

SENATE BILL REPORT

SB 5824

As Reported by Senate Committee On:
Environment, Water & Energy, February 21, 2011

Title: An act relating to market share in electronic waste.

Brief Description: Concerning market share in electronic waste.

Sponsors: Senator Pridemore.

Brief History:

Committee Activity: Environment, Water & Energy: 2/18/11, 2/21/11 [DPS, DNP].

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Majority Report: That Substitute Senate Bill No. 5824 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rockefeller, Chair; Nelson, Vice Chair; Chase, Fraser and Ranker.

Minority Report: Do not pass.

Signed by Senators Honeyford, Ranking Minority Member; Delvin, Holmquist Newbry and Morton.

Staff: Sam Thompson (786-7413)

Background: A 2005 act established a product stewardship requirement for manufacturers of certain covered electronic products (CEPs) sold in Washington, including most computer monitors, desktop computers, laptop or portable computers, and TVs. CEP manufacturers must participate in a manufacturer-implemented and financed system for collecting and recycling discarded CEPs.

The Washington Materials Management and Financing Authority (Authority), which includes CEP manufacturers participating in a standard plan implementing the system, has established CEP collection centers and a recycling scheme. The Authority is governed by an 11-member board of directors appointed by the director of the Department of Ecology (Ecology). Five board positions are reserved for representatives of the top ten brand owners by return share and six positions are reserved for representatives of other brands.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Each participating manufacturer provides financing based upon their return share of CEPs, i.e. their apportioned share of the total amount of discarded CEPs collected in Washington by weight, as determined by Ecology. Costs of collecting and recycling orphan products – CEPs that lack a manufacturer's brand, or for which Ecology cannot identify the owner of the brand, or for which the manufacturer is no longer in business and has no successor in interest – are distributed proportionally among all manufacturers.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): Peripheral products sold for use with a computer or TV, defined to include keyboards, printers, small-scale servers, video game consoles, DVD players, and certain other components are designated as CEPs subject to manufacturer product stewardship requirements, beginning in 2013.

Financing will be based upon a manufacturer's apportioned share of sales (i.e., market share) of CEPs by weight, as determined by Ecology using a calculation involving consideration of in-state or nationwide sales, rather than return share. The new financing method will take effect in 2013.

Beginning in 2013, five Authority board positions are reserved for representatives of the top ten brand owners by market share and six positions are reserved for representatives of other brands.

Registered collectors who refurbish computers or glean parts for reuse may do the same for peripheral products, as defined in the act.

The title is revised to become: "An act relating to improving the electronic waste recycling program by including additional products and converting to a market share funding mechanism."

EFFECT OF CHANGES MADE BY ENVIRONMENT, WATER & ENERGY COMMITTEE (Recommended Substitute as Passed Committee): Provisions adding digital picture frames and electronic notebooks, netbooks, tablets, and e-book readers to program requirements are deleted. Beginning in 2013, the Authority is no longer required to submit to Ecology a plan for assessing charges on and apportioning cost among standard plan participants along with an update or revision to the standard plan. Registered collectors who refurbish computers or glean parts for reuse may do the same for peripherals, as defined in the act.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on January 1, 2012.

Staff Summary of Public Testimony on Proposed Substitute as Heard in Committee:

PRO: This legislation will improve the current program, one of the most successful in the U.S., by including additional products. The proposed change to financing based upon market share conforms to the financing method commonly used in programs of other states, which is more equitable and easier to administer. Peripheral products sold for use with computers or TVs can contain toxic materials.

OTHER: While supporting the intent of this bill, the Department of Ecology has concerns regarding fiscal impact.

Persons Testifying: PRO: Senator Pridemore, prime sponsor; Dave Palenshus, IMS Electronic Recycling; Becky Bogard, Technicolor, Inc.

OTHER: Laurie Davies, Department of Ecology.