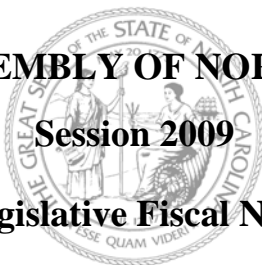


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 1761 (First Edition)

SHORT TITLE: Amend Electronics Recycling Requirements.

SPONSOR(S): Representatives Gibson and Harrison

FISCAL IMPACT					
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
REVENUES					
DENR - Electronics Management Account	\$25,000	\$312,000	\$312,000	\$312,000	\$312,000
EXPENDITURES	\$0	\$0	\$0	\$0	\$0
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Environment & Natural Resources, Division of Waste Management					
EFFECTIVE DATE: When it becomes law except that G.S. 130A-309.136 is effective on July 1, 2011 and G.S. 130A-309.137 is effective on December 1, 2010.					

BILL SUMMARY:

This bill amends the electronic recycling requirements with regard to computer equipment manufacturers. It modifies the recycling plan and associated fees that computer equipment manufacturers are required to file and pay.

BACKGROUND:

Article 9 of Chapter 130A of the General Statutes requires each computer equipment manufacturer to register with the Department of Environment and Natural Resources (the "Department") and to pay an initial registration fee of \$10,000 as well as an annual renewal fee of \$1,000. In addition, each computer manufacturer has to file a computer equipment recycling plan with the Department. The statute requires each computer equipment manufacturer to provide a free and reasonably convenient recycling program to take responsibility for computer equipment discarded by consumers.

The Department is in the process of implementing this law which went into effect on January 1, 2010 and anticipates that each required computer equipment manufacturer will be registered on or soon after July 1, 2010.

HB 1761 would amend this law and create three tiers of recycling plans. Each computer equipment manufacturer must select one of the three tiers. The principal difference between the tiers is the method used to collect computer equipment. Tier I allows the manufacturer to collect equipment by mail, whereas Tiers II and III require the manufacturer to maintain, respectively, 10 and 50 physical collection sites. The Department would charge an initial registration fee and renewal fee based upon which recycling plan the computer equipment manufacturer chose. The fees associated with each tier are as follows:

Computer Manufacturer Fee Schedule		
	Initial Registration Fee	Annual Renewal Fee
Tier I	\$ 15,000	\$ 15,000
Tier II	\$ 10,000	\$ 7,500
Tier III	\$ 10,000	\$ 2,500

The bill also creates the Electronics Management Account. All fees collected from the computer equipment manufacturers are deposited into this account which is a nonreverting account within the Department. The Department can retain up to 10% of the fees collected to administer the recycling program and the remainder is distributed to local governments. The local governments, in turn, are required to create and submit an electronics recycling plan and to contract with certified recyclers.

ASSUMPTIONS AND METHODOLOGY:

Based on the experience of other states, the Department’s Waste Management Division expects 43 computer equipment manufacturers to initially register on or soon after July 1, 2010. The companies are expected to choose recycling plans as follows:

Expected Choice of Recycling Plan	
Recycling Plan	Number of Companies
Tier I	5
Tier II	37
Tier III	1
Total	43

Each computer equipment manufacturer is required to pay the applicable fee corresponding to their recycling plan within 90 days of registration. Payments of both initial registration and renewals will be credited to the Electronics Management Account within the Department.

As described in the table below, the increase in the initial registration fee should provide an additional \$25,000 of revenue in the program's first year. In subsequent years, the higher annual renewal fees should provide an additional \$312,000 of revenue each year.

	Number of Companies	Increase in Registration Fee	Increase in Registration Revenue	Increase in Renewal Fee	Increase in Annual Renewal Revenue
Tier I	5	\$5,000	\$25,000	\$14,000	\$70,000
Tier II	37	\$0	\$0	\$6,500	\$240,500
Tier III	1	\$0	\$0	\$1,500	\$1,500
Total	43		\$25,000		\$312,000

SOURCES OF DATA: Department of Environment & Natural Resources, Waste Management Division

TECHNICAL CONSIDERATIONS: None

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