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**State of Minnesota** 

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# S.F. No. 1298, Delete-Everything Amendment -Waste Electronics Recycling

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**Section 1 [Recovery and Recycling of Waste Electronic Products]** establishes a manufacturers responsibility for recovery and recycling of waste electronic products.

**Subdivision 1. [Definitions]** provides definitions of "board," "cathode-ray tube," "full truckload," "Hennepin County Study," "household," "intermediate consolidation point," "manufacturer," "manufacturer brands," "manufacturers' abandoned waste," "orphan waste," "pro rata share," "sell, sale, or sold," and "video display device."

**Subdivision 2.** [Manufacturer Responsibility] provides that beginning March 1, 2006, all manufacturers must:

1. collect their pro rata share of video display devices (cathode-ray tube or flat panel device with a screen over eight inches), including their share of orphan waste, and manufacturer abandoned waste;

2. ensure that the collection of video display devices is conducted without charge;

3. ensure that the video display devices are reused, refurbished, or recycled; and

4. inform purchasers of video display devices of opportunities for reuse, refurbishment, or recycling.

This subdivision allows manufacturers to comply with the requirements through their own program or through a representative organization of manufacturers.

**Subdivision 3.** [Manufacturer Registration and Retailer Certification] provides that beginning January 1, 2006, and annually thereafter, a manufacturer may not sell video display devices in Minnesota unless the manufacturer:

1. permanently labels the video display device with the manufacturer's brand;

2. annually registers with the director; and

3. certifies that it is in compliance with the manufacturer's responsibilities under subdivision 2.

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Retailers who sell video display devices must certify, by February 1, 2006, and annually thereafter, that they have reviewed the Office of Environmental Assistance (OEA) Web site and determined that the manufacturer's brand is registered. The director of the OEA may revoke a manufacturer's registration, if the manufacturer is not in compliance with this section, and may charge a registration fee to cover the OEA's administration costs. By January 1, 2007, the OEA shall publish on its Web site the results of the brand sort authorized by the Electronics Recycling Joint Powers Board created in subdivision 7.

**Subdivision 4.** [Manufacturer Reporting] requires reporting by manufacturers to the OEA beginning February 1, 2007, on video display devices from Minnesota households:

1. the number and pounds of video display devices collected during the preceding year, including the number and pounds reused, refurbished, and recycled; and

2. a general description of the processes and methods used to reuse, refurbish, and recycle the video display devices.

A manufacturer who fulfills its responsibilities through a representative organization may satisfy this requirement through the organization.

**Subdivision 5.** [Performance Standards] specifies the goal of the state to ensure that all video display devices discarded by households are collected, and reused, refurbished, or recycled. This subdivision also establishes annual video display device collection goals. They are:

1. by December 31, 2006, .0375 video display devices per resident;

2. by December 31, 2007, .055 video display devices per resident; and

3. by December 31, 2008, .060 video display devices per resident.

Subdivision 6. [OEA Duties] establishes the following duties of the OEA:

1. by November 1, 2005, establish procedures for registering and maintaining registrations on the OEA Web site;

2. by February 15, 2007, and each year thereafter, assess the progress in meeting the performance standards; and

3. by December 1, 2007, and every other year thereafter, report to the Legislature on the progress in meeting the performance standards.

The report on December 1, 2007, shall include an assessment of the ratio of discarded cathode-ray tubes to other discarded video display devices and a recommendation for minimum standards for 2009 and 2010. This subdivision also grants expedited rulemaking authority for the director of the OEA to adopt rules to establish methodologies to be used to fairly distribute and document manufacturers' duties under this section.

**Subdivision 7.** [Electronic Recycling Joint Powers Board] provides for the establishment of an Electronics Recycling Joint Powers Board, under the Joint Powers Act, for the purpose of coordinating and administrating the requirements of this section. The Board shall include one county commissioner from each congressional district selected by the Governor. The Board shall have the powers of counties and is given the following duties:

1. by September 15, 2005, seek at least 15 applications for establishing intermediate collection points, including at least 10 from outside the metropolitan area;

2. by November 15, 2005, establish a list of intermediate collection points and make the list available to manufacturers;

3. within six months of enactment, establish reporting requirements for intermediate collection points;

4. beginning March 1, 2006, coordinate the pickup of full truckloads of video display devices by manufacturers;

5. by January 15, each year, calculate and verify the pro rata share for each manufacturer;

6. by July 31, 2006, contract for a brand source sort conducted at intermediate collection points; and

7. by January 15, 2007, and each year thereafter, report to the director of the OEA on the progress of manufacturers meeting their responsibilities.

**Subdivision 8.** [Purchases by State Agencies] requires the Commissioner of Administration to ensure that video display devices are acquired in compliance with this section. Bid specifications must include reasonable access to records to verify compliance with this section. If a person with a state contract is found to be in violation of this section:

- 1. the contract must be voided;
- 2. the contractor is ineligible to bid on state contracts for three years; and
- 3. a court may order the disgorgement of unlawfully obtained money.

**Subdivision 9.** [Regulation of Video Display Devices] provides that video display devices must be reused, refurbished, and recycled in compliance with all federal, state, and local requirements, and cannot be exported for disposal in a manner that poses significant risk to public health or the environment.

**Subdivision 10. [Enforcement]** clarifies that this section may be enforced by the Pollution Control Agency under the PCA's general authority for administrative, civil, and criminal enforcement powers.

**Subdivision 11.** [Indemnification] provides that a municipality participating at an intermediate collection point or providing for the reuse or recycling of manufacturers' abandoned waste under this section is an employee of the state for the purposes of the State Tort Claims Act. The state is not obligated to defend or indemnify a municipality to the extent of the municipality's liability insurance. Persons providing services at intermediate collection points are not liable for any data remaining on a video display device.

**Subdivision 12. [Termination]** terminates the requirements under this section, 30 days after the director of the OEA publishes notice in the State Register that a national program exists for video display devices and is implemented throughout the state.

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Senators Higgins, Marty, Sams, Pariseau and Frederickson introduced--S.F. No. 1298: Referred to the Committee on Environment and Natural Resources.

1	A bill for an act
2 3 4	relating to environment; providing for the recovery and recycling of waste electronic products; proposing coding for new law in Minnesota Statutes, chapter 115A.
5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
6	Section 1. [115A.9566] [RECOVERY AND RECYCLING OF WASTE
7	ELECTRONIC PRODUCTS.]
8	Subdivision 1. [DEFINITIONS.] (a) For the purposes of this
9	section, the definitions in this subdivision apply.
10	(b) "Cathode-ray tube" means a vacuum tube or picture tube
11	used to convert an electronic signal into a visual image.
1 <b>2</b>	(c) "Full truckload" means a quantity of video display
13	devices weighing 25,000 pounds or more.
14	(d) "Household" means a single detached dwelling unit or a
15	single unit of a multiple dwelling unit and appurtenant
16	structures.
17	(e) "Intermediate consolidation point" means a facility or
18	location in the state where persons can deliver for
19	consolidation video display devices generated by households and
20	destined for reuse or recycling. The facility or location may
21	be operated by a private entity or a local unit of government,
22	and must be capable of consolidating a full truckload of video
23	display devices in accordance with all applicable federal,
24	state, and local laws, regulations, and ordinances.
25	(f) "Manufacturer" means a person who manufactures a video

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display device that is sold in this state or a person who sells 1 a video display device in this state under its own brand label. 2 (g) "Market share" means each manufacturer's total sales of 3 video display devices in Minnesota, divided into the two general 4 5 categories of computers and televisions, as compared to the total sales of all video display devices sold that year in 6 Minnesota divided into the same categories. Each manufacturer's 7 national percentage of sales for 2004 for all types of video 8 display devices sold by the manufacturer in Minnesota must be 9 used to determine that manufacturer's market share for 2005. 10 (h) "Pro rata share" means a manufacturer's market share of 11 video display devices sold in Minnesota during the immediately 12 13 preceding calendar year multiplied by that year's performance standard as set forth in subdivision 5. For video display 14 devices generally categorized by market share as televisions, 15 16 this pro rata share calculation must be further multiplied by 17 two. (i) "Type of device" means either a television or similar 18 19 device or a computer monitor or similar device. (j) "Video display device" means an electronic product 20 21 containing: (1) a cathode-ray tube; or (2) a flat panel display; or (3) any other similar video display device with a 22 23 screen size that is greater than eight inches in size when 24 measured diagonally, but does not include those in an automobile 25 or other vehicle. Subd. 2. [MANUFACTURER RESPONSIBILITY.] (a) Effective July 26 27 1, 2005, all manufacturers of video display devices sold in 28 Minnesota, including video display devices sold by means of 29 distance communication, shall: 30 (1) collect all video display devices from intermediate 31 consolidation points within three working days of being notified 32 by an intermediate consolidation point approved by the director that at least a full truckload of video display devices from 33 34 households has been consolidated at that point; 35 (2) ensure that collection of video display devices from intermediate consolidation points is without charge; 36

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1	(3) ensure that video display devices collected from
2	intermediate consolidation points are reused or recycled; and
3	(4) clearly inform each purchaser of a video display device
4	of opportunities for reuse or recycling of end-of-life video
5	display devices.
6	(b) The requirements of paragraph (a), clauses (1) to (3),
7	must be fulfilled each year by a manufacturer after the
8	manufacturer has collected and reused or recycled its pro rata
9	share of video display devices.
10	(c) A manufacturer may fulfill its responsibilities under
11	this subdivision through a representative organization of
12	manufacturers.
13	(d) In 2005, a manufacturer is considered to have fulfilled
14	its responsibility under this subdivision upon collection and
15	recycling or reuse of 50 percent of its pro rata share of video
16	display devices.
17	Subd. 3. [MANUFACTURER REGISTRATION AND CERTIFICATION.] (a)
18	On and after July 1, 2005, it is unlawful to sell a video
19	display device in this state unless the manufacturer of the
20	video display device has (1) registered with the agency, (2)
21	certified that the manufacturer is in compliance with
22	subdivision 2, and (3) if Minnesota sales data on each type of
23	video display device is not available, certified to the number
24	of each type of video display device it has sold in Minnesota in
25	the immediate preceding year. A retailer is not responsible for
26	an unlawful sale under this subdivision if the certification
27	relied upon by the retailer in making the unlawful sale was
28	incorrect, or if the registration expired or was revoked and the
29	retailer took possession of the video display device prior to
30	the expiration or revocation of the registration and the
31	unlawful sale occurred within six months after the expiration or
32	revocation.
33	(b) By July 1, 2005, by January 31, 2006, and by January 31
34	of each year thereafter, each manufacturer of a video display
35	device sold in Minnesota must submit a registration and
36	certification to the commissioner. Registration includes but is

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1	not limited to a list of all brand labels owned by the
2	manufacturer, its subsidiaries, or any companies acquired by the
3	manufacturer. The registration must also specify the entity
4	that will be responsible for implementing the manufacturer's
5	requirements as specified in subdivision 2, and the entity's
6	contact information.
7	(c) By December 31, 2005, and each year thereafter, each
8	manufacturer of a video display device sold in Minnesota shall
9	submit a written certification, signed by an official of the
10	manufacturer, that the manufacturer is in compliance with the
11	requirements of subdivision 2. The commissioner shall accept
12	the certification as prima facie evidence that the manufacturer
13	is in compliance with subdivision 2.
14	(d) The commissioner may, at any time, revoke a
15	registration upon being presented with evidence that the
16	manufacturer is not in compliance with the requirements of this
17	section.
18	(e) The commissioner may charge a registration fee to cover
19	the agency's costs of administering the requirements under this
20	section.
21	(f) By August 1, 2005, and each January 31 of each year
22	thereafter, the commissioner shall publish on the agency's Web
23	site a list of video display device manufacturers and all brand
24	labels for which the commissioner has received registrations,
25	certifications, and contact information for each entity
26	responsible for implementing the requirements of subdivision 2.
27	Subd. 4. [MANUFACTURER REPORTING.] By October 1, 2006, and
28	each year thereafter, a manufacturer of video display devices or
29	a representative organization of manufacturers shall provide
30	information to the office that specifies the following
31	information regarding video display devices from Minnesota
32	households: (1) the total number and pounds of video display
33	devices collected during the preceding year, together with the
34	total number and pounds of video display devices reused or
35	refurbished for reuse, and the total number and pounds of video

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1	description of the processes and methods used to recycle,
 2	refurbish, or reuse the video display devices and any
3	disassembly, physical recovery operation, or other operation
4	that was used; the location where these activities occurred; and
5	whether these activities were conducted in accordance with
6	applicable rules, standards, and requirements adopted by the
7	Organization for Economic Cooperation and Development for the
8	environmentally sound management of electronic waste. If a
9	manufacturer fulfills its responsibilities under subdivision 2
10	through a representative organization of manufacturers, the
11	reporting requirements in this subdivision may be satisfied by
12	the representative organization.
 13	Subd. 5. [PERFORMANCE STANDARDS.] It is the goal of the
14	state to ensure that all video display devices discarded by
15	households are collected and reused or recycled. In order to
16	meet this goal, the following minimum annual performance
17	standards for responsibilities are established:
18	(1) by July 1, 2006, the total amount of video display
19	devices collected from households for reuse or recycling must
20	equal 0.050 video display devices per resident of the state;
21	(2) by July 1, 2007, the total amount of video display
22	devices collected from households for reuse or recycling must
 23	equal 0.055 video display devices per resident of the state; and
24	(3) by July 1, 2008, the total amount of video display
25	devices collected from households for reuse or recycling must
26	equal 0.060 video display devices per resident of the state.
27	Subd. 6. [OFFICE OF ENVIRONMENTAL ASSISTANCE DUTIES.] (a)
28	The director shall, by July 1, 2005, seek applications for the
29	establishment of intermediate consolidation points from persons
30	eligible to operate the points. The director shall seek to
31	receive at least 15 applications with at least ten of the
32	applications from outside the metropolitan area. By November 1,
33	2005, the director shall establish a list of approved
34	intermediate consolidation points and shall make a list
35	available to manufacturers, any representative organization of
36	manufacturers, local government, solid waste haulers, and the

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1 general public. The director shall thereafter maintain and update the list by approving new applications qualified to be 2 intermediate consolidation points, and deleting the points no 3 longer eligible for placement on the list. 4 (b) By December 1, 2006, and each year thereafter, the 5 6 director shall assess progress with manufacturers meeting their responsibilities under subdivision 2. By December 1, 2007, and 7 every two years thereafter, the director shall submit a report 8 9 as part of the report required in section 115A.411 to the 10 legislature evaluating the programs established under this section. If the director determines that manufacturers have not 11 met their responsibilities, the director shall recommend 12 13 alternative methods for ensuring that all discarded video display devices are collected and recycled or reused. The 14 report due on December 1, 2007, must include an assessment of 15 16 the ratio of discarded cathode-ray tubes to other discarded video display devices. The office shall also publish its 17 18 assessment and evaluation of video display device collection, 19 transportation, and reuse or recycling programs in the state on the office's Web site and through any of its other usual methods 20 21 of providing public information. 22 (c) In addition to the report described in this section, the director shall evaluate in each odd-numbered year beginning 23 24 in 2007, the amount and composition of other household 25 electronic wastes such as computer central processing units, and 26 shall recommend the addition or deletion of products to be covered under this section. 27 Subd. 7. [CREATION OF THE ELECTRONICS RECYCLING MANAGEMENT 28 29 ASSOCIATION.] (a) An association is created as a nonprofit 30 organization charged with facilitating compliance with this section. The association must be governed by a board of 31 32 directors consisting of manufacturers of video display devices 33 and local government representatives. 34 (b) Association responsibilities at a minimum include: 35 (1) determining and allocating responsibility for 36 manufacturers based on market share calculation;

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1	(2) facilitating transportation and recycling of video
2	display devices from the point of consolidation according to
3	environmentally sound management standards;
4	(3) working in conjunction with the agency to ensure that a
5	sufficient number of consolidation points exist and are
6	distributed across the state;
7	(4) providing technical assistance to collection agents and
8	consolidation points on proper handling and operational
9	procedures;
10	(5) conducting public education and outreach on the
11	collection and recycling of video display devices; and
12	(6) reporting to the agency on progress towards meeting the
'.3	goals.
14	(c) The association may choose to extend its
15	responsibilities to provide any or all manufacturer's
16	responsibilities in subdivision 2.
17	Subd. 8. [ENFORCEMENT.] This provision may be enforced
18	under sections 115.071 and 116.072.
19	Subd. 9. [REPEALER.] This section is repealed 30 days
20	after the director publishes a notice in the State Register that
21	a national program for effectively collecting, transporting, and
22	reusing or recycling waste video display devices is established
23	and implemented throughout the state.

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	03/20/05 [COUNSEL ] GK SCS1298A-1
1	Senator moves to amend S.F. No. 1298 as follows:
2	Delete everything after the enacting clause and insert:
3	"Section 1. [115A.9566] [RECOVERY AND RECYCLING OF WASTE
4	ELECTRONIC PRODUCTS.]
5	Subdivision 1. [DEFINITIONS.] For the purposes of this
6	section, the following definitions apply.
7	(a) "Board" means the joint powers board created in this
8	section.
9	(b) "Cathode-ray tube" or "CRT" means a vacuum tube or
10	picture tube used to convert an electronic signal into a visual
11	image.
12	(c) "Full truckload" means a quantity of video display
13	devices weighing 25,000 pounds or more.
14	(d) "Hennepin County study" means the Hennepin County
15	Consumer Electronics Brand Tally, published in January 2005.
16	(e) "Household" means an occupant of a single detached
17	dwelling unit or a single unit of a multiple dwelling and
18	appurtenant structures who has used a video display device at a
19	dwelling unit primarily for personal use.
20	(f) "Intermediate consolidation point" means a facility or
21	location in the state approved by the board, where at a minimum,
22	local governments or households can deliver for consolidation
23	video display devices generated by households and destined for
24	reuse, refurbishment, or recycling. The facility or location
25	may be operated by a private entity or a local unit of
26	government, and must be capable of consolidating a full
27	truckload of video display devices in accordance with all
28	applicable federal, state and local laws, rules, regulations,
29	and ordinances.
30	(g) "Manufacturer" means a person who manufactures a video
31	display device that is sold in this state under its own
32	manufacturer's brand or a person who sells a video display
33	device manufactured by others in this state under its own
34	manufacturer's brand label.
35	(h) "Manufacturer brands" means manufacturer's names, brand
36	names, or brand labels, and all manufacturer's names, brand

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1	names, and brand labels for which the manufacturer has legal
2	responsibility, including those manufacturer's names, brand
3	names, and brand labels of companies that have been acquired by
4	the manufacturer.
5	(i) "Manufacturer's abandoned waste" means a video display
6	device for which the manufacturer or a successor exists but the
7	state is unable to enforce this section for any reason,
8	including because video display devices from the manufacturer or
9	successor are no longer sold in the state.
10	(j) "Orphan waste" means a video display device covered by
11	this section for which: (1) no manufacturer can be identified,
12	or (2) the manufacturer no longer exists and no successor can be
13	identified.
14	(k) "Pro rata share" means the percentage that is the
15	proportion of each manufacturer's total weight of its video
16	display devices divided by the total weight of all video display
17	devices multiplied by 100 as determined by an approved brand
18	sort at an intermediate consolidation point. Until pro rata
19	share is determined pursuant to an approved sort arranged for by
20	the board, pro rata share shall be the manufacturer's percentage
21	that is the proportion of the number of units of each
22	manufacturer's video display devices divided by all units of
23	video display devices multiplied by 100 as tallied by the
24	Hennepin County study. Pro rata share at all times shall
25	include orphan waste and manufacturer abandoned waste.
26	(1) "Sell, sale or sold" means any transfer for
27	consideration of title or of the right to use, by lease or sales
28	contract, including, but not limited to, transactions conducted
29	through sales outlets, catalogs, or the Internet, or any other
30	similar electronic means either inside or outside of the state,
31	by a person who conducts the transaction and controls the
32	delivery of a video display device to a consumer in the state,
33	but does not include a wholesale transaction with a distributor
34	<u>or a retailer.</u>
35	(m) "Video display device" means an electronic product

36 <u>containing</u>:

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1	(1) a cathode-ray tube; or
2	(2) a flat panel display, or any other similar video
3	display device with a screen size that is greater than eight
4	inches in size measured diagonally, but does not include those
5	in an automobile or other vehicle.
6	Subd. 2. [MANUFACTURER RESPONSIBILITY.] (a) Effective
7	March 1, 2006, all manufacturers of video display devices sold
8	in Minnesota, including video display devices sold by means of
9	distance communication, must:
10	(1) collect their pro rata share of video display devices
11	from intermediate consolidation points within three working days
12	of being notified that at least a full truckload of video
13	display devices from households has been consolidated at that
14	point;
15	(2) ensure that collection of video display devices from
16	intermediate consolidation points is without charge;
17	(3) ensure that video display devices collected from
18	intermediate consolidation points are reused, refurbished, or
19	recycled; and
20	(4) clearly inform each purchaser of a video display device
21	of opportunities for reuse, refurbishment, or recycling of
22	end-of-life video display devices.
23	(b) The requirements of paragraph (a), clauses (1) to (3),
24	must be fulfilled each year by a manufacturer after the
25	manufacturer has collected and reused, refurbished, or recycled
26	its pro rata share of video display devices.
27	(c) A manufacturer may propose its own program for
28	fulfilling its pro rata share obligation and submit the program
29	to the board for review and approval. Until the time that a
30	manufacturer's program is approved and the manufacturer
31	satisfies its pro rata share, a manufacturer shall continue to
32	meet the requirements of paragraph (a), clauses (1) to (3). At
33	all times, a manufacturer shall be responsible for collecting,
34	reusing, refurbishing, or recycling its pro rata share of
35	manufactured abandoned waste and orphan waste.
36	(d) A manufacturer may fulfill its responsibilities under

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1	this subdivision through a representative organization of
2	manufacturers.
3	Subd. 3. [MANUFACTURER REGISTRATION AND RETAILER
4	CERTIFICATION.] (a) On and after January 1, 2006, it shall be
5	unlawful to sell a video display device in this state unless:
6	(1) the video display device is labeled with the
7	manufacturer's brand, and the label is permanently affixed and
8	readily visible; and
9	(2) the manufacturer of the video display device has:
10	(i) registered with the director; and
11	(ii) certified that it is in compliance with subdivision 2.
12	(b) A retailer who sells or offers for sale a video display
13	device must, before the initial offer for sale, submit to the
14	office a certification that he or she has reviewed the office's
15	Web site and has determined that the video display device being
16	offered for sale is a brand of a manufacturer who has filed a
17	registration. Certifications by retailers are due February 1,
18	2006, and annually thereafter. A retailer shall not be
19	responsible for an unlawful sale under this subdivision if the
20	registration expired or was revoked and the retailer took
21	possession of the video display device prior to the expiration
22	or revocation of the registration and the unlawful sale occurred
23	within six months after the expiration or revocation.
24	(c) Each January 1, a manufacturer of a video display
25	device sold in the state must submit a new registration to the
26	director. The registration must include, but not be limited to,
27	a listing of all brand labels owned by the manufacturer, its
28	subsidiaries, or any companies acquired by the manufacturer.
29	The registration shall also specify the entity that will be
30	responsible for implementing the manufacturer's requirements as
31	specified in subdivision 2, and the entity's contact information.
32	(d) By December 31, 2006, and each December 31 thereafter,
33	a manufacturer of a video display device sold in the state must
34	submit to the director a written certification, signed by an
35	official of the manufacturer, that the manufacturer is in
36	compliance with the requirements in subdivision 2. The

03/20/05 [COUNSEL ] GK SCS1298A-1 commissioner shall accept the certification as prima facie 1 evidence that the manufacturer is in compliance with subdivision 2 3 2. 4 (e) The director may, at any time, revoke a registration 5 upon being presented with evidence that the manufacturer is not in compliance with the requirements of this section. 6 7 (f) The director may charge a registration fee to cover the 8 agency's costs of administering the requirements under this 9 section. 10 (g) By January 15, 2006, and each January 15 thereafter, the director shall publish on its Web site a list of video 11 display device manufacturers and all brand labels for which the 12 13 director has received registrations, certifications, and contact \_4 information for each entity responsible for implementing the 15 requirements of subdivision 2. (h) By January 1, 2007, the director shall publish on the 16 17 agency's Web site the results of the brand sort authorized by 18 the board. These results shall determine the pro rata share of 19 video display devices that each manufacturer is responsible for 20 under subdivision 2 for 2007 and subsequent years until the next 21 sort is published on the office's Web site. Any manufacturer who disputes the pro rata share information of the independent 22 sort may contract, at its own expense, with each intermediate 23 24 consolidation facility in the state to sort and recycle its own 25 branded product. Any manufacturer who chooses to pay for sorting and recycling of its own branded product under an 26 27 approved program shall still remain responsible for its pro rata share of the orphan and manufacturer abandoned waste as 28 calculated in the Hennepin County study and subsequent brand 29 30 sorts provided herein. 31 Subd. 4. [MANUFACTURER REPORTING.] By February 1, 2007, 32 and each year thereafter, a manufacturer of video display devices or a representative organization of manufacturers must 33 provide information to the office that specifies the following 34 35 information regarding video display devices from Minnesota 36 households:

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1	(1) the total number and pounds of video display devices
2	collected during the preceding year, together with the total
3	number and pounds of video display devices reused or refurbished
4	for reuse, and the total number and pounds of video display
5	devices recycled or resold; and
6	(2) a general description of the processes and methods used
7	to recycle, refurbish, or reuse the video display devices and
8	any disassembly, physical recovery operation, or other operation
9	that was used, the location where these activities occurred, and
10	whether these activities were conducted in accordance with
11	applicable rules, standards, and requirements for the
12	environmentally sound management of video display devices. If a
13	manufacturer fulfills its responsibilities under subdivision 2
14	through a representative organization of manufacturers, the
15	reporting requirements in this subdivision may be satisfied by
16	the representative organization.
17	Subd. 5. [PERFORMANCE STANDARDS.] It is the goal of the
18	state to ensure that all video display devices discarded by
19	households are collected, and reused, refurbished, or recycled.
20	In order to meet this goal, the state hereby establishes the
21	following minimum annual performance standards to be used as
22	guidance for planning purposes by the board for manufacturers'
23	responsibilities established under this section:
24	(1) by December 31, 2006, the total amount of video display
25	devices collected from households for reuse or recycling equals
26	.0375 video display devices per resident of the state;
27	(2) by December 31, 2007, the total amount of video display
28	devices collected from households for reuse or recycling equals
29	0.055 video display devices per resident of the state; and
30	(3) By December 31, 2008, the total amount of video display
31	devices collected from households for reuse or recycling equals
32	0.060 video display devices per resident of the state.
33	Subd. 6. [OFFICE OF ENVIRONMENTAL ASSISTANCE DUTIES.] (a)
34	The Office of Environmental Assistance shall by November 1,
35	2005, establish procedures for registering and maintaining
36	registrations and the means for making registration information

1	easily available on a Web site to manufacturers, distributors,
2	retailers, and members of the public.
 3	(b) By February 15, 2007, and each year thereafter, the
4	director shall assess progress of the prior year in meeting the
5	performance standards in subdivision 5. By December 1, 2007,
6	and every two years thereafter, the director shall submit a
7	report to the legislature evaluating the programs established
8	under this section and progress in meeting the state performance
9	standards in subdivision 5. If the director determines that the
10	performance standards in subdivision 5 have not been met, the
11	director shall recommend alternative methods for ensuring that
12	the state performance standards are met. The report due on
 13	December 1, 2007, shall include an assessment of the ratio of
.4	discarded CRTs to other discarded video display devices, and a
15	recommendation for the minimum performance standards for 2009
16	and 2010. The office shall also publish on the office's Web
17	site its assessment and evaluation of video display device
18	collection, transportation, and reuse, refurbish, or recycling
19	programs in the state.
20	(c) In addition to the report described in this section,
21	the director shall evaluate in each odd-numbered year beginning
22	in 2007, the amount and composition of other household
23	electronic wastes such as computer central processing units, and
 ?4	shall recommend the addition or deletion of products to be
25	covered under this section.
26	(d) The director may adopt rules under section 14.389 to
27	establish methodologies to be used to fairly distribute and
28	document the obligation of manufacturers to collect, and reuse,
29	refurbish, or recycling video display devices.
30	Subd. 7. [THE ELECTRONICS RECYCLING JOINT POWERS
31	BOARD.] (a) An Electronics Recycling Joint Powers Board shall be
32	established under section 471.59 for the purpose of coordinating
33	and administering the requirements of this section. For this
34	purpose, the term "governmental unit" as used in section 471.59,
35	shall include one county commissioner selected by the governor
36	from each congressional district and the joint powers board

## [COUNSEL ] GK

SCS1298A-1

1	shall have the powers of counties in implementing this section.
2	(b) By September 15, 2005, the board shall convene to seek
3	applications for the establishment of intermediate consolidation
4	points. The board shall seek to receive at least 15
5	applications with at least ten of the applications from outside
6	the metropolitan area. By November 15, 2005, the board shall
7	establish a list of approved intermediate consolidation points
8	and shall make a list available to manufacturers, any
.9	representative organization of manufacturers, local government,
10	solid waste haulers, and the general public. The board shall
11	thereafter maintain and update the list by approving new
12	applications qualified to be intermediate consolidation points,
13	and deleting the points no longer eligible or available for
14	placement on the list.
15	(c) Within six months of the enactment of this section, the
16	board shall establish reporting requirements for intermediate
17	consolidation points as well as for manufacturers collecting,
18	reusing, and recycling video display devices utilizing other
19	methods.
20	(d) As of March 1, 2006, the board shall coordinate the
21	pickup by manufacturers of full truckloads of video display
22	devices from intermediate consolidation points and establish
23	methods for addressing amounts greater than or less than a
24	registrant's pro rata share responsibility that were picked up
25	and recycled by a registrant during the program year.
26	(e) By January 15 of each year, calculate and verify with
27	the director the pro rata share for each manufacturer.
28	(f) By July 31, 2006, contract for the performance of a
29	brand sort conducted at intermediate consolidation points. The
30	sampling survey must identify televisions and computer monitors
31	separately, and calculate the weight of televisions and computer
32	monitors separately. The first sort for establishing pro rata
33	share other than the Hennepin County study shall be performed
34	with a report available to the board no later than October 31,
35	
	2006, at Hennepin County or other comparable program site at no

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1	(g) By January 15, 2007, and each year thereafter, the
2	board shall report to the director on the progress of
3	manufacturers meeting their responsibilities under this section.
4	Subd. 8. [REQUIREMENTS FOR PURCHASES BY STATE
5	AGENCIES.] (a) The commissioner of administration must ensure
6	that acquisitions of video display devices are certified by the
7	vendor to be in compliance with this section.
8	(b) The bid solicitation documents must specify that the
9	prospective bidder is required to cooperate fully in providing
10	reasonable access to its records and documents that evidence
11	compliance with this section.
12	(c) Any person awarded a contract for purchase or lease of
13	video display devices that is found to be in violation of this
⊾4	section is subject to the following sanctions:
15	(1) the contract must be voided;
16	(2) the contractor is ineligible to bid on any state
17	contract for a period of three years; and
18	(3) if the attorney general establishes that any money,
19	property, or benefit was obtained by a contractor as a result of
20	violating this section, the court may, in addition to any other
21	remedy, order the disgorgement of the unlawfully obtained money,
22	property, or benefit.
23	Subd. 9. [REGULATION OF VIDEO DISPLAY DEVICES.] Video
24	display devices must be recycled, refurbished, or reused in
25	compliance with all applicable federal, state and local laws,
26	regulations and ordinances, and must not be exported for
27	disposal in a manner that poses a significant risk to the public
28	health or environment.
29	Subd. 10. [ENFORCEMENT.] This provision may be enforced
30	under sections 115.071, subdivisions 1, 3, 4, 5, and 6; and
31	<u>116.072.</u>
32	Subd. 11. [INDEMNIFICATION.] (a) A municipality when
33	participating at an intermediate consolidation point or
34	providing for the collection, reuse, or recycling of
35	manufacturers' abandoned waste under this section, is an
36	employee of the state, certified to be acting within the scope

Section 1

[COUNSEL ] GK

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1,	of employment for purposes of the indemnification provisions of
2	section 3.736, subdivision 9, for claims that arise out of the
3	collection from households and storage of video display devices
4	as well as from the subsequent collection and recycling or reuse
5	of video display devices by manufactures from the intermediate
6	consolidation points.
7	(b) The state is not obligated to defend or indemnify a
8	municipality under this subdivision to the extent of the
9	municipality's liability insurance. The municipality's right to
10	indemnity is not a waiver of the limitations, defenses, and
11	immunities available to either the municipality or the state by
12	law.
13	(c) All persons providing services at and including
14	intermediate consolidation points shall have no responsibility
14 15	intermediate consolidation points shall have no responsibility or liability for any data that may remain on a video display
15	or liability for any data that may remain on a video display
15 16	or liability for any data that may remain on a video display device if an information storage device is included with the
15 16 17	or liability for any data that may remain on a video display device if an information storage device is included with the video display device.
15 16 17 18	or liability for any data that may remain on a video display device if an information storage device is included with the video display device. Subd. 12. [TERMINATION.] The requirements under
15 16 17 18 19	or liability for any data that may remain on a video display device if an information storage device is included with the video display device. Subd. 12. [TERMINATION.] The requirements under subdivisions 1 to 9 shall terminate 30 days after the director
15 16 17 18 19 20	or liability for any data that may remain on a video display device if an information storage device is included with the video display device. Subd. 12. [TERMINATION.] The requirements under subdivisions 1 to 9 shall terminate 30 days after the director publishes a notice in the State Register that a national program

23 implemented throughout the state."

03/21/05

[COUNSEL ] GK SCS1298A-2

	1 2	Senator moves to amend the delete-everything amendment (SCS1298A-1) to S.F. No. 1298 as follows:
· · · · ·	3	Page 4, after line 2, insert:
	4	"(e) Beginning March 1, 2006, a manufacturer must:
	5	(1) make information available to consumers describing
	6	where and how to return, recycle, and dispose of covered
	7	electronic devices through the use of product operation manuals,
	8	industry or manufacturer Web sites, product labels, packaging
	9	inserts, or toll-free telephone numbers; and
	10	(2) provide recyclers with information on the type and
	11	location of hazardous substances in the covered products.
	12	(f) Beginning January 1, 2007, a manufacturer must not
	13	offer for sale in the state any product or electronic device
	14	that is prohibited from being sold or offered for sale in the
	15	European Union on or after its date of manufacture, to the
	16	extent that Directive 2002/95/EC adopted by the European
	17	Parliament on January 27, 2003, and as amended thereafter by the
	18	Commission of European Communities, prohibits the sale due to
	19	the presence of heavy metals. This prohibition does not include
	20	any product that contains a substance that is used to comply
	21	with consumer health or safety requirements that are required by
	22	Underwriters Laboratories, the federal government, or the state.
	23	(g) Beginning July 1, 2008, and annually thereafter,
	24	manufacturers shall make available to the public upon request a
	25	report that contains:
	26	(1) the total estimated amounts of lead, mercury,
	27	hexavalent chromium, cadmium, and polybrominated biphenyls
	28	(PBBs) contained in products sold within the state in the
	29	previous year;
	30	(2) the total estimated amounts of recyclable materials
	31	contained in covered electronic devices sold within the state in
	32	the previous year, and increases the use of those materials over
	33	previous years; and
	34	(3) any efforts to design covered electronic devices for
	35	recycling and goals or plans for further increasing design for
	36	recycling.

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1 (h) In lieu of an individual report, manufacturers may submit the information in a collated report submitted via a 2 trade association provided that information about an individual 3 company can be made available to the office upon written request 4 by the office. The office may only make the request for 5 auditing purposes and not more than once during a five-year 6 period. The office may not make public any confidential 7 8 business information claimed by the manufacturer in the report. (i) A report submitted to another state or to the federal 9 government that contains the same information as required in 10 this subdivision must be accepted by the office in lieu of a 11

12 separate report for the state."

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## Senator Higgins introduced--

S.F. No. 1327: Referred to the Committee on Environment and Natural Resources.

1	A bill for an act
2 3 4 5	relating to the environment; providing for cathode-ray tube recycling; authorizing rulemaking; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 116H.
6	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
7	Section 1. [116H.55] [DEFINITIONS.]
8	Subdivision 1. [SCOPE.] For the purposes of this chapter,
9	the following terms have the meanings given.
10	Subd. 2. [COVERED CRT DEVICE.] "Covered CRT Device" means
11	all CRT devices except those CRT devices that have been excluded
12	from being subject to this chapter pursuant to section 116H.60,
23	paragraph (c).
14	Subd. 3. [CRT DEVICE.] <u>"CRT device" means a vacuum tube or</u>
15	picture tube used to convert an electronic signal into a visual
16	image. It is composed primarily of glass, and is the video
17	display component of a television or computer monitor, and
18	includes other items integrally attached to the CRT device.
19	Subd. 4. [HOUSEHOLD.] "Household" means an occupant of a
20	single detached dwelling unit or a single unit of a multiple
21	dwelling unit who has used a CRT device at a dwelling unit
22	primarily for personal use.
23	Subd. 5. [HOUSEHOLD HAZARDOUS WASTE COLLECTION
24	PROGRAM.] "Household hazardous waste collection program" means
25	the program, as specified in section 116H.65, paragraph (d), for

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l	collecting covered CRT devices from household hazardous waste
2	collection facilities in the state.
3	Subd. 6. [MANUFACTURER.] "Manufacturer" means a person who:
4	(1) manufactures CRT devices to be sold under its own brand as
5	identified by its own brand label, or (2) sells CRT devices
6	manufactured by others under its own brand as identified by its
7	own brand label.
8	Subd. 7. [OFFICE.] "Office" means the Office of
9	Environmental Assistance.
10	Subd. 8. [PRO RATA SHARE.] "Pro rata share" means the
11	percentage of all covered CRT devices from a manufacturer
12	delivered to household hazardous waste collection facilities.
13	Pro rata shares are calculated by return weight.
14	Subd. 9. [REGISTRANT.] "Registrant" means the manufacturer
15	or an independent party that submits the registration required
16	by section 116H.60, paragraph (a), in lieu of the manufacturer.
17	Subd. 10. [SELL OR SALE.] "Sell" or "sale" means any
18	transfer for consideration of title or of the right to use, by
19	lease or sales contract, including, but not limited to,
20	transactions conducted through sales outlets, catalogs, or the
21	Internet, or any other similar electronic means either inside or
22	outside of the state, by a person who conducts the transaction
23	and controls the delivery of a covered CRT device to a consumer
24	in the state, but does not include a wholesale transaction with
25	<u>a distributor or a retailer.</u>
26	Sec. 2. [116H.60] [REGISTRATION PROGRAM.]
27	(a) On and after, a person may not sell or offer for
28	sale a new covered CRT device to any person in the state unless:
29	(1) it is labeled with the name of the manufacturer or the
30	manufacturer's brand label is permanently affixed and readily
31	visible; and
32	(2) it has been registered with the office along with the
33	name of the manufacturer or that manufacturer's brand label.
34	(b) A person who sells or offers for sale a new covered CRT
35	device must, before its initial offer for sale of the device,
36	submit to the office a certification that the person has

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1	reviewed the office's Web site specified in paragraph (h), and
2	has determined that all new covered CRT devices that the person
3	is then offering for sale are labeled with brand names or labels
4	that are subject to registration statements filed with the
5	office. After this initial submittal, the certification must be
6	submitted to the office annually by January 10 of each year,
7	effective as of January 1 of each year.
8	(c) CRT devices, for which the manufacturer has provided
9	evidence to the office are not classified as hazardous waste as
10	defined in section 116.06 when discarded, are not subject to
11	this chapter.
12	(d) The registration must include a certification that the
.3	registrant has a program in place that provides that all covered
14	CRT devices that are labeled with the name of the manufacturer
15	or with the manufacturer's brand label can be returned by
16	households in the state to the registrant for recycling,
17	refurbishment, or reuse.
18	(e) The registration must describe the recycling,
19	refurbishment, or reuse program that must, at a minimum, provide
20	that the registrant is responsible for recycling, refurbishing,
21	or reusing all covered CRT devices labeled with the
22	manufacturer's name or brand label, after receipt of the covered
23	CRT devices by the registrant from households in the state. The
24	recycling, refurbishment, or reuse program must provide a method
25	or methods for the receipt of covered CRT devices from
26	households by the registrant. These methods may include:
27	(1) direct shipment of covered CRT devices from the
28	households by common carriers, U.S. mail, or other shipment
29	service to one or more locations designated by the registrant;
30	(2) deposit of covered CRT devices by households at one or
31	more collection centers or retail locations designated for this
32	purpose by the registrant;
33	(3) agreements with governmental bodies or private
34	for-profit or nonprofit parties; or
35	(4) other methods designated by the registrant as long as
36	one or more methods is reasonably available to households for

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l	return of all covered CRT devices that bear the manufacturer's
2	name or brand label. These methods must include participation
3	in the household hazardous waste collection program.
4	(f) The registration must specify that the registrant may
5	not charge for the recycling, refurbishment, or reuse of a
6	covered CRT device received from households.
7	(g) The registration must describe the processes and
8	methods that will be used by the registrant to recycle,
9	refurbish, or reuse covered CRT devices and, in particular, must
10	identify any disassembly, physical recovery operation, (for
11	example, crushing, shredding, grinding, glass to glass
12	recycling), or other operation that will be used, and describe
13	where it will take place.
14	(h) The office must provide a Web site or a toll-free
15	telephone number that provides information about the recycling,
16	refurbishment, or reuse program in sufficient detail to allow a
17	household owner of a covered CRT device to learn how to return
18	the covered CRT device to the registrant for recycling,
19	refurbishment, or reuse. The program described on the Web site
20	or at the toll-free telephone number must, at a minimum, be
21	identical to the program submitted to the office but may contain
22	additional information.
23	(i) A registrant may partner with one or more manufacturers
24	or other parties, collectively a "registrant," to prepare and
25	submit to the office a joint covered CRT device recycling
26	program.
27	(j) Notwithstanding section 16A.1283, the office may
28	require registrants to submit to the office a registration fee
29	of up to \$500 with each registration statement submitted to the
30	office. The office shall review registration statements and
31	notify the registrant if the registration statement does not
32	meet the requirements of this section. Within 30 days of
33	receipt of a notification from the office, the registrant must
34	file with the office a revised registration addressing the
35	requirements noted by the office.
36	(k) The office shall maintain on its Web site the names of

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1	the registrants and manufacturers' brand names or brand labels
2	that are listed in registrations filed with the office. The
3	office shall update this Web site information promptly upon
4	receipt of a registration.
5	(1) The obligations of a manufacturer or registrant apply
6	only to covered CRT devices received from households in the
7	state and do not apply to covered CRT devices received from CRT
8	device owners other than households.
9	(m) If the registrant changes the program that has been
10	submitted to the office, before the change can become effective,
11	the registrant shall submit the changed program to the office.
12	The office shall revise its Web site or toll-free telephone
3	information to be consistent with the changed program.
14	(n) The registrant who receives a covered CRT device for
15	recycling, refurbishment, or reuse may either recycle,
16	refurbish, or reuse, including resale, the covered CRT device.
17	Except to the extent otherwise required by law, the manufacturer
18	and registrant have no responsibility for any data that may be
19	on the covered CRT device if an information storage device is
20	included with the covered CRT device.
21	(o) A city, county, or other public agency may not require
22	households to use the program described in the registration to
23	recycle their covered CRT devices to the exclusion of other
24	programs legally available. This chapter anticipates that CRT
25	device recycling programs, in addition to those provided by
26	manufacturers and registrants under this section, will be
27	available to households in the state. Nothing in this chapter
28	prohibits or restricts any such programs or prohibits or
29	restricts any such persons from receiving, storing,
30	transporting, or recycling CRT devices.
31	(p) By April 1 of each year, each registrant shall file a
32	report with the office which describes the implementation of the
33	program during the year. The report must:
34	(1) identify the total weight of the covered CRT devices
35	received during the preceding year, together with the total
36	number reused or refurbished for reuse, and the total number

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[REVISOR ] CMR/DD 05-2679 02/18/05 1 recycled or resold; 2 (2) describe the processes and methods used to recycle, refurbish, or reuse the covered CRT devices and, in particular, 3 4 identify any disassembly, physical recovery operation (for example, crushing, shredding, grinding, glass to glass 5 6 recycling) or other operation that was used and describe where 7 it took place. 8 (q) Participation in the household hazardous waste 9 collection program requires that the registrant shall: 10 (1) collect all covered CRT devices from household 11 hazardous waste collection facilities within three working days 12 of being notified by the office, or its designee, that at least 13 a full truckload of covered CRT devices from households has been 14 consolidated at that point, up to the registrant's pro rata 15 share; 16 (2) ensure that covered CRT devices are recycled, refurbished, or reused in accordance with paragraph (e); and 17 18 (3) until July 1, 2007, collect ten percent by weight of 19 the registrant's pro rata share. Sec. 3. [116H.65] [DUTIES OF THE OFFICE.] 20 (a) The office shall administer and enforce this chapter. 21 22 (b) The office shall establish procedures for the receipt and maintenance of the registration statements and 23 24 certifications filed with the office pursuant to section 116H.60 and for making such statements and certifications easily 25 26 available to manufacturers, distributors, retailers, and members of the public. 27 28 (c) On or before ...., and every three years thereafter, 29 the office shall provide a report to the governor and the 30 legislature on the implementation of this chapter. For each of the preceding three years, the report must discuss the total 31 weight of covered CRT devices received, the total weight of 32 33 covered CRT devices received from each registrant, and a summary 34 of information in the reports submitted by registrants pursuant to section 116H.60, paragraph (p). The report must also discuss 35 36 the various collection programs used to collect the covered CRT

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1	devices, and discuss information received by the office
2	regarding CRT devices that are not being collected by the
3	registrants. The report must include a description of
4	enforcement actions relating to the chapter, both administrative
5	and judicial, and information about CRT devices, if any, being
6	disposed of in landfills in the state. The office may include
7	in its report other information received by the office regarding
8	the implementation of the chapter.
9	(d) The office shall administer the household hazardous
10	waste collection program. At its discretion, the office may
11	delegate this administration responsibility to another party.
12	Administration includes coordination of full truckload pickups
23	of covered CRT devices at household hazardous waste collection
14	facilities by registrants; annual calculation of pro rata share
15	for each manufacturer; and performing an annual sampling survey
16	at household hazardous waste collection facilities sufficient to
17	determine a fair basis on which to calculate pro rata share.
18	(e) The office may adopt rules for the purpose of
19	administering and enforcing this chapter.
20	Sec. 4. [116H.70] [OTHER PROGRAMS.]
21	(a) A city, county, or other public agency may not adopt,
22	implement, or enforce an ordinance, resolution, regulation, or
23	rule establishing a CRT device recycling program or a CRT device
24	recycling fee, including any fee of any type applied at time of
25	purchase of a CRT device, unless expressly authorized by this
26	section.
27	(b) This section does not prohibit:
28	(1) the adoption, implementation, or enforcement of any
29	local ordinance, resolution, regulation, or rule governing
30	curbside or drop-off recycling programs operated by, or pursuant
31	to a contract with, a city, county, or other public agency; or
32	(2) local programs operated under agreements with
33	registrants that include fees for funding the programs,
34	providing that the fees do not include a fee applied to the CRT
35	device at the time of purchase.

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AGENCIES.] 1 2 (a) The Department of Administration must ensure that acquisitions of covered CRT devices under chapter 16C are 3 certified by the vendor to be in compliance with section 116H.60. 4 5 (b) The bid solicitation documents must specify that the prospective bidder is required to cooperate fully in providing 6 7 reasonable access to its records and documents that evidence 8 compliance with paragraph (a) and section 116H.60. 9 (c) Any person awarded a contract under chapter 16C for 10 purchase or lease of covered CRT devices that is found to be in violation of paragraph (a) or section 116H.60 is subject to the 11 12 following sanctions: (1) the contract must be voided; 13 14 (2) the contractor is ineligible to bid on any state 15 contract for a period of three years; and 16 (3) if the attorney general establishes that any money, 17 property, or benefit was obtained by a contractor as a result of violating paragraph (a) or section 116H.60, the court may, in 18 addition to any other remedy, order the disgorgement of the 19 unlawfully obtained money, property, or benefit. 20 21 Sec. 6. [116H.80] [LANDFILL DISPOSAL OF COVERED CRT DEVICES; REGULATION OF COVERED CRT DEVICES.] 22 23 Rules adopted by the office regarding the handling, 24 storage, and treatment of covered CRT devices being recycled may not be more restrictive than regulations adopted by the United 25 States Environmental Protection Agency. If the United States 26 27 Environmental Protection Agency adopts regulations under the 28 Resource Conservation and Recovery Act regarding the handling, 29 storage, or treatment of covered CRT devices being recycled, 30 those regulations are automatically effective in the state on the same date and supersede any rules previously adopted by the 31 32 office regarding the handling, storage, or treatment or covered 33 CRT devices being recycled. Sec. 7. [116H.85] [ENFORCEMENT] 34 35 (a) Civil liability may be administratively imposed by the office against a person for each sale by that person of a new 36

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1	covered CRT device not subject to a registration as required by
2	section 116H.60, in an amount up to \$ per offense. A
3	civil penalty in an amount up to \$ may be imposed by a
4	district court against a person for each sale by that person of
5	a new covered CRT device not subject to such registration.
6	(b) Civil liability may be administratively imposed by the
7	office against a person who sells a new covered CRT device and
8	has not filed with the office the certification required by
9	section 116H.60, paragraph (a), in an amount up to per
10	offense. A civil penalty in an amount up to per offense
11	may be imposed by a district court against a person who sells a
12	new covered CRT device and has not filed with the office the
.3	certification required by section 116H.60, paragraph (a).
14	(c) Civil liability may be administratively imposed by the
15	office against registrants in an amount up to \$ for
16	failure to provide the program as described in such
17	registration. A civil penalty in an amount up to \$ per
18	offense may be imposed by a district court for failure to
19	provide the program as described in such registration.
20	(d) A fine or penalty may not be imposed pursuant to this
21	section on any person who sells or offers for sale a new covered
22	CRT device that is not subject to a registration as required by
23	section 116H.60, paragraph (a), if that person reviewed the
24	office's Web site within the period required for such review by
25	section 116H.60 in the year in which the sale occurred and
26	determined that, as of the date such review occurred, the new
27	covered CRT device was subject to a registration and that
28	information was included in the certification that was submitted
29	to the office in accordance with the requirements of section
30	<u>116H.60.</u>
31	Sec. 8. [116H.90] [LIMITATIONS.]
32	(a) This chapter becomes inoperative if either of the
33	events in paragraph (b) or (c) occurs.
34	(b) A federal law, or combination of federal laws, takes
35	effect that establishes a program for the collection and for the
36	recycling or reuse of covered CRT devices that is applicable to

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1 all covered CRT devices discarded by households if the law is applicable to all covered CRT devices sold in the United States. 2 3 (c) A trial court issues a judgment, which is not appealed, or an appellate court issues a final order affirming a judgment 4 5 of a trial court, holding that out-of-state manufacturers may not be required to provide a recycling, refurbishment, or reuse 6 program as required by this chapter. Any such order must be 7 stayed until all appeals are concluded. The out-of-state 8 manufacturers shall continue to operate the recycling, 9 refurbishment, or reuse program required by this chapter during 10 11 the appeal process.

Senators Scheid, Senjem and Hottinger introduced--

S.F. No. 1398: Referred to the Committee on Environment and Natural Resources.

1	A bill for an act
2 3 4 5 6 7	relating to environment; enacting the Minnesota Electronics Recycling Act of 2005; authorizing rulemaking; providing penalties; amending Minnesota Statutes 2004, section 16C.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116F.
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
9	Section 1. Minnesota Statutes 2004, section 16C.03, is
10	amended by adding a subdivision to read:
11	Subd. 18. [CONTRACTS WITH RETAILERS.] (a) For the purposes
12	of this subdivision, the definitions in section 116F.505 have
13	the meanings given.
14	(b) A public entity, as defined in section 16B.122, may not
15	contract for the purchase or lease of a covered electronic
16	device from a retailer or manufacturer which has not registered
17	to collect the fee imposed under chapter 116F on its sales in
18	Minnesota or to a destination in Minnesota.
19	(c) Beginning on or after September 1, 2005, each retailer
20	or manufacturer that is offered a contract to sell or lease a
21	covered electronic device subject to a fee under chapter 116F to
22	a public entity must submit to the public entity certification
23	that the retailer or manufacturer is registered to collect fees
24	and acknowledging that the contract may be declared void if the
25	certification is false.
26	[EFFECTIVE DATE.] This section is effective for all

[REVISOR ] CMR/JK 05-0974 02/24/05 contracts entered into on or after September 1, 2005. 1 Sec. 2. [116F.505] [DEFINITIONS.] 2 Subdivision 1. [SCOPE.] For the purposes of sections 3 116F.505 to 116F.595, the following terms have the meanings 4 5 given. Subd. 2. [COMPUTER.] "Computer" means an electronic, 6 magnetic, optical, electrochemical, or other high speed data 7 processing device performing logical, arithmetic, or storage 8 functions, but does not include an automated typewriter or 9 typesetter, a portable handheld calculator or device, or other 10 similar device. 11 Subd. 3. [CONSUMER.] "Consumer" means a person who 12 purchases a covered electronic device in a transaction that is a 13 14 sale. Subd. 4. [CORPORATION.] "Corporation" means the 15 not-for-profit organization established under section 116F.540. 16 Subd. 5. [COVERED ELECTRONIC DEVICE.] "Covered electronic 17 device" means a desktop or personal computer, computer monitor, 18 19 portable computer, desktop printer, television, or video display 20 device. Covered electronic device does not include those items 21 when they are: (1) part of a motor vehicle, or any component part of a 22 23 motor vehicle assembled by or for a vehicle manufacturer or 24 franchised dealer, including replacement parts for use in a 25 motor vehicle; 26 (2) part of a piece of industrial, commercial, or medical 27 equipment, including monitoring or control equipment; or 28 (3) contained within a clothes washer, clothes dryer, 29 refrigerator, refrigerator and freezer, microwave oven, conventional oven or range, dishwasher, room air conditioner, 30 31 dehumidifier, or air purifier. 32 Subd. 6. [MANUFACTURER.] "Manufacturer" means any person 33 that: 34 (1) manufactures a covered electronic device under its own 35 brand; 36 (2) manufactures a covered electronic device without

Section 2

[REVISOR ] CMR/JK 05-0974 02/24/05 affixing a brand; 1 (3) resells a covered electronic device produced by other 2 suppliers under its own brand and label; or 3 (4) imports a covered electronic device into the United 4 5 States. Subd. 7. [MONITOR.] "Monitor" means a separate visual 6 display component of a computer, whether sold separately or 7 together with a computer central processing unit or computer 8 box, and includes a cathode ray tube, liquid crystal display, 9 gas plasma, digital light processing, or other image projection 10 technology, greater than nine inches when measured diagonally; 11 its case; interior wires and circuitry; cable to the central 12 processing unit; and power cord. 13 Subd. 8. [OFFICE.] "Office" means the Office of 14 Environmental Assistance. 15 Subd. 9. [PORTABLE COMPUTER.] "Portable computer" means a 16 computer and video display that can be carried by an individual. 17 Subd. 10. [PURCHASE.] "Purchase" means the taking, by 18 sale, of title or of the right to use. 19 Subd. 11. [RECYCLING.] "Recycling" has the meaning given 20 in section 115A.03. 21 Subd. 12. [RETAILER.] "Retailer" means a person who owns 22 or operates a business that sells new covered electronic devices. 23 Subd. 13. [REUSE.] "Reuse" means an operation by which a 24 25 covered electronic device changes ownership to be used for the same purpose for which it was originally put on the market 26 without additional processing or remanufacturing. 27 28 Subd. 14. [SELL OR SALE.] "Sell" or "sale" means any 29 transfer for consideration of title or of the right to use to a consumer, by lease or sales contract, including, but not limited 30 31 to, transactions conducted through sales outlets, catalogs, or the Internet, or any other similar electronic means, and 32 33 excluding wholesale transactions with distributors or dealers. Subd. 15. [TELEVISION.] "Television" means a stand-alone 34 35 display system having a viewable area greater than nine inches 36 when measured diagonally and able to adhere to any standard

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consumer video formats such as PAL, SECAM, NTSC, AND HDTV and 1 has the capability of selecting different broadcast channels and 2 support sound capability. 3 Subd. 16. [VIDEO DISPLAY DEVICE.] "Video display device" 4 means a device with an output surface having a viewable area 5 greater than nine inches when measured diagonally that displays 6 moving graphical images or a visual representation of image 7 sequences or pictures, showing a number of quickly changing 8 images on a screen in fast succession to create the illusion of 9 motion, including, if applicable, a device that is an integral 10 part of the display, and cannot be easily removed from the 11 display by the consumer, that produces the moving image on the 12 screen. Displays typically use a cathode ray tube, liquid 13 crystal display, gas plasma, digital light processing, or other 14 image projection technology. 15 Sec. 3. [116F.515] [FEE; EXPENDITURE OF PROCEEDS.] 16 17 (a) Beginning on September 1, 2005, a fee of \$10 is imposed upon every sale to a consumer in Minnesota of a new covered 18 19 electronic device as required by section 116F.530. (b) A retailer that sells a new covered electronic device 20 must collect at the time of sale the fee imposed under paragraph 21 (a) for each new covered electronic device sold to a consumer in 22 23 the state. 24 (c) A retailer shall transmit all fees collected under this section, minus three percent of total fee revenues which may be 25 retained by the retailer for administrative costs associated 26 27 with collecting the fee, to the corporation on or before the 28 last day of the month following each quarter, accompanied by any 29 forms prescribed by the corporation. If a covered electronic 30 device for which the fee has been paid is returned to a retailer 31 under warranty, the fee may be refunded, and the retailer may 32 deduct the amount of the returned fee from the remittance to the 33 corporation. 34 (d) Fees collected by the corporation must be used only for the administrative cost of the corporation to perform its 35 36 responsibilities under section 116F.540; to fund collection,

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1	transportation, and recycling of covered electronic devices; and
2	to promote the collection and recycling of covered electronic
3	devices and market development. Fees may not be used to pay for
4	activities associated with refurbishment and reuse of covered
5	electronic devices, or for the collection, transportation, or
6	recycling of covered electronic devices that are refurbished and
7	reused.
8	(e) The fee imposed under this section must be clearly
9	identified separately on sales documents from the product price
10	and is not included in the price for purposes of sales taxes.
11	Sec. 4. [116F.520] [OFFICE RESPONSIBILITIES.]
12	(a) Beginning on July 1, 2007, the office shall report to
13	the legislature on a biennial basis regarding the progress on
14	the implementation of sections 116F.505 to 116F.595, including
15	recommendations for changes to sections 116F.505 to 116F.595
16	that will ensure the most effective collection of electronic
17	product recycling fees and whether the cap on the fee imposed
18	under section 116F.515 should be adjusted.
19	(b) The report must include the following:
20	(1) a list of all parties participating in the system;
21	(2) current collection, transportation, and recycling costs
22	of covered electronic devices;
23	(3) projected sales of covered electronic devices;
24	(4) projected volume of returns of covered electronic
25	devices;
26	(5) actual collection rates during the previous 12-month
27	period plus a yearly growth projection;
28	(6) the total weight of covered electronic devices received
29	during the preceding year by product category, together with the
30	
2.1	total weight of the products recycled in each product category;
31	
31 32	total weight of the products recycled in each product category;
	total weight of the products recycled in each product category; and
32	total weight of the products recycled in each product category; and (7) any surplus funds carried forward.
32 33	<pre>total weight of the products recycled in each product category; and</pre>

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	stand alectropic devices Sections 116F.505 to
1	recycling of covered electronic devices. Sections 116F.505 to
2	116F.595 do not apply to end-of-life fees in effect for products
3	not covered by those sections.
4	(b) Retailers and manufacturers of covered electronic
5	devices are prohibited from selling covered electronic devices
6	in Minnesota unless they have registered with the corporation
7	and they collect and remit the fees for covered electronic
8	devices required by section 116F.515.
9	Sec. 6. [116F.530] [NOT-FOR-PROFIT CORPORATION.]
10	A corporation must be established by the office as a
11	nonprofit corporation organized under chapter 317A that
12	qualifies for tax exempt status under United States Code, title
13	26, section 501(c)(3), to administer collected fee proceeds from
14	the retail sale of covered electronic devices. Retailers of
15	covered electronic devices to consumers in Minnesota are
16	considered to have consented to be members of the not-for-profit
17	corporation. The corporation shall submit a budget annually to
18	the office and spend no more than five percent of the total fees
19	collected under section 116F.515 for administrative expenses.
20	Sec. 7. [116F.540] [CORPORATION RESPONSIBILITIES AND
21	STRUCTURE.]
22	Subdivision 1. [RESPONSIBILITIES.] (a) The corporation
23	must be governed and operated by a multistakeholder board for
24	fulfilling the responsibility for management of a collection,
25	transportation, and recycling system for covered electronic
26	devices.
27	(b) The corporation must serve, to the extent feasible, all
28	consumers in the state. The corporation must also rely
29	primarily on existing collection and consolidation
30	infrastructure for handling covered electronic devices to the
31	extent this infrastructure is cost effective and meets the
32	environmentally sound management requirements of section
33	<u>116F.545.</u>
34	(c) The corporation must receive funds collected by the
35	retailers and administer the system for reimbursement of
36	collectors and recyclers.

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1	(d) The corporation shall organize and coordinate public
2	outreach. The corporation shall utilize local and regional
3	authorities to reach local residents and determine appropriate
4	methods for education.
5	Subd. 2. [STRUCTURE.] (a) The corporation shall use the
6	funding for the sole purpose of carrying out the duties of
7	sections 116F.505 to 116F.595. In the event that expenses from
8	collection, transportation, and recycling activities exceed
9	revenues, the corporation may borrow up to ten percent of the
10	projected annual net fee funds from outside sources. Borrowed
11	funds must be repaid within two years.
12	(b) On April 1 of each year, the office shall report to the
13	legislature on the implementation of the system during the
14	previous year. The report must identify the total weight of
15	covered electronic devices received during the preceding year by
16	product category, together with the total weight of products
17	recycled in each product category. The report must also include
18	a list of all parties participating in the system.
19	(c) The corporation must have a board of directors
20	consisting of 11 members appointed by the director. The board
21	members shall be appointed for two-year terms, except that for
22	the initial term, three members shall be appointed to one-year
23	terms and four members shall be appointed to two-year terms.
24	The director shall appoint a replacement if any vacancy occurs.
25	The board shall consist of representatives from:
26	(1) five manufacturers of covered electronic devices;
27	(2) two retailers of covered electronic devices;
28	(3) one environmental not-for-profit organization with
29	experience in the recycling of covered electronic devices;
30	(4) one for-profit organization with experience in the
31	recycling of covered electronic devices; and
32	(5) two government representatives, including one from
33	local government who shall be compensated pursuant to section
34	15.059, subdivision 3.
<i>,</i> 5	(d) The board shall hire a director who shall run the
36	day-to-day operations of the corporation and report to the board

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1	at least once a year.
2	Subd. 3. [COORDINATING CONTRACTS.] The corporation shall
3	encourage collectors, transporters, and recyclers of covered
4	electronic devices to coordinate their efforts in order to
5	minimize costs. All contracts issued by the corporation for
6	recyclers must be competitively bid under a process created by
7	the corporation and may not prohibit or affect any contract,
8	franchise, permit, or other arrangement regarding the collection
9	or recycling of other solid or household hazardous waste.
10	Sec. 8. [116F.545] [ENVIRONMENTALLY SOUND MANAGEMENT
11	REQUIREMENTS.]
12	(a) Covered electronic devices collected must be recycled
13	or disposed of in a manner that is in compliance with all
14	applicable federal, state, and local laws, regulations, and
15	ordinances, and must not be exported for disposal in a manner
16	that poses a significant risk to the public health or the
17	environment.
18	(b) The corporation shall establish performance
19	requirements for recyclers eligible to receive funds from the
20	corporation. Recyclers shall, at a minimum, demonstrate
21	compliance with the United States Environmental Protection
22	Agency's Guidance on Environmentally Sound Management of
23	Electronic Products as issued and available on the office's Web
24	site in addition to any other requirements mandated by state law.
25	(c) The office shall keep on file and update a list of
26	recyclers approved to recycle covered electronic devices. A
27	copy of the list, including all changes to the list since the
28	previous year, must be sent to the corporation annually for use
29	in fulfilling its requirements under section 116F.540.
30	(d) The office is authorized to remove from the list any
31	recycler, who, as the result of an audit by the corporation or
32	the office, has failed to meet the criteria established under
33	paragraph (a) or who has been convicted of violating any
34	federal, state, or local law related to the collection,
35	transport, or processing of covered electronic products.
36	(e) The corporation and its board may not be held

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	1	financially liable for any violation of a federal, state, or
~	2	local law by a recycler appearing on the list created and
	3	updated by the office.
	4	Sec. 9. [116F.550] [LEVEL PLAYING FIELD PENALTIES.]
	5	(a) Beginning September 1, 2005, a manufacturer may not
	6	offer for sale in Minnesota a covered electronic device unless a
	7	visible, permanent label clearly identifying the brand or
	8	manufacturer of that device is affixed to it and, if the
	9	manufacturer is also a retailer, the fee under section 116F.515
	10	is collected.
	11	(b) By July 15, 2005, manufacturers of covered electronic
	12	devices must notify retailers that the covered electronics
	13	device is subject to the fee in section 116F.515.
	14	(c) A violation of this section is subject to a civil
	15	penalty in the amount of \$1,000 per violation.
	16	(d) The money collected and distributed shall be used to
	17	offset enforcement expenses.
	18	(e) Manufacturers and retailers, upon providing 60-day
	19	notice to the attorney general and to a retailer who is not
	20	collecting and remitting the fee in section ll6F.515, or a
	21	manufacturer who is not complying with this section, have the
	22	right to sue that manufacturer or retailer for failure to
	23	collect or remit the fee to the corporation. During the 60-day
	24	notice period, if the attorney general initiates action against
	25	the manufacturer or retailer, then the ability of the
	26	manufacturer to sue is extinguished. The money collected by the
	27	attorney general must be used to offset enforcement expenses.
	28	Money in excess of the enforcement expenses shall be deposited
	29	with the corporation. Manufacturers and retailers that
	30	successfully challenge a noncompliant manufacturer or retailer
	31	are entitled to receive their litigation costs as well as double
	32	the penalties assessed under paragraph (c).
	33	Sec. 10. [116F.560] [MARKET DEVELOPMENT.]
The second second	34	The corporation shall establish a market development
	35	program to enhance existing and develop new end markets for
	36	remanufactured products and recycled materials. No more than

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[REVISOR ] CMR/JK 05-0974 02/24/05 one percent of corporation funds may be spent on this program. 1 2 Sec. 11. [116F.575] [MANUFACTURERS.] (a) Beginning September 1, 2005, a manufacturer must: 3 (1) collect and remit the fee in section 116F.515 on all 4 5 sales in which the manufacturer acts as a retailer; (2) make information available to consumers describing 6 where and how to return, recycle, and dispose of covered 7 8 electronic devices through the use of product operation manuals, 9 industry or manufacturer Web sites, product labels, packaging 10 inserts, or toll-free telephone numbers; and (3) provide recyclers with information on the type and 11 12 location of hazardous substances in the covered products. 13 (b) Beginning January 1, 2007, a manufacturer must not 14 offer for sale in the state any product or electronic device 15 that is prohibited from being sold or offered for sale in the European Union on or after its date of manufacture, to the 16 extent that Directive 2002/95/EC adopted by the European 17 18 Parliament on January 27, 2003, and as amended thereafter by the 19 Commission of European Communities, prohibits the sale due to the presence of heavy metals. This prohibition does not include 20 21 any product that contains a substance that is used to comply 22 with consumer health or safety requirements that are required by 23 Underwriters Laboratories, the federal government, or the state. 24 (c) Beginning July 1, 2008, and annually thereafter, 25 manufacturers shall make available to the public upon request a 26 report that contains: 27 (1) the total estimated amounts of lead, mercury, 28 hexavalent chromium, cadmium, and polybrominated biphenyls 29 (PBBs) contained in products sold within the state in the 30 previous year; 31 (2) the total estimated amounts of recyclable materials 32 contained in covered electronic devices sold within the state in 33 the previous year, and increases the use of those materials over previous years; and 34 (3) any efforts to design covered electronic devices for 35 recycling and goals or plans for further increasing design for 36

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l	recycling.
2	(d) In lieu of an individual report, manufacturers may
3	submit the information in a collated report submitted via a
4	trade association provided that information about an individual
5	company can be made available to the office upon written request
6	by the office. The office may only make such a request for
7	auditing purposes and not more than once during a five-year
8	period. The office may not make public any confidential
9	business information claimed by the manufacturer in the report.
10	(e) A report submitted to another state or to the federal
11	government that contains the same information as required in
12	this section must be accepted by the office in lieu of a
13	separate report for the state.
14	Sec. 12. [116F.580] [REGULATORY AUTHORITY.]
15	The office may adopt rules for the purpose of administering
16	sections 116F.505 to 116F.595.
17	Sec. 13. [116F.590] [PROGRAM REVIEW.]
18	On or after January 1, 2014, the office shall convene a
19	stakeholder group to evaluate the program and make
20	recommendations to the legislature by January 1, 2015, as to
21	whether to:
22	(1) continue or modify the fee under section 116F.515;
23	(2) implement another financing alternative; or
24	(3) determine that no outside financing mechanism is
25	required to ensure that the system is financially solvent.
26	Sec. 14. [116F.595] [FEDERAL PREEMPTION.]
27	Upon notification by the office that a national program to
28	collect and recycle covered electronic devices is implemented,
29	sections 116F.505 to 116F.595, to the extent that they are
30	inconsistent with the national program, become inoperative.
31	Sec. 15. [EFFECTIVE DATE.]
32	Except as otherwise specified, sections 1 to 15 are
33	effective July 1, 2005.

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#### Senate Counsel, Research, and Fiscal Analysis

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# Senate State of Minnesota

#### S.F. No. 1595 - Electronic Waste Recycling

Author: Senator Gary Kubly

**Prepared by:** Carol E. Baker, Senate Counsel (651/296-4395)

**Date:** March 21, 2005

Section 1 [Definitions.] defines, among other terms, "cathode-ray tube" in subdivision 2; "electronic product" defined in subdivision 5; "electronic waste" defined in subdivision 6; "generator" defined in subdivision 8; "hazardous electronic waste" in subdivision 9; "historic waste" in subdivision 10; "orphan waste" in subdivision 12; and "producer" in subdivision 14.

**Section 2 [Historic Electronic Waste.]** requires each producer to be responsible for financing the management of electronic waste in accordance with this chapter. For products on the market before January 1, 2006, producer responsibility for historic and orphan waste must be determined by the return share of the producer during the current year. "Return share" means a percentage of all covered electronic products collected, calculated by return weight, differentiated by type of product. Each producer must have the return share represented by the brands itself among the types of products it manufactures. This section allows producers to impose a limited advanced collection fee for the purpose of paying for a collection program, until July 1, 2009. Producers have responsibility for collection, transport, and recycling of electronic wastes. When selling a new electronic product, producers may impose an advanced collection fee to the consumer for up to two years. This section allows a producer to fulfill its responsibility either individually or by joining a representative organization of producers.

Section 3 [Collection; Recycling Plan and Requirements.] requires by July 1, 2007, producers of electronic products sold in Minnesota to:

1. register with the Pollution Control Agency;

2. provide information to recyclers and processors regarding the end-of-life treatment of any new product within nine months of the product entering the market;

3. label each product, identifying hazardous materials;

4. provide information that the product must be kept out of landfills and incinerators, and other combustion processes;

5. provide a toll-free number or Web site address for consumers to obtain information about safe disposition of the electronic product;

6. certify that electronic products will not and do not enter landfills, incinerators, or other forms of combustion processes; ;

7. document and certify that the program has not resulted in the overseas export of electronic waste;

8. certify that the collection. rcycling, and reuse system operates in compliance with all local, state, and federal waste management rules;

9. accept electronic waste from households and generators at no charge;

10. submit a plan to the MPCA that describes their program in detail and certifies that no prison labor is used unless that labor is compensated equivalent to market rate wages for the work performed and OSHA laws and regulations are followed; and

11. certifies that the producer is complying with this paragraph.

The section also the MPCA to approve or disapprove the plan within 30 days of receiving it.

The section requires producers of cathode ray tubes to comply with all provisions in this chapter.

The MPCA may not approve any plan that includes:

1. a fee imposed at the time of sale, except for the limited purpose already established;

2. a fee when the discarded product is delivered by a household or generator to a collection point or is collected from a consumer;

3. a fee at the time of sale for funding producer recycling; or

4. a cost to be imposed on a local unit of government unless the cost is agreed to and the agreement is published n the agency's Web site and gives legal notice affected taxpayers.

Section 4 [Reporting.] requires all information under section 114D.15, as well as agency decisions and orders, to be made available to the public in an easy-to-access manner, within three business days after the agency receives the information.

Section 5 [Enforcement.] allows the MPCA to enforce this chapter, under sections 115.071 and 116.072.

Section 6 [Private Right of Enforcement.] allows a person to enforce this right as well as the provisions and requirements of this chapter against any party, government or private, through appropriate legal proceedings.

Section 7 [Health and Safety Protections.] requires all persons collecting, recovering, and recycling electronic waste as part of the producer plan to protect the health and safety of their workers and contractors by:

1. complying with all state and federal OSHA laws;

2. performing routine industrial hygiene monitoring and quarterly reporting for all facilities of all hazardous materials of concern; and

3. performing routine human health monitoring and quarterly reporting for all workers and contractors.

Section 8 [Service.] requires producers selling electronic products in Minnesota to provide:

1. within two years of financial responsibility, three collection and recovery points per 10,000 persons population; and

2. within four years of financial responsibility, six collection and recovery points per 10,000 persons population.

Section 9 [Hazardous Materials Phase-Out.] requires producers selling electronic equipment in Minnesota to phase-out the use of lead, mercury, cadmium, hexavalent chromium, brominated flame retardants, and polyvinyl chloride, and only offer for sale products that contain less harmful alternatives. The MPCA may issue a limited-term exemption if a producer demonstrates that it is technically impossible to use an alternative substance.

Section 10 [Performance Goals; Protections for Human Health; Environment; Taxpayers.] requires producers of electronic equipment sold in this state to provide the MPCA a financial guarantee to ensure that no costs for program evaluation, enforcement, or management of orphan and historic waste is born by taxpayers. This guarantee may take the form of participation by the producer in a third-party organization for financing the management of electronic waste. This section also requires producers to ensure that their electronic waste recovery program is at least 75 percent of the producer's product sold in this state by July 1, 2007, and by January 1, 2010, recovery of at least 90 percent by number of their products sold in this state. The section requires the Commissioner of Administration to establish purchasing and procurement policies requiring vendors of electronic equipment sold to the state to take back electronic waste. It requires the MPCA to

establish a multistakeholder oversight and advisory committee by January 1, 2007, and requires an annual report to be submitted to Legislature beginning in February 2006.

Section 11 [Repealer.] repeals these sections if a national program managing electronic waste is established and implemented and complies with environmental and health laws without shifting fiscal burdens to state agencies or local units of government.

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Section 12 [Effective Date.] makes this bill effective January 1, 2006.

CEB:rdr

### Senator Kubly introduced--

S.F. No. 1595: Referred to the Committee on Environment and Natural Resources.

1	A bill for an act
2 3 4	relating to the environment; providing for electronic waste recycling; proposing coding for new law as Minnesota Statutes, chapter 114D.
5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
6	Section 1. [114D.05] [DEFINITIONS.]
7	Subdivision 1. [SCOPE.] For the purposes of this chapter,
8	the words in this section have the meanings given.
9	Subd. 2. [CATHODE RAY TUBE.] "Cathode ray tube" means a
10	vacuum tube or picture tube used to convert an electronic signal
11	into a visual image.
12	Subd. 3. [COLLECTION AND RECYCLING SYSTEM.] "Collection
13	and recycling system" means the system for the collection,
14	packaging, transportation, and recycling of products discarded
15	by consumers.
16	Subd. 4. [COMPUTER MONITOR.] "Computer monitor" means a
17	cathode ray tube or flat panel display primarily intended to
18	display information from a central processing unit, network, or
19	the internet.
20	Subd. 5. [ELECTRONIC PRODUCT.] "Electronic product"
21	includes but is not limited to computer equipment such as
22	cathode ray tubes, display monitors, central processing units,
23	keyboards, printers, and peripherals; televisions, computer
24	monitors, liquid crystal displays or other flat panel
25	television, computer monitor, or similar video display products;

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1	telecommunication equipment such as telephones, cellular phones,
2	facsimile machines, and answering machines; small electronic
3	devices and appliances containing one or more circuit boards or
4	other similar operating unit; video and stereo equipment; toys,
5	games, and educational devices containing one or more printed
6	circuit boards or similar operating unit; and major household
7	appliances containing one or more printed circuit board or
8	similar operating unit and all its components, constituent
9	subunits, and materials from which the subunits are made.
10	Subd. 6. [ELECTRONIC WASTE.] "Electronic waste" means an
11	electronic product that has been discarded, become obsolete,
12	ceased to function, is no longer wanted by its owner, or for any
13	other reason enters the collection, recovery, treatment,
14	processing, or recycling system.
15	Subd. 7. [ENVIRONMENT.] "Environment" includes but is not
16	limited to all the state's natural resources including land,
17	air, and water resources, and plant and animal species, and the
18	habitat upon which they depend.
19	Subd. 8. [GENERATOR.] "Generator" means schools,
20	governmental units, businesses with six or fewer employees, and
21	nonprofit organizations, as defined by section 501(c)(3) of the
22	Internal Revenue Code, with 30 or fewer employees.
23	Subd. 9. [HAZARDOUS ELECTRONIC WASTE.] "Hazardous
24	electronic waste" means electronic waste and its components,
25	constituent subunits, or materials from which the subunits are
26	made, that contain concentrations of toxic materials exceeding
27	the regulatory levels established in Code of Federal
28	Regulations, title 40, section 261.24, as it exists on January
29	1, 2006, using the toxic characteristic leaching procedure.
30	Subd. 10. [HISTORIC WASTE.] "Historic waste" means a
31	covered electronic product that was put on the market prior to
32	July 1, 2005.
33	Subd. 11. [HOUSEHOLD.] "Household" means a single detached
34	dwelling unit or a single unit of a multiple dwelling unit and
35	appurtenant structures.
36	Subd. 12. [ORPHAN WASTE.] "Orphan waste" means electronic

Section 1

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1	waste manufactured by or bearing the brand name of a company
2	that is no longer in business as of the January 1, 2006,
3	requirements of this act.
4	Subd. 13. [PLAN.] "Plan" means the plan for
5	producer-financed collection, recovery, and recycling of
6	electronic waste as provided for in section 114D.15.
7	Subd. 14. [PRODUCER.] "Producer" means any person,
8	irrespective of the sales techniques or channels used to sell
9	products, including by means of distance communication, that:
10	(1) manufactures and sells electronic equipment under its
11	own brand;
12	(2) resells under its own brand equipment produced by other
13	suppliers, unless the brand of the actual manufacturer appears
14	on the equipment;
15	(3) imports electronic equipment for first sale in
16	Minnesota; or
17	(4) manufactures and sells electronic equipment without
18	affixing a brand.
19	Subd. 15. [PRODUCER-ABANDONED WASTE.] "Producer-abandoned
20	waste" means electronic waste for which the manufacturer or a
21	successor exists for which the state is unable to enforce this
22	chapter for any reason, including because electronic equipment
23	from the manufacturer or successor is no longer sold in
24	Minnesota.
25	Subd. 16. [PRO RATA SHARE.] "Pro rata share" means a
26	percentage of all electronic waste delivered to intermediate
27	consolidation points excluding orphan waste and
28	producer-abandoned waste. Pro rata shares are calculated by
29	return weight and differentiated by type of product. Each
30	manufacturer shall have the pro rata share represented by the
31	brands it manufactures among the types of electronic products it
32	manufactures.
33	Subd. 17. [RECYCLING.] "Recycling" means the reprocessing
34	of electronic waste materials for the original purpose or for
35	other purposes, excluding energy recovery or energy generation
36	by means of combusting electronic waste with or without other

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l	waste.
2	Subd. 18. [REUSE.] "Reuse" means an operation by which
3	electronic waste or components thereof are used for the same
4	purpose for which they were conceived, including the continued
5	use of the equipment or components thereof which are returned to
6	collection points, recyclers, or producers.
7	Sec. 2. [114D.10] [HISTORIC ELECTRONIC WASTE.]
8	(a) Each producer is responsible for financing the
9	management of electronic waste in accordance with this chapter.
10	For all products put on the market prior to January 1, 2006,
11	producer responsibility for historic and orphan waste must be
12	determined annually by the return share of the producer during
13	the current year. "Return share" means a percentage of all
14	covered electronic products collected, calculated by return
15	weight differentiated by type of product. Each producer must
16	have the return share represented by the brands it sells among
17	the type of products it manufactures. The producer may choose
18	to fulfill this obligation either individually or collectively
19	where one or more third-party organizations may be established
20	by producers to collectively take back historic and orphan waste.
21	(b) A limited advance collection fee, for the sole purpose
22	of paying for a collection program implemented by any
23	governmental or nongovernmental entity that serves the
24	collection function, may be used until July 1, 2009. Producers
25	have full responsibility for collection, transport, and
26	recycling of electronic waste. Producers may use an advance
27	collection fee visible to the consumer, when selling a similar
28	new electronic product, for up to two years in an amount
29	sufficient to pay actual costs of collection and transport of
30	historic waste, but all collection and transport costs must be
31	internalized into the product price after this period.
32	(c) A producer may fulfill its individual responsibility
33	under this subdivision either individually or by joining a
34	representative organization of producers. An organization of
35	producers must meet the same standards and requirements of the
36	plans submitted by individual producers.

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1	Sec. 3. [114D.15] [COLLECTION; RECYCLING PLAN AND
2	REQUIREMENTS.]
3	(a) Beginning July 1, 2007, producers of electronic
4	products sold in Minnesota, including those products sold by
5	means of distance communication, but not including cathode ray
6	tubes, must:
7	(1) register with the Pollution Control Agency as described
8	in paragraph (f);
9	(2) no later than nine months after a product enters the
10	market, provide information to recyclers and processors
11	regarding the end-of-life treatment of the new product relating
12	to disassembly, material content, and safety concerns so as to
13	facilitate the correct and environmentally sound treatment of
14	electronic waste;
15	(3) label each product identifying hazardous materials
16	contained in the product and its parts or subunits;
17	(4) provide information clearly stating that the product
18	must be kept out of landfills and incinerators and other
19	combustion processes and be placed in the producer's recycling
20	or reuse program;
21	(5) provide a toll-free phone number or Web site address
22	where consumers can obtain information and instructions about
23	the safe disposition of the electronic product through the
24	producer's recycling or reuse plan;
25	(6) certify that electronic products, including whole units
26	of electronic waste as well as the constituent subunits or
27	materials from which the units are made, will not and do not
28	enter landfills, incinerators, cement kilns, or other forms of
29	energy recovery or energy generation dependent on combustion of
30	electronic waste;
31	(7) document and certify that the program has not resulted
32	in the overseas export of electronic waste to any
33	non-Organization for Economic Cooperation and Development
34	country and complies with the Basel Ban Amendment decision
35	(Decision III/1) of the Basel Convention on the Control of
36	Transboundary Movement of Hazardous Waste and Their Disposal;

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1	(8) certify that the collection, recycling, and reuse
2	system, and all necessary parties, operate in compliance with
3	local, state, and federal waste management rules and
4	regulations;
5	(9) accept electronic waste from households and generators
6	at no charge;
7	(10) submit a plan to the agency that:
8	(i) describes the implementation and financing for the
9	collection, treatment, recovery, reuse, and disposition of all
10	the producer's products, including orphan and producer-abandoned
11	waste, sold in Minnesota;
12	(ii) describes the producer's method for reimbursing local
13	governments, nonprofit corporations, and retailers for the cost
14	of collection and recycling of the producer's covered electronic
15	products;
16	(iii) certifies that no prison labor is used unless those
17	involved are provided with compensation equivalent to market
18	rate wages for the work performed and are afforded the
19	protections of state occupational safety and health laws and
20	regulations, as well as those protections required by this
21	chapter;
22	(iv) demonstrates that the producer has adequate measures
23	to provide information in accordance with clause (2); and
24	(v) describes the performance measures used and reported by
25	the producer to demonstrate that the plan is meeting the
26	required recovery and recycling rates for its own brand of
27	covered electronic products and describes alternative actions
28	that will be taken should performance measures not be met; and
29	(11) certify, by affidavit, that the producer is in
30	compliance with this paragraph.
31	(b) The agency must, within 30 days of receiving a plan,
32	approve or disapprove the plan.
33	(c) Each producer is responsible for collection, and reuse
34	or recycling each year, of its waste electronic products and its
35	pro rata share of orphan waste and producer-abandoned waste.
36	(d) A producer may fulfill its responsibilities under this

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1 section through a representative third-party organization of producers. An organization of producers must meet the same 2 3 standards and requirements of the plans submitted by individual 4 producers. 5 (e) Effective July 1, 2005, producers of cathode ray tubes 6 must comply with paragraphs (a) to (d) and all other provisions 7 in this chapter. 8 (f) Registration includes, but is not limited to, a listing 9 of all brand labels owned by the producer, its subsidiaries, or 10 any companies acquired by the producer. The commissioner of the Pollution Control Agency may, at any time, revoke a registration 11 12 upon being presented with evidence that the producer is not in 13 compliance with the requirements of this chapter. After revocation, a producer may not sell its product in the state. 14 15 (g) The Pollution Control Agency shall not approve any plan 16 that includes: 17 (1) a fee imposed at the time of sale of the product except for the limited purpose established in section 114D.10; 18 (2) a fee at the time the discarded electronic product is 19 delivered by a household or generator to a collection point or 20 21 is collected from the consumer; 22 (3) a fee imposed at the time of sale for the purpose of 23 funding producer recycling; or (4) a cost to be imposed on a local unit of government 24 unless the cost is agreed to by the local unit of government and 25 the agreement is published on the agency's Web site and gives 26 legal notice to the affected taxpayers. 27 28 Sec. 4. [114D.20] [REPORTING.] (a) All information required under section 114D.15, as well 29 as agency decisions and orders, must be made available to the 30 public, in an easy-to-access manner and convenient format, via 31 the agency's Web site within three business days after receipt 32 of such information by the agency and agency decisions. 33 (b) A retailer is not responsible for an unlawful sale 34 pursuant to section 114D.15 if the certification relied upon by 35 36 the retailer in making the unlawful sale was incorrect, or if

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1	the registration expired or was revoked and the retailer took
2	possession of the electronic product prior to the expiration or
3	revocation of the registration and the unlawful sale occurred
4	within 30 days after the expiration or revocation.
5	Sec. 5. [114D.25] [ENFORCEMENT.]
6	The Pollution Control Agency may enforce this chapter under
7	sections 115.071 and 116.072.
8	Sec. 6. [114D.30] [PRIVATE RIGHT OF ENFORCEMENT.]
9	Each person may enforce this right, as well as enforce the
10	provisions and requirements of this chapter, against any party,
11	government or private, through appropriate legal proceedings,
12	including declaratory and equitable relief, civil penalties, and
13	restoration damages, to protect the public health and
14	environment of Minnesota from pollution, impairment, or
15	destruction resulting from electronic waste. The court may
16	award the full costs of litigation, including but not limited to
17	reasonable expert witness and attorney's fees, to the prevailing
18	plaintiffs. This provision supplements existing rights and
19	procedures provided by law.
20	Sec. 7. [114D.35] [HEALTH AND SAFETY PROTECTIONS.]
21	All persons collecting, recovering, and recycling
22	electronic waste as part of the producer plan in section 114D.15
23	must protect the health and safety of their workers and
24	contractors by:
25	(1) providing clear evidence of compliance with all state
26	and federal occupational safety and health laws and regulations;
27	(2) performing routine industrial hygiene monitoring and
28	quarterly reporting for all facilities for all hazardous
29	materials of concern, including but not limited to monitoring
30	for airborne lead and bromine, chlorine, and mercury compounds;
31	and
32	(3) performing routine human health monitoring and
33	quarterly reporting, in accordance with all applicable privacy
34	protections, for all workers and contractors, including but not
35	limited to blood testing for exposure to lead and bromine,
36	chlorine, and mercury compounds.

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1	Sec. 8. [114D.40] [SERVICE.]
2	(a) Producers selling electronic products in Minnesota,
3	under an approved plan described in section 114D.15, must
4	provide:
5	(1) within 24 months of financial responsibility, three
6	collection and recovery points per 10,000 persons population;
7	and
8	(2) within 50 months of financial responsibility, six
9	collection and recovery points per 10,000 persons population;
10	(b) Producers must include direct collection, but
11	generators and households may be responsible for delivering
12	electronic waste into the collection system, as contained in the
13	producer's plan.
14	Sec. 9. [114D.45] [HAZARDOUS MATERIALS PHASEOUT.]
15	(a) No later than January 1, 2007, producers selling
16	electronic equipment in Minnesota must phase out the use of
17	lead, mercury, cadmium, hexavalent chromium, brominated flame
18	retardants, and polyvinyl chloride and only offer for sale
19	products that contain less harmful alternatives.
20	(b) If a producer provides sufficient demonstration to the
21	department that it is technically impossible to use an
22	alternative substance, a limited-term exemption may be issued by
23	the agency. An exemption must be rescinded by the agency when
24	the agency determines that a less harmful alternative for the
25	substance can be used.
26	(c) If the exemption is granted by the agency, the agency
27	may assign a limited amount of time before the exemption expires
28	to ensure that producers are investing in research and
29	development to identify an appropriate less harmful alternative.
30	Sec. 10. [114D.50] [PERFORMANCE GOALS; PROTECTIONS FOR
31	HUMAN HEALTH; ENVIRONMENT; TAXPAYERS.]
32	(a) By January 1, 2007, or upon approval of the producer's
33	plan, whichever is sooner, producers of electronic equipment
34	sold in this state shall provide to the agency a financial
35	guarantee to ensure that no costs for program evaluation,
36	enforcement, or for the management of orphan and historic waste

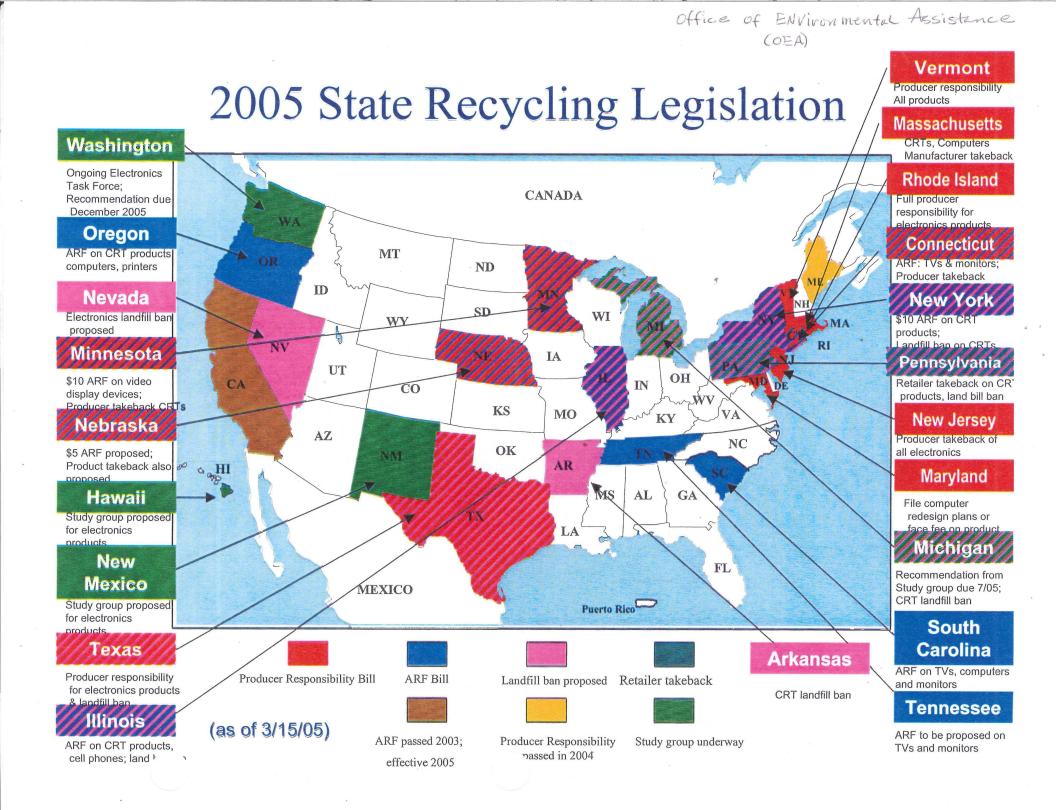
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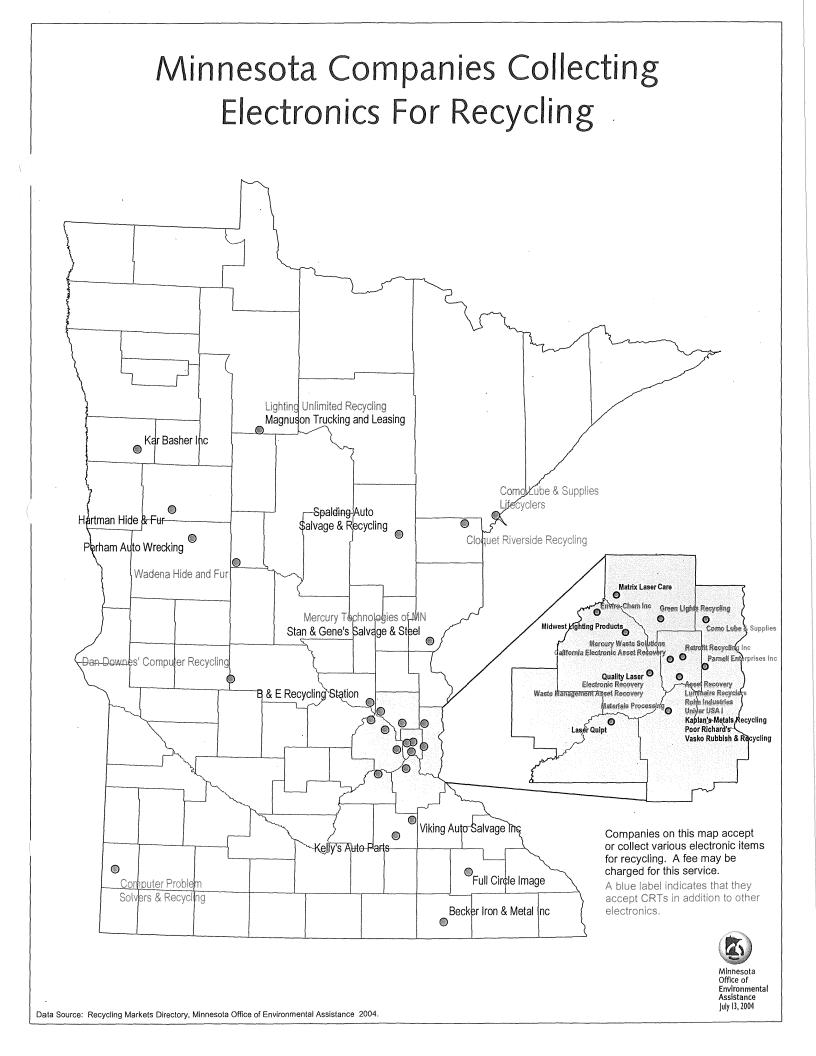
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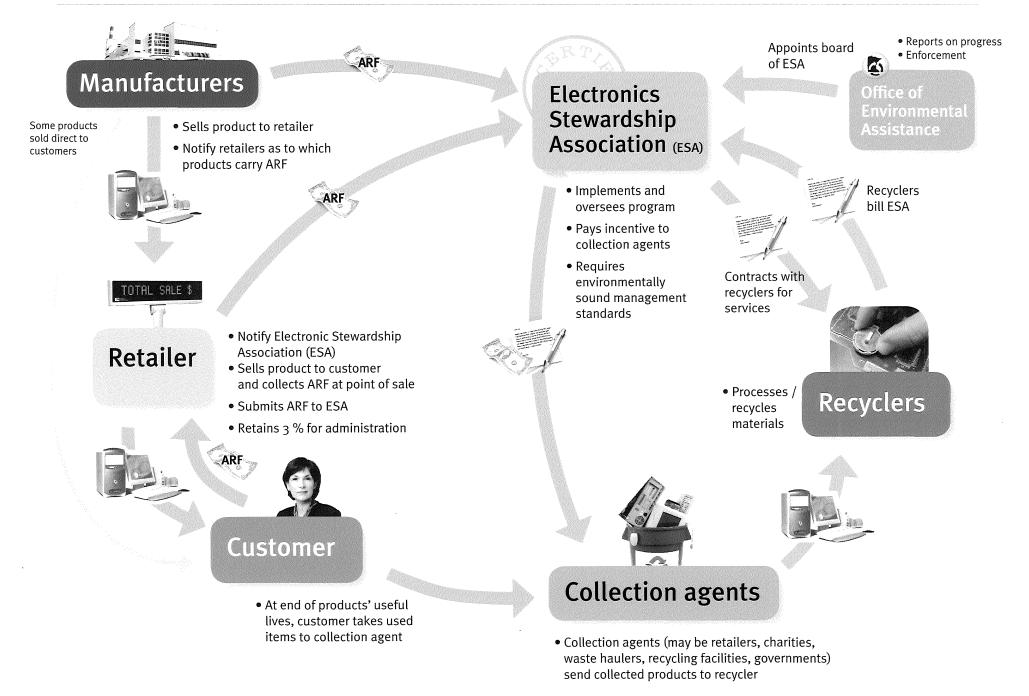
l	is borne by taxpayers. The guarantee may take the form of
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3	financing the management of waste electrical and electronic
4	equipment, a recycling insurance, or a blocked bank account.
5	(b) Producers must manage their take-back programs so as to
6	ensure that by July 1, 2007, electronic waste recovery is equal
7	to or exceeds 75 percent by number of the producer's products
8	sold in this state and 65 percent or greater reuse or recycling
9	
10	by January 1, 2010, recovery equal to or greater than 90 percent
11	by number of their products sold in this state and 95 percent or
12	greater reuse or recycling of the components and materials
13	contained in their products.
14	(c) By January 1, 2007, the commissioner of administration
15	shall establish purchasing and procurement policies requiring
16	vendors of electronic equipment sold to the state to take back
17	electronic waste when the equipment becomes obsolete, is
18	discarded, or is otherwise taken out of service. The policies
19	must also establish a preference for electronic equipment that
20	meets specified environmental performance standards relating to
21	the reduction or elimination of hazardous materials.
22	(d) The Pollution Control Agency must establish a
23	multistakeholder Oversight and Advisory Committee by January 1,
24	2007, for the purpose of overseeing producer program plan
25	implementation, reviewing producer plan annual reports, and
26	identifying and recommending additional products to be included
27	as electronic waste. An annual report consistent with this
28	section must be submitted to the legislature commencing in
29	February 2006.
30	Sec. 11. [REPEALER.]
31	Sections 1 to 10 are repealed 90 days after the director
32	publishes a notice in the State Register that a national program
33	for collecting, transporting, and reusing or recycling
34	electronic waste is established and implemented and is
35	determined to be functioning in a manner that complies with
36	environmental and health laws without shifting fiscal burdens to

1	state agencies or local units of government.
2	Sec. 12. [EFFECTIVE DATE.]
3	Sections 1 to 11 are effective January 1, 2006.





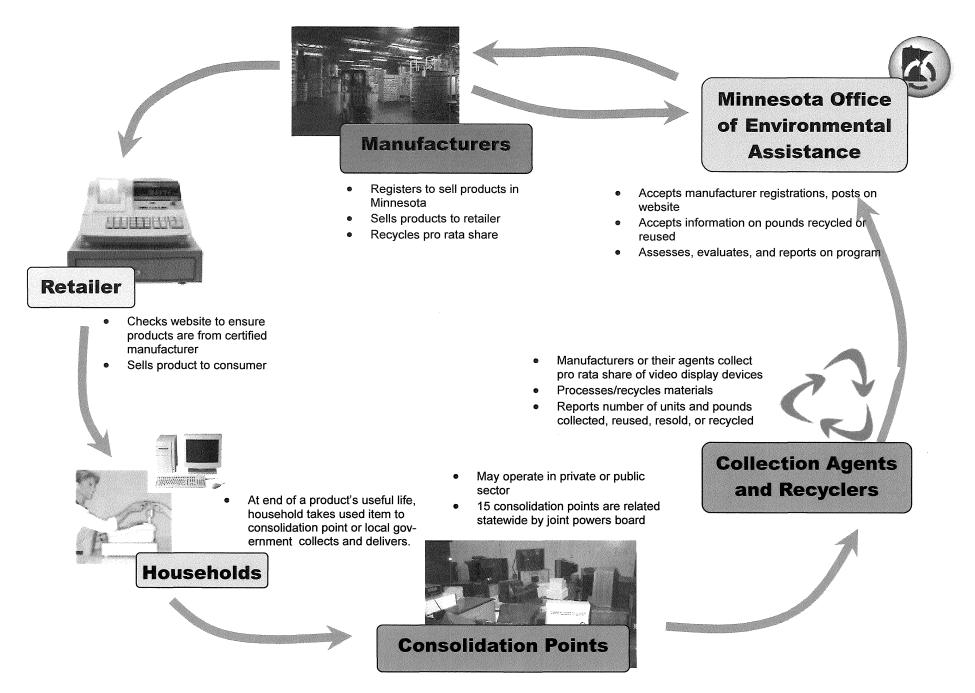
## Advanced Recycling Fee (ARF) System for electronic products



## Manufacturer Responsibility for CRis/Video Display Devices



### Manufacturer Responsibility fo. Video Display Devicus



## Electron Recycling Bills Before the Minnesota Legislature: As of March 15, 2005

	HF1404/SF 1327	HF1391/SF1298 (delete all amendment)	SF1398 ARF	HF1729/SF1595
House author (co-authors)	Rep. Hackbarth (Cox, Nornes, Scalze, Kelliher, Cornish, McNamara, Hortman);	Rep. Cox (Ozment, Kelliher, Hoppe, Hausman, Dill, Howes, McNamara)	TBD	Rep. Nornes (Hausman, Poppe, Mariani, Hortman)
Senate author (co-authors)	Sen . Higgins (N/A)	Sen. Higgins (Marty, Sams, Frederickson)	Sen. Scheid (Senjem, Hottinger)	Sen. Kubly
Advanced recycling fee	No	No	Yes. \$10 on monitors, televisions and laptops.	Yes. Limited fee for collection only through 2009.
Collection and recycling operations	Manufacturers will organize transportation and recycling of CRTs after they are collected in truckload quantities.	Manufacturers will transport & recycle truckload quantities of video display devices from point of consolidation. Joint Powers Board will seek applications from <u>at least</u> 15 consolidation points, including ten from Greater MN. Points could include county facilities as well as recyclers, transfer stations, etc.	Per-pound reimbursement for collection Non-profit corporation contracts for recycling services.	Manufacturers must create three collection and recovery points for every 10,000 people within two years and six points per 10,000 within 50 months.
Responsibilities for retailers	Sell only CRTs that are registered and labeled w/manufacturer. All retailers must certify they will only sell registered CRTs.	Certify with State that retailer has checked website to assure products for sale are from registered manufacturers. Sell only products with permanently affixed label of manufacturer.	Retailers collect the ARF on new product sales, keep three percent of the fee (30 cents), and remit to a nonprofit corporation that would administer the recycling program.	Retailers cannot sell non-certified products.
Responsibilities for manufacturers	Manufacturers must register with the state about their recycling plans. They must pick up any truckload of CRTs. Manufacturers will be encouraged to work together but there is no required structure.	Manufacturers must register with the state about their recycling plans. Must collect their pro-rata share of VDDs from consolidation points, including pro rata share of orphan and abandoned waste. Manufacturers may provide their own program if approved. Manufacturers must pick up truckload quantities. Manufacturers must certify compliance with reuse and recycling requirements.	Manufacturers cannot sell in MN or online unless they register with the corporation and collect and remit the fee if they sell products in MN. Manufacturers must inform retailers which products are subject to the fee. Manufacturers must make information available regarding reuse and recycling options. Manufacturers can enforce 'level play field' Five representatives of manufacturers will be appointed to the board of directors for the non- profit corporation.	Register their products with the state, label products, certify recycling program and submit implementation and financing plan to state. Take back their products by themselves or through a third party organization. Each responsible for historic and pro rata orphan share. Each manufacturer compliance plan must show proof of financial responsibility.

ین سر تی منبر	HF1404/SF 1327	HF1391/SF1298 (delete all amendment)	SF1398	HF1729/SF1595
Products covered	Televisions and monitors with CRTs	Video display devices (CRTs, flat panel screens, plasma, etc.) greater than 8" diagonal	Desktop or personal computer, computer monitor, portable computer, desktop printer, television, or other video display device greater than 9" diagonal	Monitors, CPUs, keyboards, printers, peripherals; TVs, phones, fax & answering machines, plus small electronic devices, video & stereo equipment, toys, games, educational devices & major household appliances w/ circuit board
Collection and/or recycling goals	None specified; annual report on registrations on progress.	Yes. Per capita reuse or recycling goals for planning purposes; reports required on progress	None specified; annual reports by manufacturers and OEA on progress.	Recover 75% of products by 2007
Material restrictions	None specified		Yes. Products sold must be in compliance with RoHS.	Yes. Product sold must be in compliance with RoHS by 2007 with further restrictions on PVC.
Requirements for environmentally sound management	Must comply with applicable federal, state and local requirements	Recycling must be done in accordance with all applicable federal, state and local laws, regulations and ordinances and not exported in a manner that poses a significant risk to public health or environment.	Must comply with USEPA's ESM guidelines; bans exports if they threaten public health or environment.	Recycling workers must have their blood tested quarterly. No exports to non-OECD countries. No prison labor unless paid the same.
State/OEA Role	Administer registration and certification program; assess up to \$500 registration fee. Rulemaking; • enforcement; State purchasing requirements. Must administer HHW program and coordinate with CRT recycling. Reporting requirements.	Maintain and revoke registrations. Charge registration fee. Publish and maintain list of registered and certified manufacturers. Annual reports; enforcement. Joint Powers Board to establish consolidation points, reporting requirements, coordination of pick ups, etc.	Administer registration program; annual reporting; rulemaking authority; enforcement authority.	Agency administers registration program; reviews and approves implementation plans;

Sources: Recycling Association of Minnesota, Minnesota Office of Environmental Assistance; SWMCB



### The California Electronic Waste Recycling Act: High Costs Across the Board

#### invent

#### **GOVERNMENT**

#### **Massive Costs**

- Largest fee program in California
- One-third of fees to pay for government overhead
- \$30 M intra-government loan needed simply to start program

#### Substantial New Staff

• 80 New Board of Equalization (BOE) staff needed. In California, the Board of Equalization collects sales tax and special use fees, including the advance recycling fee on covered electronics device purchases.

#### **Extensive Regulations and Administration**

- Required promulgation of detailed new regulatory requirements (because an advance recovery fee involves the submission of fees on purchases, the regulatory requirements are significantly more extensive and detailed than if one is dealing with truckloads of electronics waste).
- Required creation of new, distinct fee/tax accounting system at BOE at a cost of \$5 million
- Requires maintenance by agencies of registrations by 75,000 retailers (versus a couple hundred manufacturers with a shared responsibility model).

#### MANUFACTURERS

#### Millions of Dollars and Hundreds of Employees To Meet Initial Requirements of Act

- To set up new, detailed internal accounting systems and to update existing accounting systems
- To send hundreds of thousands of notices to retailers

#### Manufacturers Costs Not Reimbursable From the Fees

California Asked Manufacturers To Contribute Funds To Publicize Program

#### **RETAILERS**

#### Millions of Dollars and Thousands of Employees For Fee Collection and Accounting

- To set up new, detailed internal accounting systems
- To create and retain detailed records for BOE audits

- Estimated to impose new requirements on 75,000 retailers
- More than 750,000 retailers were required to respond to initial BOE notices regarding potential applicability of Act
- Retailers Costs *Reimbursable* Based On Retention of 3% Of Fees, But May *Not* Compensate For These Costs
  - For some retailers, 5 to 10 or more years of fee collection may be needed simply to reimburse for start-up costs

#### "Playing Field" Is Not Level: Discriminates Against In-State Retailers

• Out-of-state internet/catalogue retailers are not obligated to collect the fee directly if they do not have nexus in the state (and in-state *consumers* end up paying fee, like a use tax).

#### **CONSUMERS**

#### Must Pay More to Buy Electronic Device - Consumer Pays Fee Directly

#### Fee Amount Needed To Run Program Unknown; Likely To Be Substantially Higher Than Initial Fee

- Initial fee based on studies/political negotiations
- First workshops and initial implementation requirements indicate that final fee likely to be substantially higher than current range of \$6-\$10 per covered electronic device

#### Consumers May Have To Pay "Use" Tax/Fee On Computers Bought On Internet

## Manufacturers Can Charge Consumers For Collection As Long As They Provide One Free Day

#### **MUNICIPALITIES**

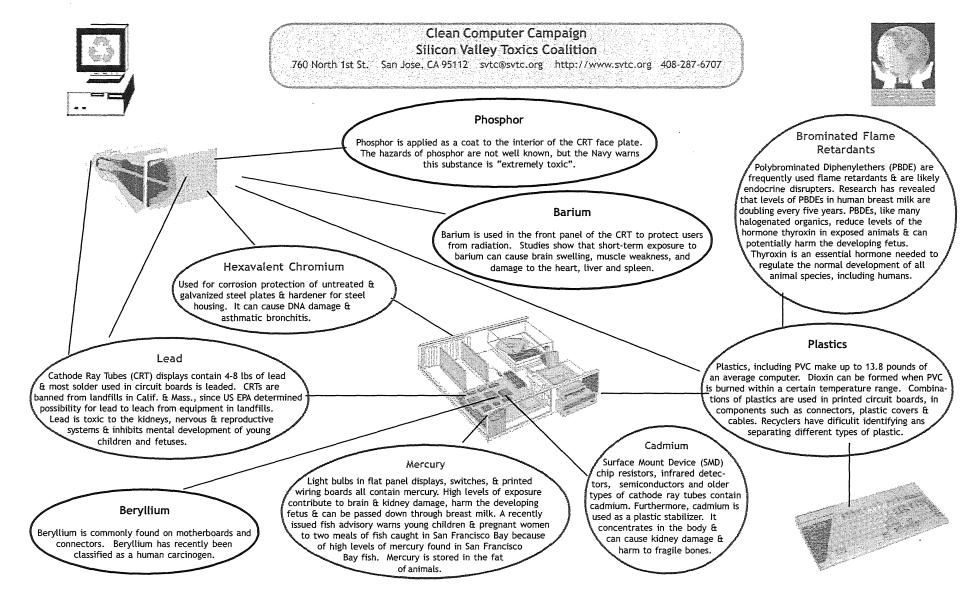
#### Recyclers Can Charge Municipalities the Difference Between Their Actual Recycling Costs and The Reimbursement Received From IWMB

#### RECYCLERS

#### "Playing Field" Is Not Level: Discriminates Against Out-Of-State Recyclers

• Initial recycling (e.g., disassembly) must be done in-state in order for recycler to be entitled to reimbursement (even if less expensive to have this done out of state)

### Tim Rudnicki



Images courtesy of Materials for Future Foundation