

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 981

STATE OF NEW JERSEY

DATED: APRIL 4, 2016

The Assembly Appropriations Committee reports favorably Senate Bill No. 981.

This bill makes various changes to the State's electronic waste recycling laws. The bill requires each manufacturer of "covered electronic devices" to provide for the collection, transportation, and recycling of its market share in weight of all covered electronic devices collected in a program year.

Current law requires that each manufacturer provide for the collection, transportation, and recycling of its "return share in weight" as estimated by the Department of Environmental Protection (DEP). The data required to perform the return share calculation are not widely available. Moreover, the DEP determinations of the manufacturers' obligations under the law have underestimated the actual amount collected.

The bill makes the calculation of a manufacturer's obligation for television manufacturers the same as that for manufacturers of other covered electronic devices. Because the obligation would become the same for both television manufacturers and the manufacturers of other covered electronic devices to collect, transport, and recycle their respective market shares in weight, the bill repeals the sections of current law that separately apply to television manufacturers. The bill allows the DEP to adjust the market share in weight obligation based upon the total weight in pounds actually collected in each program year.

The bill changes the definition of "consumer" to include State entities, school districts, and local government units, and includes fax machines and printers in the definition of "covered electronic device." The bill amends the language excluding certain telephones from the definition of "covered electronic device" to provide that any handheld device used to access commercial mobile data service or commercial mobile radio service, as such services are defined pursuant to federal regulation, is excluded from coverage.

The bill allows the DEP to establish a Statewide standard program to collect, transport, and recycle covered electronic devices. If a Statewide standard program is established, the bill requires any manufacturer with a market share of 10 percent or less to fulfill its obligation by participating in the Statewide standard

program. A manufacturer, or group of manufacturers, to whom the DEP provides a market share of greater than 10 percent may participate in the Statewide standard program, if one is established, or may submit its own plan for approval.

The bill requires every “authorized recycler” that does not hold a permit from the DEP as a class D recycling center to register with the DEP and pay an annual \$15,000 registration fee. The fee will be used by the department to cover the costs of the development, implementation, and review of recordkeeping and data systems required of authorized recyclers, technical advice provided by the department to authorized recyclers, the review and analysis of reports required to be submitted by authorized recyclers, monitoring the disposition of recyclable materials recovered during the recycling of covered electronic devices, and any other technical analysis performed by the DEP pursuant to the “Electronic Waste Management Act.”

The bill requires each manufacturer to provide, in its plan submitted to the DEP, for the convenient collection of covered electronic devices, especially used televisions, in densely populated areas. The bill streamlines the DEP's planning and reporting requirements by requiring an annual report with a complete listing of all collection locations for covered electronic devices including televisions, the parties that operate them, the amount of material by weight collected at each site, and a complete listing of all recyclers that recycle covered electronic devices, together with the amount of material by weight recycled annually.

The bill requires the operators of collection locations to report semiannually. The bill requires those reports to include the total weight or volume of covered electronic devices collected, the date, time, and volume of covered electronic devices transported from the collection location, and the name and identifying information of the authorized recycler transporting the covered electronic devices. Each authorized recycler is required to identify the address of each collection location that provides covered electronic devices to the authorized recycler, and the total weight of covered electronic devices delivered or collected from each collection location, the weight of each type of covered electronic device collected from each collection location, the address of any facility where covered electronic devices are handled, and the disposition of all components of covered electronic devices. Each manufacturer is required to report semiannually its progress towards achieving its market share in weight obligation.

The bill allows the DEP to assess a per-pound fee of \$0.50 multiplied by a manufacturer's market share in weight obligation for a manufacturer that fails to collect, transport, and recycle covered electronic devices under the law. The bill also establishes the “Electronic Waste Management Fund.” All program revenues

and penalties would be deposited in the fund for administration and enforcement and other costs of the program.

As reported, this bill is identical to Assembly Bill No. 2375, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) expects this bill to produce three effects on State finances:

1) An indeterminate net annual revenue gain. There are three revenue streams: an annual \$15,000 registration fee to be paid by every authorized recycler that does not hold a DEP permit as a class D recycling center; for manufacturers failing to meet their electronic waste recycling obligation, a new penalty equal to \$0.50 per pound multiplied by the manufacturer's weight-based electronic waste management obligation; and the expansion of the act to cover desktop printers and desktop fax machines. The OLS expects combined collections from those sources to exceed the indeterminate annual revenue loss from reducing annual registration fee payments from businesses that manufacture both televisions and other electronic devices.

2) A minimal annual effect on DEP operating expenditures from streamlining electronic waste management planning and reporting requirements.

3) Indeterminate annual cost savings from shifting to electronic device manufacturers the responsibility for recycling governmental entities' discarded covered electronic devices.

The OLS expects the bill to have two effects on local government and school district finances:

1) An indeterminate annual cost savings to some local governments that operate collection centers resulting from changes to the formula that allocates electronic waste management obligations to each manufacturer of electronic devices and allowing the DEP to adjust each manufacturer's obligation based on the weight actually collected in each program year.

2) Indeterminate annual cost savings to school districts and local governments from shifting to electronic device manufacturers the responsibility for recycling the school districts' and local government units' discarded covered electronic devices.