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HOUSE BILL DRH10466-RI-3

Short Title: Electronics Recycling Amendments.

(Public)

Sponsors: Representative McGrady.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE ELECTRONICS RECYCLING STATUTES.
3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 130A-309.132 reads as rewritten:
5 "§ 130A-309.132. Responsibility for proper recycling of discarded computer equipment
6 and televisions.

7 In addition to the specific requirements of this ~~Part~~, Part: (i) discarded computer equipment
8 and television ~~collectors~~ collectors are responsible for employing environmentally sound
9 management practices to collect, transport, and store discarded computer equipment and
10 televisions that they collect for recycling; (ii) computer equipment and television recyclers are
11 responsible for employing environmentally sound management practices to store, recycle, and
12 transport discarded computer equipment that they receive for recycling; and (iii) computer
13 equipment manufacturers and television manufacturers ~~share responsibility for the recycling of~~
14 are responsible for employing environmentally sound management practices to fulfill their
15 obligations under this Part to recycle discarded computer equipment and televisions ~~and~~
16 televisions. Computer equipment manufacturers and the Department share responsibility for the
17 education of citizens of the State as to recycling opportunities for discarded computer equipment
18 and the Department has responsibility for the education of citizens of the State as to recycling
19 opportunities for discarded televisions."

20 SECTION 2. G.S. 130A-309.134 reads as rewritten:
21 "§ 130A-309.134. Requirements for computer equipment manufacturers.

22 ...
23 (c) Computer Equipment Recycling Plan Required. – Each computer equipment
24 manufacturer shall develop, submit to the Department, and implement one of the following plans
25 to provide a free and reasonably convenient recycling program to take responsibility for computer
26 equipment discarded by consumers:

- 27 (1) Level I recycling plan. – A computer equipment manufacturer shall submit a
28 recycling plan for reuse or recycling of computer equipment discarded by
29 consumers in the State produced by the manufacturer. The manufacturer shall
30 submit a proposed plan to the Department within 90 days of registration as
31 required by subsection (a) of this section. The plan shall:
- 32 a. Provide that the manufacturer will take responsibility for computer
33 equipment discarded by consumers that it manufactured.
 - 34 b. Describe any direct take-back program to be implemented by the
35 manufacturer. Collection methods that are deemed to meet the
36 requirements of this subdivision include one or more of the following:



- 1 1. A process offered by the computer equipment manufacturer or
2 the manufacturer's designee for consumers to return discarded
3 computer equipment by mail.
- 4 2. A physical collection site operated and maintained by the
5 computer equipment manufacturer or the manufacturer's
6 designee to receive discarded computer equipment from
7 consumers, which is available to consumers during normal
8 business hours.
- 9 3. A collection event hosted by the computer equipment
10 manufacturer or the manufacturer's designee at which a
11 consumer may return computer equipment.
- 12 c. Include a detailed description as to how the manufacturer will
13 implement the plan.
- 14 d. Provide for environmentally sound management practices to transport
15 and recycle discarded computer ~~equipment~~. The
16 manufacturer shall provide proof of contract or agreement with a
17 recycler that: (i) is certified as adhering to Responsible Recycling
18 ("R2") practices, (ii) is certified as an e-Steward recycler adhering to
19 the e-Stewards Standard for Responsible Recycling and Reuse of
20 Electronic Equipment®, or (iii) maintains another certification
21 approved by the Department for responsible recycling of computer
22 equipment to process the discarded computer equipment. The
23 manufacturer shall notify the Department within 30 days of any
24 change in status of a certified recycler with which it contracts.
- 25 e. Include a consumer recycling education program on the laws
26 governing the recycling and reuse of discarded computer equipment
27 under this Part and on the methods available to consumers to comply
28 with those ~~requirements~~. requirements, and to otherwise proactively
29 promote recycling options for their equipment. The manufacturer shall
30 ~~operate a toll-free telephone number~~ establish and operate a link on the
31 manufacturer's Web site to answer questions from consumers about
32 computer recycling options. ~~options in the State.~~
- 33 (2) Level II recycling plan. – A computer equipment manufacturer shall submit a
34 recycling plan for reuse or recycling of computer equipment discarded by
35 consumers in the State produced by the manufacturer and by other
36 manufacturers. The manufacturer shall submit a proposed plan to the
37 Department within 90 days of registration as required by subsection (a) of this
38 section. The plan may offer additional options to collect other types of
39 electronic equipment that do not constitute discarded computer equipment, as
40 that term is defined under G.S. 130A-309.131, and may allow for assessment
41 of a nominal fee for collection of these other types of electronic equipment
42 that are not discarded computer equipment. The plan shall include all of the
43 elements set forth in subdivision (1) of subsection (c) of this section. In
44 addition the plan shall:
- 45 a. Provide that the manufacturer will take responsibility for computer
46 equipment discarded by consumers that was manufactured by other
47 manufacturers, as well as computer equipment that it manufactured.
- 48 b. Provide that the manufacturer shall: (i) maintain physical collection
49 sites to receive discarded computer equipment from consumers in the
50 10 most populated municipalities in the State. The physical collection
51 sites shall be available to consumers during normal business hours, at

1 a minimum; and (ii) host at least two collection events annually within
2 the State.

3 ~~(3) Level III recycling plan.—A computer equipment manufacturer shall submit~~
4 ~~a recycling plan for reuse or recycling of computer equipment discarded by~~
5 ~~consumers in the State produced by the manufacturer and by other~~
6 ~~manufacturers. The manufacturer shall submit a proposed plan to the~~
7 ~~Department within 90 days of registration as required by subsection (a) of this~~
8 ~~section. The plan may offer additional options to collect other types of~~
9 ~~electronic equipment that do not constitute discarded computer equipment, as~~
10 ~~that term is defined under G.S. 130A-309.131, and may allow for assessment~~
11 ~~of a nominal fee for collection of these other types of electronic equipment~~
12 ~~that are not discarded computer equipment. The plan shall include all of the~~
13 ~~elements set forth in subdivision (1) of subsection (c) of this section. In~~
14 ~~addition the plan shall:~~

15 a. ~~Provide that the manufacturer will take responsibility for computer~~
16 ~~equipment discarded by consumers that was manufactured by other~~
17 ~~manufacturers, as well as computer equipment that it manufactured.~~

18 b. ~~Provide that the manufacturer shall: (i) maintain physical collection~~
19 ~~sites to receive discarded computer equipment from consumers in 50~~
20 ~~of the State's counties, of which 10 of those counties shall be the most~~
21 ~~populated counties in the State. The physical collection sites shall be~~
22 ~~available to consumers during normal business hours, at a minimum;~~
23 ~~and (ii) host at least two collection events annually within the State.~~

24 (d) Fee Required. – Within 90 days of registration as required in subsection (a) of this
25 section, a computer equipment manufacturer shall pay an initial registration fee to the
26 Department. A computer equipment manufacturer that has registered shall pay an annual renewal
27 registration fee to the Department, which shall be paid each year no later than July 1. The
28 proceeds of these fees shall be credited to the Electronics Management Fund established pursuant
29 to G.S. 130A-309.137. A computer equipment manufacturer that sells 1,000 items of computer
30 equipment or fewer per year year, including sales outside the State, is exempt from the
31 requirement to pay the registration fee and the annual renewal fee imposed by this subsection.
32 The amount of the fee a computer equipment manufacturer shall pay shall be determined on the
33 basis of the plan the manufacturer develops, submits, and implements pursuant to subsection (c)
34 of this section, as follows:

35 (1) A computer equipment manufacturer who develops, submits, and implements
36 a Level I recycling plan pursuant to subdivision (1) of subsection (c) of this
37 section shall pay an initial registration fee of fifteen thousand dollars
38 (\$15,000) and an annual renewal fee of fifteen thousand dollars (\$15,000) to
39 the Department.

40 (2) A computer equipment manufacturer who develops, submits, and implements
41 a Level II recycling plan pursuant to subdivision (2) of subsection (c) of this
42 section shall pay an initial registration fee of ten thousand dollars (\$10,000)
43 and an annual renewal fee of seven thousand five hundred dollars (\$7,500) to
44 the Department.

45 ~~(3) A computer equipment manufacturer who develops, submits, and implements~~
46 ~~a Level III recycling plan pursuant to subdivision (3) of subsection (c) of this~~
47 ~~section shall pay an initial registration fee of ten thousand dollars (\$10,000)~~
48 ~~and an annual renewal fee of two thousand five hundred dollars (\$2,500) to~~
49 ~~the Department.~~

50"

51 SECTION 3. G.S. 130A-309.135 reads as rewritten:

1 **"§ 130A-309.135. Requirements for television manufacturers.**

2 (a) Registration and Fee Required. – Each television manufacturer, before selling or
3 offering for sale televisions in the State, shall register with the Department and, at the time of
4 registration, shall pay an initial registration fee of two thousand five hundred dollars (\$2,500) to
5 the Department. An initial registration shall be valid from the day of registration through the last
6 day of the fiscal year in which the registration fee was paid. A television manufacturer that has
7 registered shall pay an annual renewal registration fee of two thousand five hundred dollars
8 (\$2,500) to the Department. The annual renewal registration fee shall be paid to the Department
9 each fiscal year no later than June 30 of the previous fiscal year. The proceeds of these fees shall
10 be credited to the Electronics Management Fund. A television manufacturer that sells 1,000
11 televisions or fewer per year-year, including sales outside the State, is exempt from the
12 requirement to pay the registration fee and the annual renewal fee imposed by this subsection.

13 (b) Manufacturer Label Required. – A television manufacturer shall not sell or offer to
14 sell any television in this State unless a visible, permanent label clearly identifying the
15 manufacturer of that device is affixed to the equipment.

16 (c) Recycling of Market Share Required. – The obligation to recycle televisions shall be
17 allocated to each television manufacturer based on the television manufacturer's market share. A
18 television manufacturer must annually recycle or arrange for the recycling of televisions
19 discarded within the State in an amount equivalent to its market share of televisions pursuant to
20 this section.

21 (d) ~~Due Diligence and Compliance Assessments~~, with Environmentally Sound Recovery
22 and Recycling Practices. – A television manufacturer shall conduct and document ~~due diligence~~
23 ~~assessments of the recyclers the manufacturer contracts with, including~~ an assessment of
24 compliance with environmentally sound recovery standards adopted by the
25 ~~Department~~ Department, and provide proof of contract or agreement with a recycler that: (i) is
26 certified as adhering to Responsible Recycling ("R2") practices, (ii) is certified as an e-Steward
27 recycler adhering to the e-Stewards Standard for Responsible Recycling and Reuse of Electronic
28 Equipment®, or (iii) maintains another certification approved by the Department for responsible
29 recycling of televisions to process the discarded televisions. The manufacturer shall notify the
30 Department within 30 days of any change in status of a certified recycler with which it contracts.

31"

32 **SECTION 4.** G.S. 130A-309.137 reads as rewritten:

33 **"§ 130A-309.137. Electronics Management Fund.**

34 (a) Creation. – The Electronics Management Fund is created as a special fund within the
35 Department. The Fund consists of revenue credited to the Fund from the proceeds of the fee
36 imposed on computer equipment manufacturers under G.S. 130A-309.134 and television
37 manufacturers under G.S. 130A-309.135.

38 (b) Use and Distribution. – Moneys in the Fund shall be used by the Department to
39 implement the provisions of this Part concerning discarded computer equipment and televisions.
40 The Department may use all of the proceeds of the fee imposed on television manufacturers
41 pursuant to G.S. 130A-309.135 and may use up to ten percent (10%) of the proceeds of the fee
42 imposed on computer equipment manufacturers under G.S. 130A-309.134 for administration of
43 the requirements of this Part. Funds remaining shall be distributed annually by the Department
44 to eligible local governments pursuant to this section. The Department shall distribute such funds
45 on or before February 15 of each year. Funds shall be distributed on a pro rata basis.

46 (c) Eligibility. – Except as provided in subsection (d) of this section, no more than one
47 unit of local government per county, including the county itself, may receive funding pursuant
48 to this section for a program to manage discarded computer equipment, televisions, and other
49 electronic devices. A unit of local government shall submit a plan to include:

50 ...

1 (6) Proof of contract or agreement with a recycler that to process the discarded
 2 computer equipment, televisions, and other electronic devices that the unit of
 3 local government collects that: (i) is certified as adhering to Responsible
 4 Recycling ("R2") practices or that practices: (ii) is certified as an e-Steward
 5 recycler adhering to the e-Stewards Standard for Responsible Recycling and
 6 Reuse of Electronic Equipment/rs to process the discarded computer
 7 equipment, televisions, and other electronic devices that the unit of local
 8 government collects. Equipment®; or (iii) maintains another certification
 9 approved by the Department for responsible recycling of computer equipment
 10 to process such equipment.

11"

12 SECTION 5. G.S. 130A-309.142 reads as rewritten:

13 "§ 130A-309.142. **Registration of facilities recovering or recycling electronics**
 14 **required; requirements for operation, financial assurance, and closure**
 15 **plans.**

16 (a) Registration Required. – Facilities that recover or recycle covered devices ~~or other~~
 17 ~~electronic devices~~ diverted from the waste stream for transfer, treatment, or processing shall
 18 register annually with the Department on or before August 1 of each year upon such form as the
 19 Department may prescribe.

20 (b) Financial Assurance. – An owner of a facility that recovers or recycles covered
 21 devices shall establish financial assurance that will ensure that sufficient funds are available for
 22 cleanup, decontamination, and remediation of a property that has been contaminated as a result
 23 of such activities, including the removal and proper disposal of covered devices. Such funds shall
 24 be available even if the owner becomes insolvent or ceases to reside in, be incorporated, do
 25 business, or maintain assets in the State. To establish sufficient availability of funds under this
 26 subsection, the owner may use insurance, financial tests, third-party guarantees by persons who
 27 can pass the financial test, guarantees by corporate parents who can pass the financial test,
 28 irrevocable letters of credit, trusts, surety bonds, or any other financial device, or any combination
 29 of the foregoing, shown to provide protection equivalent to the financial protection that would
 30 be provided by insurance if insurance were the only mechanism used.

31 (c) Closure Plan. – Facilities that recover or recycle covered devices shall develop and
 32 submit to the Department: (i) a closure plan for the facility and (ii) detailed financial assurance
 33 cost estimates cleanup, decontamination, and remediation of the property, including the removal
 34 and proper disposal of covered devices, to be conducted by a third party if the owner becomes
 35 insolvent or ceases to reside in, be incorporated, do business, or maintain assets in the State.

36 (d) Management of Covered Devices Recovered or Recycled. – Facilities that recover or
 37 recycle covered devices shall manage such materials in accordance with the requirements of
 38 G.S. 130A-309.05(c).

39 (e) Rule Making. – The Department shall adopt rules as necessary to implement the
 40 provisions of this section."

41 SECTION 6. The Department of Environmental Quality shall study North Carolina's
 42 recycling requirements for discarded computer equipment and televisions with respect to the
 43 changing waste stream and items that should be omitted or added as covered devices, as that term
 44 is defined, under the program. The Department shall report its findings and recommendations,
 45 including any legislative proposals, to the Environmental Review Commission and the Joint
 46 Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later
 47 than March 1, 2020.

48 SECTION 7. This act is effective when it becomes law, except that
 49 G.S. 130A-309.142(b) and (c), as enacted by Section 5 of this act, shall become effective January
 50 1, 2020.