## HOUSE BILL 2903

State of Washington 64th Legislature 2016 Regular Session

By Representatives Peterson, Ortiz-Self, Tarleton, Stanford, Buys, and Santos

Read first time 01/26/16. Referred to Committee on Environment.

- AN ACT Relating to electronic product recycling; and amending RCW
- 2 70.95N.280 and 70.95N.290.

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- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 70.95N.280 and 2006 c 183 s 29 are each amended to read as follows:
  - (1) The Washington materials management and financing authority is established as a public body corporate and politic, constituting an instrumentality of the state of Washington exercising essential governmental functions. <u>In procuring goods and services</u>, the authority shall be guided by the policies and procedures applicable to state agencies under chapter 39.26 RCW.
  - (2) The authority shall plan and implement a collection, transportation, and recycling program for manufacturers that have registered with the department their intent to participate in the standard program as required under RCW 70.95N.040.
- 16 (3) Membership in the authority is comprised of registered 17 participating manufacturers. Any registered manufacturer who does not 18 qualify or is not approved to submit an independent plan, or whose 19 independent plan has not been approved by the department, is a member 20 of the authority. All new entrants and white box manufacturers are 21 also members of the authority.

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(4) The authority shall act as a business management organization on behalf of the citizens of the state to manage financial resources and contract for services for collection, transportation, and recycling of covered electronic products.

- (5) The authority's standard plan is responsible for collecting, transporting, and recycling the sum of the equivalent shares of each participating manufacturer.
- (6) The authority shall accept into the standard program covered electronic products from any registered collector who meets the requirements of this chapter. The authority shall compensate registered collectors for the reasonable costs associated with collection, but is not required to compensate nor restricted from compensating the additional collection costs resulting from the additional convenience offered to customers through premium and curbside services.
- (7) The authority shall accept and utilize in the standard program any registered processor meeting the requirements of this chapter and any requirements described in the authority's operating plan or through contractual arrangements. Processors utilized by the standard plan shall provide documentation to the authority at least annually regarding how they are meeting the requirements in RCW 70.95N.250 ((and section 26 of this act)), including enough detail to allow the standard plan to meet its reporting requirements in RCW 70.95N.140(2)(c) ((and (d))), and must submit to audits conducted by or for the authority. The authority shall compensate such processors for the reasonable costs, as determined by the authority, associated with processing unwanted electronic products. Such processors must demonstrate that the unwanted electronic products have been received from registered collectors or transporters, and provide other documentation as may be required by the authority.
- 31 (8) Except as specifically allowed in this chapter, the authority 32 shall operate without using state funds or lending the credit of the 33 state or local governments.
  - (9) The authority shall develop innovative approaches to improve materials management efficiency in order to ensure and increase the use of secondary material resources within the economy.
- **Sec. 2.** RCW 70.95N.290 and 2013 c 305 s 12 are each amended to 38 read as follows:

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(1)(a) The authority is governed by a board of directors. The board of directors is comprised of eleven participating manufacturers, appointed by the director of the department.

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- (i) For program years 2009 through 2015, five board positions are reserved for representatives of the top ten brand owners by return share of covered electronic products, and six board positions are reserved for representatives of other brands, including at least one board position reserved for a manufacturer who is also a retailer selling their own private label. The return share of covered electronic products used to determine the top ten brand owners for purposes of electing the board must be determined by the department by January 1, 2007.
- (ii) For program years 2016 and beyond, five board positions are reserved for representatives of the top ten brand owners by market share of covered electronic products, and ((six)) three board positions are reserved for representatives of other brands, including at least one board position reserved for a manufacturer who is also a retailer selling its own private label. The market share of covered electronic products used to determine the top ten brand owners for purposes of electing the board must be determined by the department October 1, 2015. Two board positions are reserved for representatives of companies engaged in the collection and transporting of discarded electronic products, at least one of which must be an employee or owner of a mini or micro-owned business enterprise. One board position is reserved for a representative of organizations advocating for increasing the recycling and reuse of discarded electronic products.
- (b) The board must have representation from both television and computer manufacturers.
- (2) The board shall select from its membership the chair of the board and such other officers as it deems appropriate.
  - (3) A majority of the board constitutes a quorum.
- (4) The directors of the department of commerce and the department of ecology serve as ex officio members. The state agency directors serving in ex officio capacity may each designate an employee of their respective departments to act on their behalf in all respects with regard to any matter to come before the authority. Ex officio designations must be made in writing and communicated to the authority director.

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(5) The board shall create its own bylaws in accordance with the laws of the state of Washington.

- (6) Any member of the board may be removed for misfeasance, malfeasance, or willful neglect of duty after notice and a public hearing, unless the notice and hearing are expressly waived in writing by the affected member.
- (7) The members of the board serve without compensation but are entitled to reimbursement, solely from the funds of the authority, for expenses incurred in the discharge of their duties under this chapter.

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