

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1283-02
Bill No.: SB 364
Subject: Attorney General - State; Business and Commerce; Natural Resources Dept.;
 Environmental Protection; Television
Type: Original
Date: March 4, 2009

Bill Summary: Provides labeling and recycling requirements for television manufacturers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$0	\$527,313	\$524,681
Total Estimated Net Effect on General Revenue Fund	\$0	\$527,313	\$524,681

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	0	1	1
Total Estimated Net Effect on FTE	0	1	1

- 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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** 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 give year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, they 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 Economic Development** assume there will be no fiscal impact to their agency.

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources, but if there is a significant increase in claims over time, AGO may seek additional appropriations to adequately enforce the proposal.

Officials from the **Department of Natural Resources (DNR)** assume that since the registration and other requirements of this proposal commences on January 1, 2011, duties required to implement this proposal would substantially begin July 1, 2010. The department assumes General Revenue would be needed to establish the bill's requirements in rule. Beginning in FY 2012, the department assumes fees generated by the bill would be used to cover expenditures to fully implement and maintain compliance with the bill.

This proposal does not create or designate a fund for the revenues, so for purposes of this fiscal note the department assumes the revenues would go to the General Revenue Fund.

The department would request one (1) Planner II to implement this proposal. This FTE would be responsible for implementing the bill, including the establishment of registration and reporting requirements, collection of registration and renewal fees, determining market share of each manufacturer, establishing and maintaining a television recycling website, educating the public on television recycling. Enforcement actions would be taken as needed to implement the act.

ASSUMPTION (continued)

Funds may be used to conduct audits and inspections to ensure compliance with the bill, and these may be subject of future budgets as both the bill's requirements take effect and registration fees are received by the state.

The department assumes 254 television manufacturers would be required to register and renew annually at a cost of \$2,500 per year. (Information based on data obtained from the National Center for Electronics Recycling.)

The department assumes it would use outside sources to determine each manufacturer's recovery responsibility for televisions to determine market share. The department estimates \$20,000 annually would be needed to obtain market share (based on the amount paid for this service annually by the State of Washington).

Summary of Revenues and Expenditures:

	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$635,000	\$635,000
Expenditures	\$0	\$107,687	\$110,319

*includes \$20,000 annually for determination of market share

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Revenue - Department of Natural Resources</u>			
Annual Registration Fees	\$0	\$635,000	\$635,000
<u>Cost - Department of Natural Resources</u>			
Salaries	\$0	(\$49,065)	(\$50,536)
Fringes	\$0	(\$23,860)	(\$24,576)
Equipment & Expense	\$0	(\$14,762)	(\$15,207)
Other Fund Cost	<u>\$0</u>	<u>(\$20,000)</u>	<u>(\$20,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$527,313</u>	<u>\$524,681</u>
Estimated net FTE for General Revenue	0	1	1
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes, to the extent television manufacturers or retailers are small businesses.

FISCAL DESCRIPTION

This act creates the "Television Electronic Recycling Act".

Television manufacturers shall not sell televisions in Missouri unless the manufacturer's name and brand are affixed on the televisions. By January 1, 2011, any television manufacturer who intends to sell televisions in Missouri must register with the Department of Natural Resources and pay an initial registration fee of \$2,500. Each television manufacturer shall be required thereafter to pay a renewal fee of \$2,500 by January 1st of each year. The registration shall list all the brands used by the television manufacturer.

FISCAL DESCRIPTION (continued)

Beginning in 2012, each television manufacturer who sells televisions in Missouri must recycle a certain amount of discarded televisions based on that manufacturer's market share of televisions sold in Missouri during the previous year. Manufacturers may fulfill this requirement in conjunction with other manufacturers. By January 31, 2012 and on an annual basis thereafter, each television manufacturer must report to the department the amount of televisions it collected and recycled during the previous year.

Beginning January 1, 2011, retailers may only sell televisions of manufacturers who have registered with the department and only televisions labeled with the manufacturer's name and brand. Also by that date, retailers must provide information to their customers regarding television collection and recycling services, which includes the department's website and phone number.

Retailers are not liable for any information left on televisions that they collect and recycle.

The act provides procedures for the department to best determine each television manufacturer's market share and requires the department to notify each manufacturer of the amount it should recycle by March 15, 2012 and annually thereafter.

The department is required to conduct certain information/education activities for consumers.

The department and the Attorney General may enforce the provisions of the act. Any television manufacturer who fails to label its televisions or fails to recycle televisions may be assessed a penalty up to \$10,000 for a first violation, and up to \$25,000 for second or subsequent violations. Individuals or retailers who violate the act's provisions may be subject to a penalty up to \$1,000 for a first violation, and up to \$2,000 for second or subsequent violations. The department shall use the proceeds from paid penalties to offset costs incurred in administering this act and to provide grants to local governments that recycle televisions.

Any financial or proprietary information reported to the department under the act is exempt from the Sunshine Law.

The department shall annually issue a report to the General Assembly based on information reported by manufacturers. The act requires all televisions collected and recycled to be done in accordance with all other laws and requires the department to adopt the Institute of Scrap Recycling Industries, Inc.'s Electronics Recycling Operating Practices in its requirements.

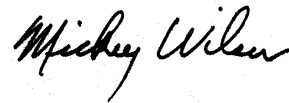
FISCAL DESCRIPTION (continued)

State bidding procedures for televisions must ensure that the requirements of the act are met in any state purchase of televisions.

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

SOURCES OF INFORMATION

Secretary of State's Office
Department of Economic Development
Attorney General's Office
Department of Revenue



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Director
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