tire Stockpile Cleanups

The Scrap Tire Program expects to continue or complete cleanup on 39 illegal scrap tire stockpile sites in FY24. Most of the illegal scrap tire stockpiles will be cleaned up by responsible parties using administrative efforts and enforcement actions. Table III details the scrap tire illegal stockpile cleanups to be continued during FY24.

Table III – Illegal Scrap Tire Stockpile Cleanups Pending or Ongoing in FY24

Site Name	County	Legislative District	Initial Number of Scrap Tires
Foys Salvage/Greensboro	Caroline	7	400,000
Snap Holdings, LLC/Clarksville (formerly Tyler	Howard	13	61,376
Towing / Clarksville) †			01,370
Mt. Airy Auto & Truck Parts, LLC/Mt. Airy	Frederick	4A	15,000
SZI Real Est. Enterprises, LLC/Bryans Road	Charles	28	6,000
Ewings Used Cars & Parts, Inc./Middle River	Baltimore	7	4,500
Harcum/Mardela Springs	Wicomico	38B	3,200
Johns-Gibbs/Marydel	Caroline	36	3,050
Harpers/Elkton	Cecil	36	3,000
Tilghman/Easton	Talbot	37B	3,000
Hackett/Rhodesdale	Dorchester	37B	2,500
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
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
Jackson/Baltimore City	Baltimore City	46	400
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
McAleer / Dickerson	Montgomery	15	60
Dixon/Accokeek	Prince George's	26	60
Conners / Mt. Airy	Frederick	4	50
TOTAL SCRAP TIRES REMAINING TO BE I		·	514,076

[†] 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 Illegal Scrap Tire Stockpile Cleanups

No new state-funded illegal scrap tire stockpile cleanups were initiated in FY23.

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 illegal stockpiles in Maryland.

Projects Initiated During FY23

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 sixteen Maryland counties (Allegany, Anne Arundel, Baltimore, Carroll, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Montgomery, Prince George's, Somerset, Washington, Wicomico, and Worcester).
- The events were held during February through August 2023.
- Approximately 2,195 tons of agricultural scrap tires (the equivalent of approximately 219,500 passenger tires) were collected during FY23 events.
- Over 12,856 tons of agricultural scrap tires (the equivalent of over 1,285,600 passenger tires) in total have been collected from farmers during FY23 and past events of this type.

Citizen Scrap Tire Drop-Off Event Project

• In FY23, MDE planned and secured funding to have citizen scrap tire collection events across Maryland. The events are scheduled to take place during FY24.

Small Scrap Tire Stockpile Cleanups Project

- MDE, in conjunction with MES, are in the planning and development stage to clean up several small scrap tire stockpiles that are unlikely to be remediated without assistance from the State.
- \$286,000 has been encumbered for this project.
- Cleanup activities are expected to take place during FY24.

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:

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Secondary Scrap Tire Collection Facility

- 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 FY23:

- 94 new and 104 renewal scrap tire licenses were issued (see Table IV).
- There were 2,604 valid scrap tire licenses and other approvals at the end of FY23.

				Total
			Total Issued	Valid
Type	New	Renewed	(FY23)	Licenses
General Collection	15	N/A	15	1,505
Secondary	30	58	88	656
Collection				
Primary Collection	0	0	0	1
Recyclers	0	0	0	0
TDF Facility	0	0	0	0
Solid Waste	0	0	0	0
Haulers	49	46	95	442
TOTAL	94	104	198	2,604

Table IV – Scrap Tire Licenses in FY23

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 6.2 million scrap tires were generated in Maryland during FY23. The actual number of scrap tires generated could vary from the estimate due to factors such as economic conditions, special government programs, product recalls, and other factors.

During FY23, the state's scrap tire processing facilities managed approximately 6,769,995 scrap tires. Details are provided in Tables V and VI.

- This represents a 9% decrease from the previous year (see Figure 1). The 6,769,995 scrap tires processed include approximately 58% (3,933,285) Maryland generated and 42% (2,836,710) imported scrap tires.
- Of the 6,769,995 scrap tires processed, approximately 99% (6,674,818) were recycled, the same as the percentage reported in FY22. The remaining 1% (95,177) were used as fuel.

Table V – Maryland Licensed Scrap Tire Processing Facilities

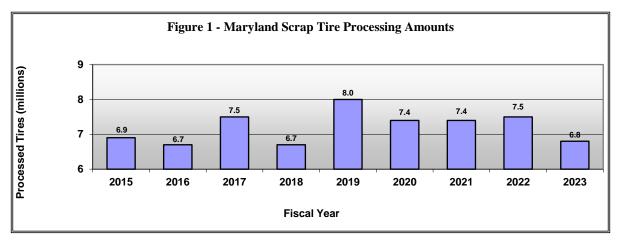
Facility Name/Type	Location	Operation	Telephone	Scrap Tires Processed in FY22
Emanuel Tire Company / Recycler	1300 Moreland Avenue Baltimore, MD 21216	The company has been processing scrap tires since 1957. The operation converts scrap tires into 1-to-2-inch size tire chips.	(410) 947-0660	5,560,832
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	937,486
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	62,531
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	176,500
Wheelabrator Baltimore LP (BRESCO) / SWAF	1801 Annapolis Road Baltimore, MD 21230	The facility has been approved to burn scrap tires with municipal solid waste.	(410) 234-0808	32,646
TOTAL				6,769,995

Table VI -Scrap Tires Processed in Maryland

Facility Name/Type	MD Generated Scrap Tires	Out-of-State Generated Scrap Tires	Scrap Tires Processed in MD in FY22
Emanuel Tire Company/ Recycler^	2,837,999	2,722,833	5,560,832
Auston Tire Recycling/ Recycler^	837,081	100,405	937,486
Holcim US, Inc. (formerly St. Lawrence Cement Co.)/ TDF*	49,059	13,472	62,531
K & K Tire, Inc./ Recycler^	176,500	0	176,500
Wheelabrator Baltimore LP (BRESCO) / SWAF*	32,646	0	32,646
TOTAL	3,933,285	2,836,710	6,769,995

^{* 95,177} scrap tires used as fuel.

^{^ 6,674,818} scrap tires recycled.



Of the estimated 6.2 million Maryland-generated scrap tires, approximately 62% (3,851,580) were recycled in Maryland facilities and 1% (81,705) were used as fuel in Maryland facilities during FY23. The remaining 37% of the Maryland generated scrap tires (2,266,715) were exported to permitted facilities out of State (see Figure 2 and Figure 3).

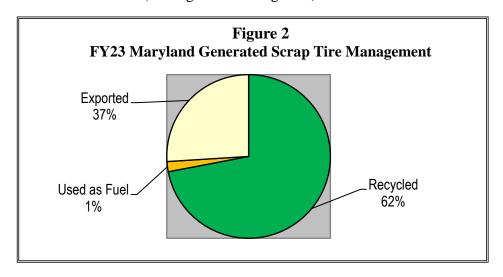


Figure 3 – Scrap Tire Flow in FY23

