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HOUSE BILL 2810

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State of Washington

59th Legislature

2006 Regular Session

By Representatives O'Brien and Morrell

Read first time 01/13/2006. Referred to Committee on Natural Resources, Ecology & Parks.

1 AN ACT Relating to recycling electronic products; reenacting and  
2 amending RCW 43.79A.040; adding a new chapter to Title 19 RCW; and  
3 providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The definitions in this section apply  
6 throughout this chapter unless the context clearly requires otherwise.

7 (1)(a) "Eligible electronic products" means the following product  
8 categories:

9 (i) Central processing units whether sold alone or with  
10 accessories;

11 (ii) Computer monitors;

12 (iii) Computer printers;

13 (iv) Laptop computers; and

14 (v) Televisions.

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

16 (i) Parts of a motor vehicle, component parts of motor vehicles  
17 assembled by or for a vehicle manufacturer or franchised dealer, or  
18 replacement parts for use in motor vehicles;

1 (ii) Functionally or physically part of a larger piece of medical,  
2 commercial, or industrial equipment primarily used for diagnosis,  
3 control, or monitoring of a medical, industrial, or commercial process;  
4 and

5 (iii) Contained within a clothes washer or dryer, refrigerator,  
6 freezer, microwave oven, conventional oven or range, dishwasher, room  
7 air conditioner, dehumidifier, or air purifier.

8 (2) "Manufacturer" means any person that manufactures an eligible  
9 electronic product sold in Washington.

10 (3) "Seller" means a person that sells new eligible electronic  
11 products to ultimate consumers in this state by any means.

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

19 NEW SECTION. **Sec. 2.** The electronic product stewardship account  
20 is created in the custody of the state treasurer. All receipts from  
21 moneys collected by the department of revenue under section 4 of this  
22 act after payment to the department of revenue for the costs associated  
23 with collecting the fees under section 3 of this act must be deposited  
24 into the account. Expenditures from the account may be used only for  
25 the costs of the department of ecology to implement this chapter,  
26 including educational programs. Only the director of ecology or the  
27 director's designee may authorize expenditures from the account. The  
28 account is subject to allotment procedures under chapter 43.88 RCW, but  
29 an appropriation is not required for expenditures.

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

1 (2) The amount of the fee is:  
2 (a) Six dollars for flat-screen devices;  
3 (b) Eight dollars for computer monitors that are not flat-screen  
4 devices; and  
5 (c) Ten dollars for televisions.  
6 (3) If, under a retailer return policy or warranty, a buyer returns  
7 an eligible electronic product for which an advance recycling fee has  
8 been paid to a seller, the fee shall be refunded to the buyer. The  
9 seller may claim a refund or credit in the amount of the returned fee  
10 from any future remittance to the department of revenue under section  
11 4 of this act.

12 NEW SECTION. **Sec. 4.** (1) Each seller of electronic products must  
13 register with the department of revenue. Sellers must report to the  
14 department of revenue on a quarterly basis the number of eligible  
15 electronic products sold and remit the collected advance recycling  
16 fees, less three percent for administrative costs.

17 (2) The department of revenue shall deposit moneys collected under  
18 this section into the electronic product stewardship account created in  
19 section 2 of this act.

20 NEW SECTION. **Sec. 5.** The department of ecology may adopt  
21 administrative rules to implement this chapter.

22 NEW SECTION. **Sec. 6.** (1) The department of ecology shall select,  
23 through a request for proposal process, an entity to manage the  
24 electronic product stewardship program to collect, reuse, recycle, and  
25 dispose of eligible electronic products.

26 (2) The department of ecology shall appoint an advisory committee  
27 to assist in drafting the request for proposal. The advisory committee  
28 shall consist of manufacturers and sellers of electronic products,  
29 representatives of reuse and recycling businesses, and other parties  
30 interested in and affected by this chapter.

31 (3) The request for proposal shall:  
32 (a) Describe the duties of the selected entity;  
33 (b) Set outcome criteria for collection, reuse, recycling, and  
34 disposal of the materials;  
35 (c) Describe a public education process;

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

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

4 (f) Include any other provisions the department of ecology  
5 determines are necessary to implement this chapter.

6 (4) Upon selecting an entity, the department of ecology shall enter  
7 into a contract with the entity that specifies:

8 (a) A methodology for selecting businesses or organizations that  
9 receive contracts or grants from the selected entity. The methodology  
10 must employ open and competitive procurement practices for selecting  
11 collectors, transporters, recyclers, and processors and for setting  
12 reimbursement rates;

13 (b) Methods to encourage collectors, transporters, recyclers, and  
14 processors to coordinate their efforts in order to minimize costs;

15 (c) Qualification requirements that businesses or organizations  
16 must meet in order to receive funds from the selected entity;

17 (d) Provisions addressing environmentally responsible management;

18 (e) Procedures for monitoring the performance of recyclers,  
19 including periodic audits, to ensure that the outcome criteria in the  
20 selected entity request for proposal are met; and

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

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

25 (a) The total weight and number of eligible electronic products  
26 collected during the preceding year, listed by category;

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

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

33 NEW SECTION. **Sec. 7.** A manufacturer shall provide the following:

34 (1) Assurances to the department of revenue that the manufacturer  
35 has notified all sellers known to the manufacturer of eligible  
36 electronic products made by the manufacturer that the advance recycling  
37 fee must be collected from a buyer and remitted to the department;

1 (2) A list to the department of revenue of all sellers known to the  
2 manufacturer of eligible electronic products made by the manufacturer;

3 (3) A report to the department of ecology, due on April 1st of each  
4 year, containing a description of the efforts and successes in  
5 implementing a product stewardship approach, including reducing the use  
6 of hazardous materials and increasing the reuse and recycling of waste  
7 electronics; and

8 (4) A visible label on each eligible electronic product sold in  
9 Washington that designates the name of the manufacturer.

10 NEW SECTION. **Sec. 8.** The department of ecology shall periodically  
11 determine whether a nationally implemented reuse and recycling program  
12 for eligible electronic products exists. If the department determines  
13 that such a program exists and provides equal or greater opportunities  
14 for the collection, reuse, and recycling of eligible electronic  
15 products with equal or better environmentally responsible management  
16 than this chapter, then the department shall submit proposed  
17 legislation to repeal this chapter and adopt the nationally recognized  
18 program.

19 NEW SECTION. **Sec. 9.** (1) The advisory committee appointed under  
20 section 6 of this act shall review the advance recycling fees set in  
21 section 3 of this act to determine whether a product category fee  
22 reflects the cost of management of the products in that category. If  
23 the fee collected for a product exceeds the cost of collecting,  
24 transporting, recycling, and processing the product, the advisory  
25 committee shall recommend an adjustment of the fee to the legislature.

26 (2) The advisory committee shall monitor the costs to the selected  
27 entity of meeting the outcome criteria and providing the services  
28 specified in the request for proposal under section 6 of this act. If  
29 the advisory committee determines that the advance recycling fee is  
30 inadequate to meet performance goals or to provide the specified  
31 services, the advisory committee shall recommend an adjustment of the  
32 fee to the department.

33 NEW SECTION. **Sec. 10.** This act takes effect January 1, 2007.

1       **Sec. 11.** RCW 43.79A.040 and 2005 c 424 s 18, 2005 c 402 s 8, 2005  
2 c 215 s 10, and 2005 c 16 s 2 are each reenacted and amended to read as  
3 follows:

4       (1) Money in the treasurer's trust fund may be deposited, invested,  
5 and reinvested by the state treasurer in accordance with RCW 43.84.080  
6 in the same manner and to the same extent as if the money were in the  
7 state treasury.

8       (2) All income received from investment of the treasurer's trust  
9 fund shall be set aside in an account in the treasury trust fund to be  
10 known as the investment income account.

11       (3) The investment income account may be utilized for the payment  
12 of purchased banking services on behalf of treasurer's trust funds  
13 including, but not limited to, depository, safekeeping, and  
14 disbursement functions for the state treasurer or affected state  
15 agencies. The investment income account is subject in all respects to  
16 chapter 43.88 RCW, but no appropriation is required for payments to  
17 financial institutions. Payments shall occur prior to distribution of  
18 earnings set forth in subsection (4) of this section.

19       (4)(a) Monthly, the state treasurer shall distribute the earnings  
20 credited to the investment income account to the state general fund  
21 except under (b) and (c) of this subsection.

22       (b) The following accounts and funds shall receive their  
23 proportionate share of earnings based upon each account's or fund's  
24 average daily balance for the period: The Washington promise  
25 scholarship account, the college savings program account, the  
26 Washington advanced college tuition payment program account, the  
27 agricultural local fund, the American Indian scholarship endowment  
28 fund, the foster care scholarship endowment fund, the foster care  
29 endowed scholarship trust fund, the students with dependents grant  
30 account, the basic health plan self-insurance reserve account, the  
31 contract harvesting revolving account, the Washington state combined  
32 fund drive account, the commemorative works account, the Washington  
33 international exchange scholarship endowment fund, the developmental  
34 disabilities endowment trust fund, the energy account, the fair fund,  
35 the fruit and vegetable inspection account, the future teachers  
36 conditional scholarship account, the game farm alternative account, the  
37 grain inspection revolving fund, the juvenile accountability incentive  
38 account, the law enforcement officers' and fire fighters' plan 2

1 expense fund, the local tourism promotion account, the produce railcar  
2 pool account, the rural rehabilitation account, the stadium and  
3 exhibition center account, the youth athletic facility account, the  
4 self-insurance revolving fund, the sulfur dioxide abatement account,  
5 the children's trust fund, the Washington horse racing commission  
6 Washington bred owners' bonus fund account, the Washington horse racing  
7 commission class C purse fund account, the individual development  
8 account program account, the Washington horse racing commission  
9 operating account (earnings from the Washington horse racing commission  
10 operating account must be credited to the Washington horse racing  
11 commission class C purse fund account), (~~and~~) the life sciences  
12 discovery fund, and the electronic product stewardship account.  
13 However, the earnings to be distributed shall first be reduced by the  
14 allocation to the state treasurer's service fund pursuant to RCW  
15 43.08.190.

16 (c) The following accounts and funds shall receive eighty percent  
17 of their proportionate share of earnings based upon each account's or  
18 fund's average daily balance for the period: The advanced right of way  
19 revolving fund, the advanced environmental mitigation revolving  
20 account, the city and county advance right-of-way revolving fund, the  
21 federal narcotics asset forfeitures account, the high occupancy vehicle  
22 account, the local rail service assistance account, and the  
23 miscellaneous transportation programs account.

24 (5) In conformance with Article II, section 37 of the state  
25 Constitution, no trust accounts or funds shall be allocated earnings  
26 without the specific affirmative directive of this section.

27 NEW SECTION. **Sec. 12.** Sections 1 through 10 of this act  
28 constitute a new chapter in Title 19 RCW.

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