

SENATE THIRD READING
SB 20 (Sher)
As Amended September 9, 2003
Majority vote

SENATE VOTE : 25-13

NATURAL RESOURCES 7-3 ENVIRONMENTAL SAFETY 4-2

Ayes: Jackson, Hancock, Koretz, Laird, Lieber, Lowenthal, Wolk	Ayes: Laird, Levine, Lieber, Lowenthal
Nays: La Malfa, Harman, Haynes	Nays: Aghazarian, Maddox

APPROPRIATIONS 15-7

Ayes: Steinberg, Berg, Lieber, Diaz, Laird, Goldberg, Levine, Nation, Nunez, Pavley, Ridley-Thomas, Simitian, Wiggins, Yee, Mullin		
Nays: Bates, Daucher, Haynes, Maldonado, Pacheco, Runner, Samuelian		

SUMMARY : Enacts the Electronic Waste Recycling Act of 2003 (Act) to provide for the convenient recycling of covered electronic devices in California. Specifically, this bill:

- 1) States Legislative intent that the program is to provide sufficient funding for the safe, cost-free, and convenient collection and recycling of 100% of the covered electronic waste discarded or offered for recycling in the state, to eliminate electronic waste stockpiles and legacy devices by December 31, 2007, and to end the illegal disposal of covered electronic devices, to establish manufacturer responsibility

for reporting to the California Integrated Waste Management Board (CIWMB) on the manufacturer's efforts to phase out hazardous materials in electronic devices and increase the use of recycled materials.

- 2) Provides that the Department of Toxic Substances Control (DTSC) may, by regulation, establish management standards on the management of electronic waste that the DTSC determines is hazardous or if the Federal Government authorizes an alternative management standard for electronic waste.
- 3) Defines "covered electronic device" as a cathode ray tube, cathode ray tube device, flat panel screen, or any other video display device with a screen size that is greater than four inches in size measured diagonally and which, when discarded or disposed, would be a hazardous waste determined by the DTSC.
- 4) Defines "Consumer" as including business, corporation, limited partnership, non-profit organization, or governmental entity except a wholesale transaction between a distributor and retailer.
- 5) Defines "authorized collector" as any of the following:
 - a) A city, county or district that collects covered electronic devices;
 - b) A person or entity that is required or authorized by a city, county, or district to collect covered electronic devices;
 - c) A non-profit organization that collects or accepts covered electronic devices;
 - d) A manufacturer that collects, consolidates, and transports covered electronic devices for recycling from

- consumers, businesses, institutions, and other generators;
and,
- e) Any entity that collects, handles, consolidates, and transports covered electronic devices.
- 6) Requires DTSC to adopt regulations that prohibit an electronic device from being sold or offered for sale if the electronic

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- device is prohibited from being sold or offered for sale in the European Union, as specified.
- a) Provides that the regulations shall take effect January 1, 2007; or, on or after the date the European Union directive is adopted, as specified.
- 7) On and after July 1, 2004, imposes an electronic waste recycling fee (Fee) upon the purchase of an electronic device by a consumer from a retailer in the following amounts:
- a) Six dollars (\$6) for each electronic device with a screen size of less than 15 inches measured diagonally;
- b) Eight dollars (\$8) for each electronic device with a screen size greater than or equal to 15 inches but less than 35 inches measured diagonally; and,
- c) Ten dollars (\$10) for each electronic device with a screen size greater than or equal to 35 inches measured diagonally.
- 8) Provides that CIWMB in collaboration with DTSC shall review and adjust the Fee at least every two years in a public hearing.
- 9) Requires CIWMB in collaboration with DTSC to base any Fee adjustments on the following factors:
- a) The sufficiency, and any surplus, of revenues in the account to fund the collection, consolidation, and recycling of 100 percent of the covered electronic waste that is projected to be recycled in the state; and,
- b) The sufficiency of revenues in the account.
- 10) Prohibits on and after July 1, 2004, the sale of covered electronic devices to consumers unless the CIWMB or DTSC determines that the manufacturer of the covered electronic device demonstrates compliance with the Act.
- 11) Prohibits on and after January 1, 2005, the sale of covered electronic devices that are not labeled with the name of the manufacturer or the manufacturer brand label that is readily visible.

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- 12) Prohibits on and after July 1, 2005, manufacturers of electronic devices to annually submit a report to CIWMB that includes the following information:
- a) An estimate of the number of covered electronic devices sold by the manufacturer in the state during the previous year;
- b) A baseline or set of baselines that show the amount of hazardous materials used in the manufacture of electronic devices by the manufacturer in that year and the reduction in the use of those hazardous materials from the previous year;
- c) A baseline or set of baselines that show the amount of recycled materials used in the manufacture of electronic devices by the manufacturer in that year and the increase in the use of those recycled materials from the previous year;
- d) A baseline or set of baselines that describe any efforts to design covered electronic devices for recycling and goals and plans for further increasing design for recycling; and,

- 13) Requires manufacturers to make information available to consumers that describes where and how to return, recycle, and dispose of the covered electronic devices and opportunities and locations for the collection or return of the covered electronic devices and provides information to consumers on the electronic waste recycling fee.
- 14) Requires on and after April 1, 2004, manufacturers to inform retailers if a covered electronic device sold by that manufacturer is subject to the recycling fee under the Act.
- 15) Provides that the imposition of the fee is a matter of statewide importance and preempts local agencies from enacting similar fees, but provides that local agencies may adopt, implement or enforce local ordinances, resolutions, regulations or rules governing curbside or drop off recycling programs.
- 16) Authorizes CIWMB to impose administrative civil penalties of

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up to \$2,500 per violation, and to seek civil penalties of up to \$5,000 per violation for each sale of a covered electronic device for which a covered electronic waste recycling fee has not been paid.

- 17) Provides that the Act may be enforced by the DTSC.
- 18) Establishes procedures for CIWMB and DTSC to administer the Act.
- 19) Provides that CIWMB and DTSC may adopt emergency regulations that are necessary to implement the Act and any other regulations DTSC deems necessary enforce the Act.
- 20) Requires CIWMB in collaboration with DTSC to convene an electronic waste working group comprised of representatives from manufacturers of electronic devices and other interested parties to develop and, by July 1, 2005, advise CIWMB and State and Consumer Agency on environmental purchasing criteria that may be used by state agencies to identify electronic devices with reduced environmental impacts.
- 21) Requires CIWMB to annually establish, and update as necessary, statewide recycling goals for covered electronic waste.
- 22) Provides that any statewide goals for electronic waste recycling do not authorize the CIWMB or DTSC to establish any recycling rates or dates by which a manufacturer must comply or impose any other goal or target upon a manufacturer.
- 23) Requires CIWMB to annually report to the Legislature and the public and post on its website the amount of covered electronic devices sold in the state in the previous year.
- 24) Requires CIWMB to annually report to the Legislature and the public on the amount of covered electronic devices recycled in the state in the previous year.
- 25) Establishes the Electronic Waste Recovery and Recycling Account (Account), within the Integrated Waste Management Account into which Fee or penalty revenues shall be deposited, and specifies how those funds may be spent by DTSC and the CIWMB.

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- 26) Provides that CIWMB and DTSC may spend funds in the Account to:
- a) Make electronic waste recovery payments to authorized collectors.
 - b) Make electronic waste recycling payments to covered electronic waste recyclers.
 - c) Provide for administrative costs of CIWMB and DTSC.
 - d) Provide funding to DTSC to implement the Act and any regulations adopted by DTSC to implement the Act.

- 27) Provides that CIWMB may use no more than 1% of the funds annually deposited into the Account for a public information program to educate the public.
- 28) Provides that CIWMB may not provide funds for electronic devices unless the materials will be handled in compliance with all statutes and regulations regarding the export of hazardous wastes.
- 29) Requires any person intending to export a covered electronic waste to a foreign destination to 60 days prior to the export:
- a) Notify DTSC of the destination, contents, and volume of covered electronic waste to be exported.
 - b) Demonstrate that any applicable law or regulation of the country of destination does not prohibit the importation of covered electronic waste.
 - c) Demonstrate that the export is conducted only in accordance with international law.
 - d) Demonstrate that the management of the exported covered electronic will be handled within the country of destination in accordance with applicable rules adopted by the Organization for Economic Co-operation and Development for the environmentally sound management of electronic waste.
 - e) Demonstrate that the covered electronic waste is being exported for the purpose of reuse or recycling.

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- f) Provides that these conditions do not apply to component parts of a covered electronic device that are exported to an authorized collector or recycler and that are reused or recycled into new electronic components.
- 30) Requires that CIWMB in collaboration with DTSC, on and after July 1, 2004, and on July 1 every two years thereafter, shall establish an electronic waste recovery payment schedule for electronic waste generated to cover the net cost for an authorized collector to operate a free and convenient system for collecting, consolidating and transporting electronic waste.
- 31) Requires that CIWMB, in collaboration with DTSC, on and after January 1, 2004, and on January 1 every two years thereafter, shall establish an electronic waste recycling payment schedule to cover an electronic waste recycler's net cost to receive, process, and recycle an electronic device from an authorized collector.
- 32) Provides that CIWMB shall make electronic recycling recovery payments and electronic waste recycling payments for the collection and recycling of covered electronic waste to an authorized collector or covered electronic waste recycler upon receipt of a completed and verified invoice submitted to the recycler by the authorized collector in the form and manner determined by the CIWMB.
- 33) Requires electronic waste recyclers to certify to CIWMB that the electronic waste recycler is in compliance with specified requirements.
- 34) Prohibits state agencies from procuring hazardous electronic devices unless the manufacturer demonstrates compliance with the aforementioned provisions.
- 35) Provides that CIWMB shall not implement the bill's provisions if a federal law is enacted that meets similar standards to those provided under the bill, or if a court enters a final judgement that holds that the fee imposed on manufacturers under the bill is not applicable to out-of-state manufacturers.
- 36) Makes findings and declarations relative to electronic waste

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products, and defines specified terms used in the bill.

FISCAL EFFECT : According to the Assembly Appropriations Committee the Bill will have moderate costs, perhaps \$250,000 annually from FY 2004-05 through FY 2007-08, to the DTSC to adopt regulations, moderate costs, perhaps \$300,000 in FY 2003-04 and \$2 million annually thereafter, to the CIWMB, and potentially substantial revenue, perhaps tens of millions of dollars annually, to the CIWMB to cover its costs of administering the consumer electronics recovery process, to cover the DTSC's related costs, and to provide financial incentives and other subsidies to recyclers, local governments, and manufacturers.

COMMENTS : According to the author's office, this measure is intended to ensure that electronic waste (commonly referred to as E-waste), are properly collected, recycled, refurbished, or disposed. The author notes that, in recent months, E-waste has become a significant environmental hazard and concern to environmental groups, the press, and the general public. Yet, state government has no program that addresses this segment of the waste stream. The purpose of this measure is to establish a program to promote the efficient and cost-effective collection and processing of e-waste to ensure that they do not pose a threat to public health and the environment.

The term E-waste is loosely applied to consumer and business electronic equipment that is near or at the end of its useful life. There is no clear definition for E-waste; for instance, whether or not items like microwave ovens and other similar "appliances" should be grouped into the category have not yet been determined. Certain components of some electronic products contain materials that render them hazardous, depending on their condition and density.

California regulation currently views nonfunctioning cathode ray tubes (CRTs) from televisions and monitors as hazardous. CRTs, often called "picture tubes," convert an electronic signal into a visual image. A typical CRT contains between two and five pounds of lead. Lead is a toxic substance, which may cause lead poisoning and can be especially harmful to young children. If products containing lead are disposed of to the trash, the lead can potentially contaminate the soil and our water supplies.

When tested, most CRTs exceed the regulatory threshold for lead and are identified as hazardous waste when discarded. Waste CRTs

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are subject to hazardous waste regulations that went into effect August 3, 2001. The regulations protect the environment by promoting the safe collection and recycling of waste CRTs. Disposing of CRTs to the trash or to a municipal landfill is prohibited.

The National Safety Council estimates that more than 27 million televisions and 26 million computer monitors will be sold in the United States this year alone, with a projection that some 500 million personal computers will be obsolete by 2007. Californians are expected to throw away approximately 30 million old computers and television monitors in the next few years.

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