The Florida Senate BILL ANALYSIS AND FISCAL IMPACT STATEMENT (This document is based on the provisions contained in the legislation as of the latest date listed below.) Prepared By: The Professional Staff of the Commerce and Tourism Committee SB 1482 BILL: Senator Evers INTRODUCER: **Consumer Protection** SUBJECT: March 14, 2011 DATE: **REVISED:** ANALYST STAFF DIRECTOR REFERENCE ACTION 1. Gault Cooper CM **Pre-meeting** 2. JU 3. BC 4. 5. 6.

I. Summary:

SB 1482 creates s. 501.20795, F.S., to require retail tire dealers to explicitly disclose to purchasers the age of the tires and provide warnings related to tire degradation.

II. Present Situation:

Tire Degradation

From 1973 to 2004, the average tread life of a tire has increased from about 24,000 miles to about 44,700 miles.¹ With this increase came an increase in the amount of time tires are spending on vehicles or in the market. Current federal standards only require manufactured tires to have certain performance characteristics, but it is generally unknown whether performance characteristics will last throughout the life of the tire.² The National Highway Traffic Safety Administration (NHTSA) is currently researching the issue in their Tire Aging Test Development Project.

Many factors can contribute to the degradation process including aging, under- or over-inflation of tires, overloading of vehicles, road hazards, structural defects, and improper installation and storage.³ NHTSA writes that underinflated and overloaded tires are the leading causes of tire

http://www.nhtsa.gov/DOT/NHTSA/NVS/Vehicle%20Research%20&%20Test%20Center%20(VRTC)/ca/Tires/811201.pdf. ² Id.

¹ NHTSA Tire Aging Test Development Project. Phase 1. Report 1. (October, 2009). Page 3. See:

³ See: <u>http://www.safercar.gov/Vehicle+Shoppers/Tires/Tires+Rating/Tire+Aging</u>.

failure, and found in one of their surveys that about 30 percent of cars and light trucks have at least one tire underinflated by 8 psi.⁴ Underinflated tires are often unnoticeable to drivers until checked by an actual tire pressure gauge. Overall tire degradation may also be difficult to assess visually, regardless of professional experience.⁵ For instance, a tire may appear to be in good condition externally while the structural features internally may be breaking down.

Tire Aging

NHTSA explains tire aging in the following manner:

The structural integrity of a tire can degrade over an extended period of time. When that occurs, tires are more prone to catastrophic failure, which could, at best, cause an inconvenience, or, at worst, lead to a crash. The degradation of a tire occurs over time, mostly the result of a chemical reaction within the rubber components. That aging process can be accelerated by heat and sunlight.⁶

Several reports have supported the belief that high average ambient temperatures may wear a tire's structural integrity. In the Firestone and Ford Explorer accidents of 2000-2001, a majority of the fatalities occurred in Florida, Texas, Arizona, and California.⁷ In one insurance company's reports from 2002 to 2006, data showed that "27 percent of its policy holders are from Texas, California, Louisiana, Florida, and Arizona, but 77 percent of the tire claims came from these states and 84 percent of these were for tires over 6 years old."⁸ And in a scrap tire study by the Rubber Manufacturers Association, over 4 years, tire damage was greater in warmer states.⁹

NHTSA Tire Aging Test Development Project

Since the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act of 2000, the NHTSA has been developing ways to accelerate the tire aging process and test its properties. Tests were conducted in Phoenix, Arizona since it has one of the highest ambient air temperatures of any major city. The study has five phases:

- Phase 1: Studied how tires changed during actual service as measured by changes in their road-wheel performance levels and quantitative material properties when compared to new versions of each tire;¹⁰
- Phase 2: Focused on developing an accelerated, laboratory-based tire test that simulates realworld tire aging and evaluated the remaining structural durability of the aged tires;¹¹
- Phase 3: Same focus as Phase 2;

⁷ NHTSA Research Report to Congress on Tire Aging (August, 2007). Page 11.

⁴ See: <u>http://www.safercar.gov/Tire</u>. PSI meaning pounds per square inch.

⁵ NHTSA Tire Aging Test Development Project. Phase 1. Report 1. (October, 2009). Page 6. See:

http://www.nhtsa.gov/DOT/NHTSA/NVS/Vehicle%20Research%20&%20Test%20Center%20(VRTC)/ca/Tires/811201.pdf.

⁸ Id. ⁹ Id.

¹⁰ NHTSA Tire Aging Test Development Project. Phase 1. Report 1. (October, 2009). Page ix. See:

http://www.nhtsa.gov/DOT/NHTSA/NVS/Vehicle%20Research%20&%20Test%20Center%20(VRTC)/ca/Tires/811201.pdf. ¹¹ Id. at page 6.

- Phase 4: Validation of the final tire-aging test, completed on a large cross-section of tire models of various service types¹² before Federal Motor Vehicle Safety Standards (FMVSS) 139 took effect;¹³ and
- Phase 5: Validate the final tire-aging test against tires that are regulated under FMVSS 139.

Research has been completed for phases one through four, but only reports for phases 1 and 2 have been released. Studies are currently being conducted on Phase 5 of the project. The results of Phase 5 will help the agency decide whether to issue a tire aging proposal.

Current Regulations

The Code of Federal Regulations requires tire manufacturers to mark each tire with the symbol "DOT" followed by a tire identification number (TIN).¹⁴ The TIN is four digits – the first two digits represent the week the tire was manufactured, and the last two digits represent the year it was manufactured. The TIN is found on the inner sidewall of older tire models and on the outer sidewall of newer models.¹⁵

Existing federal regulations do not require tire retailers to provide a warning about tire aging.

Reports suggest that no states have adopted legislation on warning requirements for tire aging. However, within the past couple of years, related bills have been proposed in at least three other states (California, Hawaii, and New York).^{16,17,18}

III. Effect of Proposed Changes:

SB 1482 creates s. 501.20795, F.S., to require retail tire dealers to disclose to purchasers the age of tires and provide warnings related to tire degradation.

The bill requires tire retailers to disclose to purchasers, no later than the time of sale, a written disclosure that includes the following:

- The week and year the tire was manufactured;
- The factory warranty that exists; and
- The statement:

Passenger and light truck tires, including spare tires and tires that are stored or have had little or no use, deteriorate as they age and are more prone to sudden failure that can cause a crash. Heat caused by hot climates or frequent high-loading conditions can

¹² Id.

¹³ Tire manufacturers were required to meet new standards in 2007.

¹⁴ CFR §571.139.

¹⁵ See: <u>http://www.safercar.gov/Vehicle+Shoppers/Tires/Tires+Rating/Tire+Aging</u>.

¹⁶ California Assembly Bill 496 (2009) required an age disclosure and warning statement on tire aging. See: <u>http://democrats.assembly.ca.gov/members/a48/press/20090528AD48PR01.htm</u>. It reportedly passed the Assembly but was withdrawn by sponsors.

¹⁷ Hawaii Senate Bill 1064 (2009) prohibited the sale of new tires over 6 years old. It was carried over to the 2010 regular session. See: <u>http://www.capitol.hawaii.gov/session2009/lists/measure_indiv.aspx?billtype=SB&billnumber=1064</u>.

¹⁸ New York Assembly Bill 05298 and Senate Bill 7002 require date of manufacture to be on both walls of a tire and promote education about the effects of tire aging. See: <u>http://public.leginfo.state.ny.us/menugetf.cgi</u>.

accelerate the aging process. Most vehicle manufacturers recommend that passenger or light truck tires be replaced after 6 years, regardless of the remaining tread depth.

Retailers are also required to hold the original copy of the written disclosure, which must be signed and dated by the purchaser, for 3 years.

Failing to follow the requirements is considered a deceptive and unfair trade practice, and will subject the violator to a civil penalty of not more than \$250 for each violation.

Any penalties received will be deposited into the General Inspection Trust Fund and used to pay the costs of enforcing this action.

The bill requires the Department of Legal Affairs to adopt rules to administer its provisions.

This bill does not:

- Affect any rights or duties provided under other laws; or
- Apply to the private sale of used tires or tires on used vehicles.

The bill provides an effective date of July 1, 2011.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

No direct costs to consumers exist as a result of this bill. However, tire retailers may have to create new forms to accommodate the notice requirement of the bill.

C. Government Sector Impact:

The Department of Legal Affairs will incur costs associated with developing rules to administer as well as to enforce the provisions of this bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes: (Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.