

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3369-01
Bill No.: SB 895
Subject: Attorney General, State; Business and Commerce; Environmental Protection;
 Merchandising Practices; Natural Resources Dept.; Waste - Hazardous
Type: Original
Date: February 13, 2008

Bill Summary: Creates the Manufacturer Responsibility and Consumer Convenience
 Computer Equipment Collection and Recovery Act

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture** and **Department of Economic Development** assume no fiscal impact to their agencies.

Officials from the **Secretary of State's Office** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Natural Resources (DNR)** assume under Section 260.1071 the department would be required to educate consumers regarding the collection, recycling and reuse of computer equipment. The department would be required to establish and maintain an internet site providing consumers with information about the recycling and reuse of computer equipment.

Section 260.1074 would give the department the authority to conduct audits and inspections to determine compliance with the proposal. The department and the attorney general shall enforce the sections of this proposal and take any enforcement action against any manufacturer, retailer, or person who recycles or reuses computer equipment for failure to comply with these sections. The department shall issue a written warning notice to a manufacturer who violates the requirements of the proposal.

Section 260.1071.6(1) gives the department the authority to assess a penalty against a manufacturer that does not label its computer equipment or adopt, implement, or submit a recovery plan as required.

ASSUMPTION (continued)

This proposal states that any penalties collected to be credited to the "Compute Recycling Subaccount" to be created under the Hazardous Waste Fund. Money in the subaccount shall be used solely for the administration of the proposal

Section 260.1080 would require the department to compile information from manufactures and issue an electronic report to the committee of the Missouri House and Senate that has jurisdiction over environmental matters.

Section 260.1089.2 requires the department to, by rule, adopt as mandatory standards for recycling or reuse of computer equipment the standards set forth by the "Electronic Recycling Operating Practices as approved by the board of directions of the Institute of Scrap Recycling Industries Inc, or other standards issued by the U.S. Environmental Protection Agency, if available.

Section 260.1101 requires the department to adopt rules required to implement the requirements of the proposal no later than July 1, 2009. The proposal as written shall not be enforced until the rules are promulgated.

The department would be responsible for the implementation of the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act. Requirements of the department include:

Consumer Education – The department would be required to educate consumers regarding the collection and reuse of computer equipment. This includes establishing and maintaining an internet site to provide information on recycling and reuse of computer equipment including manufactures' recycling programs and recovery plans and computer equipment collection events.

Audits and Inspections – To assure compliance with the proposal, the department would have the authority to conduct audits and inspections.

Enforcement – The proposal would require the department to take enforcement action against any manufacturer, retailer, or person who recycles or reuses computer equipment for failure to comply with the requirements of the legislation.

Reporting – The department would be required to compile information from manufacturers and issue an electronic report to the committee to the House and Senate committees having jurisdiction over environmental matters.

ASSUMPTION (continued)

Computer Recycling Subaccount – This subaccount would be created within the Hazardous Waste Fund. Management of the fund including the depositing of the funds and tracking the interest will be need to be conducted.

The department would request one (1) Planner II FTE to conduct the activities required by this proposal.

Under the proposed legislation, the department cannot impose a fee, including a recycling fee or registration fee, on consumer, manufacturer, retailer, or person who recycles, or reuses computer equipment. The department may impose a penalty to be deposited to the “Computer Recycling Subaccount created in the Hazardous Waste Fund. Monies deposited in the subaccount may only be used for the administration of the proposal.

Oversight assume this would be accomplished during the normal budgetary process. Therefore, Oversight assumes the initial administrative impact of this proposal is \$0.

This Proposal Reduces Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes. This proposal creates the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act and this law would require small manufacturers to develop and implement a recovery plan to the DNR before offering computer equipment for sale in the state of Missouri.

Manufacturers of computer equipment would be required to adopt and implement a recovery plan. The recovery plan shall enable a consumer to recycle computer equipment without paying a fee and include provisions for the manufacture's collection of the computer equipment that has reached the end of its useful life and the recycling or reuse of the computer equipment.

The recovery plan shall include provisions for collection of the computer equipment that is reasonably convenient, available to consumers and designed to meet the collection needs of the consumers of the state.

Each manufacturer of computer equipment shall submit a report to the department that includes the weight of computer equipment collected, recycled, reused during the preceding calendar year. Also required in the report is documentation certifying that the collection, recycling and reuse of computer equipment complies with the requirements of the proposal.

FISCAL DESCRIPTION

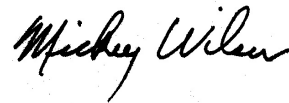
The proposed legislation appears to have no initial fiscal impact however, it could reduce total state revenue.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Agriculture
Department of Natural Resources
Department of Economic Development
Secretary of State's Office

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent 'M' and 'W'.

Mickey Wilson, CPA
Director
February 13, 2008