

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 708

PRINTER'S NO. 4408

AMOUNT

Revenue – Up to \$1.5 Million
in FY 2010-2011

FUND

General – Electronic Materials
Recycling Account

DATE INTRODUCED

March 4, 2009

PRIME SPONSOR

Representative Ross

HISTORY OF BILL

Referred to ENVIRONMENTAL RESOURCES AND ENERGY, March 4, 2009

Reported as committed, June 16, 2009

First consideration, June 16, 2009

Re-committed to RULES, June 16, 2009

Re-reported as committed, July 9, 2009

Re-committed to APPROPRIATIONS, July 9, 2009

Re-reported as committed, June 9, 2010

Second consideration, with amendments, June 14, 2010

(Remarks see House Journal Page), June 14, 2010

Third consideration and final passage, June 15, 2010 (169-30)

In the Senate

Referred to ENVIRONMENTAL RESOURCES AND ENERGY, June 17, 2010

Reported as amended, Sept. 22, 2010

First consideration, Sept. 22, 2010

Second consideration, Sept. 27, 2010

Re-referred to APPROPRIATIONS, Sept. 27, 2010

Re-reported as amended, Sept. 29, 2010

DESCRIPTION AND PURPOSE OF BILL

House Bill 708 establishes an electronic waste recycling program, and is entitled the Covered Device Recycling Act. The bill requires manufacturers of computer devices and televisions to establish a program to collect, transport and recycle electronic covered devices based upon the manufacturer's market share. A manufacturer who produces only computer peripherals, e.g., keyboard, mouse, printer, is not required to establish such a program under this act.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Manufacturers shall register with the Department of Environmental Protection (DEP), all brands to have sold at retail within the Commonwealth and pay a \$5,000 registration fee. The list of brands must be updated annually and submitted to DEP. An annual \$5,000 registration fee must be remitted to provide continued funding for DEP to administer the program.

Manufacturers or groups of manufacturers which implement their own recycling programs must submit an annual report to DEP no later than January 30th of each year.

The bill protects the disclosure of sales or other data to DEP, needed to implement this act, from the Right-to-Know Law.

All covered devices collected must be recycled in a manner in compliance with all federal, state, and local laws and may not be exported for disposal in a manner that poses a risk to the public health or the environment. The bill provides that disposal of a covered device in a landfill two years after the effective date is prohibited. No manufacturer or retailer may charge a fee or impose a cost on a consumer returning a covered device, unless the financial incentive is of equal or greater value in the form of a coupon or rebate.

Beginning twelve months after the effective day of the act, no retailer may sell or offer for sell a covered device unless the brand has been included on the manufacturer's registration list maintained by DEP. Retailers must notify customers of the manner in which they may return covered devices for recycling. This may include posting notices of collection sites, providing DEP's toll-free telephone number or Internet website, or other appropriate means developed by the retailer.

DEP is required to conduct audits of program implementation and assess penalties, up to the total cost to collect, transport, and recycle covered devices plus ten percent. DEP must also conduct public education and outreach to maintain a list of registered manufacturers and brand names in the Commonwealth. DEP must maintain a toll-free telephone number and Internet website with information for consumers on recycling covered devices. The department is also required to monitor the enactment of federal electronic waste recycling legislation. If Congress enacts comparable legislation, DEP will publish such a notice in the Pennsylvania Bulletin and this act shall expire immediately.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

All covered devices collected through a recycling entity, must be recycled in compliance with all applicable federal, state, and local laws, regulations, and ordinances and may not be exported for disposal in a manner that poses a significant risk to public health or the environment. The facility being used for recycling covered devices must achieve and maintain third-party accredited certification as specified in the bill.

DEP must submit an annual report to the General Assembly. The department is required to adopt necessary regulations to implement the act.

This bill creates a restricted account, the Electronic Materials Recycling Account, in the General Fund. All registration and renewal fees, penalties, and other program-related revenue will be deposited in this account. Funds in the account will be used by DEP to carry out the duties imposed upon the department under this act.

Amendment #A09197 provides that the Environmental Quality Board may promulgate regulations to adjust fees so that the fees generate sufficient revenue necessary to implement the act.

The act takes effect in 60 days.

FISCAL IMPACT:

The initial \$5,000 registration fee and the subsequent annual \$5,000 registration fee from each manufacturer of a covered device sold in the Commonwealth will be deposited into a new restricted account, the Electronic Materials Recycling Account, in the General Fund. Likewise, proceeds from all penalties for non-compliance with the act are to be deposited in the account. Monies in the account will be used by DEP to carry out the duties imposed by the act.

It is estimated that the number of covered device manufacturers impacted by this bill is about 300. Therefore, the expected revenue upon receipt of the initial registration fee of \$5,000 will be about \$1.5 Million, possibly in FY 2010-2011. The registration fee is then due annually on January 1 of each program year and total revenue is estimated to be about \$1.5 Million.

Amendment #A09197 authorizes the Environmental Quality Board to promulgate regulations to adjust the fee amounts so as to generate sufficient revenue to cover all costs incurred by DEP to implement the provisions of the act.