

# SENATE BILL REPORT

## SB 5762

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As Amended by House, April 10, 2017

**Title:** An act relating to financing of the mercury-containing light stewardship program.

**Brief Description:** Concerning financing of the mercury-containing light stewardship program.

**Sponsors:** Senators Hunt, Short and Sheldon.

**Brief History:**

**Committee Activity:** Ways & Means: 2/15/17, 2/22/17 [DP, w/oRec].

**Floor Activity:**

Passed Senate: 3/07/17, 49-0.

Passed House: 4/10/17, 97-0.

**Brief Summary of Bill**

- Provides that the Department of Ecology (Ecology) may not retain fees in excess of the estimated administrative costs for the stewardship program.
- Requires Ecology to refund any fees collected in excess of administrative costs to any approved stewardship organization.
- Reduces the annual stewardship program fee from \$5,000 to \$2,500.
- Repeals the statutes regarding mercury-containing light recycling by July 1, 2026.

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**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators Braun, Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Billig, Carlyle, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, Pedersen, Schoesler, Warnick and Zeiger.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Brown, Vice Chair; Becker and Padden.

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*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.*

**Staff:** Jed Herman (786-7346)

**Background:** All mercury-containing lights must be recycled and may not be disposed of in waste incinerators or landfills.

Producers of mercury-containing lights must participate in an approved mercury-containing lights product stewardship program (stewardship program), which is responsible for the collection, recycling, and disposal of mercury-containing lights, including compact fluorescent lights. A producer, wholesaler, retailer, or distributor may not offer for sale or distribute mercury-containing lights unless the producer is participating in a stewardship program. Each stewardship program is operated by a product stewardship organization, which must be approved by the Department of Ecology (Ecology).

Every producer of mercury-containing lights sold in or into Washington for residential use must fully finance and participate in a product stewardship program. An environmental handling charge must be added to the price of mercury-containing lights sold to retailers in or into the state to cover these costs, plus a reserve. Each stewardship program, using funds from the environmental handling charge, must pay \$5,000 per participating producer to Ecology to cover its administration and enforcement costs of the stewardship program. The environmental handling charge is determined by the stewardship program organization in consultation with producers, collectors, recyclers, and retailers. The revenue is to be deposited into the Product Stewardship Programs account. Each product stewardship organization must submit an annual report to Ecology that includes a financial audit with information about the amount of the environmental handling charge, and costs of the stewardship program, as well as the amount of unallocated reserve funds.

In 2016, the Legislature directed Ecology in the Omnibus Appropriations Act to not retain any fees in excess of their estimated administrative costs for the stewardship program, and if excess funds did accrue, to refund the excess fees to any approved stewardship organization.

**Summary of Bill:** The annual stewardship program fee paid to Ecology is reduced from \$5,000 to \$2,500. Ecology may not retain fees in excess of the estimated administrative costs for the stewardship program and must refund any excess fees to approved stewardship organizations.

The existing required annual report must include an independent financial audit once every three years.

The mercury-containing lights product stewardship program is repealed on July 1, 2026.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The Legislature has been working on this topic for many years; I am happy to sponsor this bill. The industry is in support of the policies within this bill.

**Persons Testifying:** PRO: Senator Sam Hunt, Prime Sponsor; Charlie Brown, National Electrical Manufacturers Association.

**Persons Signed In To Testify But Not Testifying:** No one.

**EFFECT OF HOUSE AMENDMENT(S):**

- Increases the annual administrative fee paid to Ecology by the mercury-containing lights stewardship organization from \$2,500 per light producer to \$3,000 per light producer.
- Increases the frequency with which the stewardship organization must undergo an independent financial audit to once every two years.
- Specifies that Ecology must refund any excess administrative fees to the stewardship organization within the first three months after each fiscal year ends, beginning after fiscal year 2018.