

A-Engrossed
Senate Bill 740

Ordered by the Senate May 3
Including Senate Amendments dated May 3

Sponsored by COMMITTEE ON ENVIRONMENT AND LAND USE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes Electronic Product Stewardship Account. Appropriates moneys from General Fund to Department of Environmental Quality for implementation of program for collection, reuse, *[and]* recycling **and disposal** of electronic products. Requires that moneys appropriated from General Fund be reimbursed to fund within 2005-2007 biennium.

Requires sellers of certain electronic products to charge first in-state buyers advance recycling fee to cover costs of program for collection, reuse, *[and]* recycling **and disposal** of products. Appropriates moneys collected through advance recycling fees to department for operation of program.

[Provides that qualified organizations shall receive funding from account to promote and organize collection, reuse and recycling of electronic products.]

Directs department to select entity through request for proposal process to manage program. Directs department to appoint advisory committee to assist department in drafting request for proposal and to review advance recycling fees.

Requires manufacturers of electronic products to report certain information to department.
[Sunsets January 2, 2016.]

A BILL FOR AN ACT

1
2 Relating to recycling of electronic products; and appropriating money.

3 Whereas the people of Oregon need convenient services for the reuse and recycling of electronic
4 products and need to ensure that those products are handled in an environmentally responsible
5 manner upon disposal; and

6 Whereas the handling, recycling and disposal of electronic products should be paid for by the
7 persons who purchase the products rather than by local governments; and

8 Whereas it is worthwhile to encourage reuse and recycling of electronic products and to dis-
9 courage illegal disposal; and

10 Whereas there are large stockpiles of used electronic products that need to be safely disposed
11 of; and

12 Whereas an infrastructure of recycling services that uses competitive contracting, creates
13 economies of scale, minimizes costs and builds reuse and recycling markets is in the best interests
14 of the state; and

15 Whereas this 2005 Act shall be known as the Oregon Electronic Product Stewardship Act; now,
16 therefore,

17 **Be It Enacted by the People of the State of Oregon:**

18 **SECTION 1. As used in sections 1 to 9 of this 2005 Act:**

19 **(1)(a) "Eligible electronic products" means the following product categories:**

20 **(A) Central processing units whether sold alone or with accessories;**

21 **(B) Computer monitors;**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (C) Computer printers;
- 2 (D) Laptop computers; and
- 3 (E) Televisions.

4 (b) "Eligible electronic products" does not mean devices that are:

5 (A) Parts of a motor vehicle, component parts of motor vehicles assembled by or for a
6 vehicle manufacturer or franchised dealer or replacement parts for use in motor vehicles.

7 (B) Contained within or parts of a piece of industrial, commercial, medical, monitoring
8 or control equipment.

9 (C) Contained within a clothes washer or dryer, refrigerator, freezer, microwave oven,
10 conventional oven or range, dishwasher, room air conditioner, dehumidifier or air purifier.

11 (2) "Manufacturer" means any person that manufactures an eligible electronic product
12 sold in Oregon.

13 (3) "Seller" means a person that sells new eligible electronic products to ultimate con-
14 sumers in Oregon by any means.

15 (4) "Television" means a stand-alone display system that has a viewable area greater
16 than nine inches when measured diagonally, is able to adhere to standard consumer video
17 formats such as phase alternate line (PAL), sequential color with memory (SECAM), Na-
18 tional Television Systems Committee (NTSC) and high definition television (HDTV), has the
19 capability of selecting different broadcast channels and can support sound capability.

20 SECTION 2. (1) The Electronic Product Stewardship Account is established separate and
21 distinct from the General Fund. The account is continuously appropriated to the Department
22 of Environmental Quality.

23 (2) The account shall consist of moneys collected by the Department of Revenue pursuant
24 to section 4 of this 2005 Act after payment of the administrative costs incurred by the de-
25 partment in collecting the fees described in section 3 of this 2005 Act. Interest on the
26 moneys in the account shall accrue to the account.

27 (3) The Department of Environmental Quality shall use the moneys in the account:

28 (a) To pay for the administration of sections 1 to 9 of this 2005 Act;

29 (b) To distribute to the entity selected under section 6 of this 2005 Act; and

30 (c) To conduct education programs related to the purposes of sections 1 to 9 of this 2005
31 Act.

32 SECTION 3. (1) A seller shall collect an advance recycling fee from the first in-state
33 buyer of an eligible electronic product as provided in subsection (2) of this section. The seller
34 shall designate the fee as an advance recycling fee for the purpose of funding reuse and re-
35 cycling of electronic products and shall indicate that the fee is an advance recycling fee in
36 a manner that is clearly visible to the buyer of the product.

37 (2) The amount of the fee shall be:

38 (a) Six dollars for flat-screen devices.

39 (b) Eight dollars for computer monitors that are not flat-screen devices.

40 (c) Ten dollars for televisions.

41 (3) If, under a retailer return policy or warranty, a buyer returns an eligible electronic
42 product for which an advance recycling fee has been paid to a seller, the fee shall be refunded
43 to the buyer. The seller may claim a refund or credit in the amount of the returned fee from
44 any future remittance to the Department of Revenue under section 4 of this 2005 Act.

45 SECTION 4. (1) Each seller of electronic products must register with the Department of

1 Revenue. Sellers must report to the department on a quarterly basis the number of eligible
2 electronic products sold and remit the collected advance recycling fees, less three percent
3 for administrative costs.

4 (2) The department may collect the fees in the manner provided by ORS chapters 305 and
5 314.

6 (3) The department shall deposit moneys collected pursuant to this section into the
7 Electronic Product Stewardship Account established by section 2 of this 2005 Act.

8 **SECTION 5.** The Department of Environmental Quality may adopt administrative rules
9 to implement the provisions of sections 1 to 9 of this 2005 Act.

10 **SECTION 6.** (1) The Department of Environmental Quality shall select, through a request
11 for proposal process, an entity to manage the electronic product stewardship program to
12 collect, reuse, recycle and dispose of eligible electronic products.

13 (2) The department shall appoint an advisory committee to assist in drafting the request
14 for proposal. The advisory committee shall consist of manufacturers and sellers of electronic
15 products, representatives of reuse and recycling businesses and other parties interested in
16 and affected by the provisions of sections 1 to 9 of this 2005 Act.

17 (3) The request for proposal shall:

18 (a) Describe the duties of the selected entity;

19 (b) Set outcome criteria for collection, reuse, recycling and disposal of the materials;

20 (c) Describe a public education process;

21 (d) Set requirements for making the entire process accessible to consumers;

22 (e) Ensure that all regions of the state are adequately served; and

23 (f) Include any other provisions the department determines are necessary to implement
24 the provisions of sections 1 to 9 of this 2005 Act.

25 (4) Upon selecting an entity, the department shall enter into a contract with the entity
26 that specifies:

27 (a) A methodology for selecting businesses or organizations that receive contracts or
28 grants from the selected entity. The methodology must employ open and competitive pro-
29 curement practices for selecting collectors, transporters, recyclers and processors and for
30 setting reimbursement rates.

31 (b) Methods to encourage collectors, transporters, recyclers and processors to coordinate
32 their efforts in order to minimize costs.

33 (c) Qualification requirements that businesses or organizations must meet in order to
34 receive funds from the selected entity.

35 (d) Provisions addressing environmentally responsible management.

36 (e) Procedures for monitoring the performance of recyclers, including periodic audits, to
37 ensure that the outcome criteria in the selected entity's request for proposal are met.

38 (f) An educational component that encourages the public to use the services of eligible
39 electronic product collectors and recyclers.

40 (5) The contract shall require that the selected entity make reports to the department
41 to identify:

42 (a) The total weight and number of eligible electronic products collected during the pre-
43 ceding year, listed by category;

44 (b) The total weight and number of products reused, products recycled and products
45 disposed of during the preceding year, listed by category; and

1 (c) All collectors, transporters, recyclers, processors and other entities involved in the
2 recycling of the products during the preceding year.

3 **SECTION 7.** A manufacturer shall provide the following:

4 (1) Assurances to the Department of Revenue that the manufacturer has notified all
5 sellers of eligible electronic products made by the manufacturer that the advance recycling
6 fee must be collected from a buyer and remitted to the department.

7 (2) A list to the Department of Revenue of all sellers of eligible electronic products made
8 by the manufacturer.

9 (3) A report to the Department of Environmental Quality, due on April 1 of each year,
10 containing a description of the efforts and successes in implementing a product stewardship
11 approach, including reducing the use of hazardous materials and increasing the reuse and
12 recycling of waste electronics.

13 (4) A visible label on each eligible electronic product sold in Oregon that designates the
14 name of the manufacturer.

15 **SECTION 8.** The Department of Environmental Quality shall periodically determine
16 whether a nationally implemented reuse and recycling program for eligible electronic pro-
17 ducts exists. If the department determines that such a program exists and provides equal
18 or greater opportunities for the collection, reuse and recycling of eligible electronic products
19 with equal or better environmentally responsible management than do sections 1 to 9 of this
20 2005 Act, then the department shall, pursuant to ORS 171.130, submit a proposed legislative
21 measure to repeal sections 1 to 9 of this 2005 Act.

22 **SECTION 9.** (1) The advisory committee described in section 6 of this 2005 Act shall re-
23 view the advance recycling fees set in section 3 of this 2005 Act to determine whether a
24 product category fee reflects the cost of management of the products in that category. If the
25 fee collected for a product exceeds the cost of collecting, transporting, recycling and pro-
26 cessing the product, the advisory committee shall recommend an adjustment of the fee to
27 the Department of Environmental Quality.

28 (2) The advisory committee described in section 6 of this 2005 Act shall monitor the costs
29 to the selected entity of meeting the outcome criteria and providing the services specified in
30 the request for proposal described in section 6 of this 2005 Act.

31 (3) If, from the monitoring performed under subsection (2) of this section, the advisory
32 committee determines that the advance recycling fee is inadequate to meet performance
33 goals or to provide the specified services, the advisory committee shall recommend an ad-
34 justment of the fee to the department.

35 **SECTION 10.** Section 3 of this 2005 Act becomes operative on January 1, 2007.

36 **SECTION 11.** (1) There is appropriated to the Department of Revenue, for the biennium
37 beginning July 1, 2005, out of the General Fund, the amount of \$_____ for the purpose of
38 carrying out the provisions of section 4 of this 2005 Act.

39 (2) When the department determines that moneys in sufficient amount are available in
40 the Electronic Product Stewardship Account established by section 2 of this 2005 Act, but in
41 no event later than June 30, 2007, the department shall reimburse the General Fund without
42 interest, in an amount equal to the amount appropriated and expended from the General
43 Fund as provided in subsection (1) of this section. The moneys used to reimburse the General
44 Fund under this subsection may not be considered a budget item on which a limitation is
45 otherwise fixed by law, but shall be in addition to any specific biennial appropriations or

1 amounts authorized to be expended from continuously appropriated moneys for any biennial
2 period.

3 **SECTION 12.** (1) There is appropriated to the Department of Environmental Quality, for
4 the biennium beginning July 1, 2005, out of the General Fund, the amount of \$_____ for the
5 purpose of carrying out the provisions of sections 1 to 9 of this 2005 Act.

6 (2) When the department determines that moneys in sufficient amount are available in
7 the Electronic Product Stewardship Account established by section 2 of this 2005 Act, but in
8 no event later than June 30, 2007, the department shall reimburse the General Fund without
9 interest, in an amount equal to the amount appropriated and expended from the General
10 Fund as provided in subsection (1) of this section. The moneys used to reimburse the General
11 Fund under this subsection may not be considered a budget item on which a limitation is
12 otherwise fixed by law, but shall be in addition to any specific biennial appropriations or
13 amounts authorized to be expended from continuously appropriated moneys for any biennial
14 period.

15 _____