



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 897 (Substitute S-3 as reported by the Committee of the Whole)
Senate Bill 898 (Substitute S-4 as reported by the Committee of the Whole)
Sponsor: Senator Valde Garcia (S.B. 897)
 Senator Patricia L. Birkholz (S.B. 898)
Committee: Natural Resources and Environmental Affairs

CONTENT

The bills would add Part 173 (Electronics) to the Natural Resources and Environmental Protection Act to establish requirements for manufacturers and recyclers of covered electronic devices (covered computers and covered video display devices).

Senate Bill 897 (S-3) would do the following:

- Require manufacturers that sold new covered electronic devices in this State to register annually with the Department of Environmental Quality (DEQ) and pay a registration fee of \$2,000 (or \$3,000 if a manufacturer's takeback program did not use Michigan-based recyclers).
- Require the DEQ to maintain a lists of registered manufacturers on its website.
- Beginning April 1, 2010, prohibit a manufacturer from selling a new covered electronic device in this State unless the manufacturer had a computer takeback or video display device takeback program, its name appeared on the applicable DEQ list, and the device met labeling requirements.
- Prohibit a retailer from selling in this State a new covered electronic device purchased from a manufacturer that was not on the DEQ list, beginning April 1, 2010.
- Require manufacturers of covered computers or covered video display devices, beginning April 1, 2010, to implement a computer takeback or video display device takeback program.
- Create the Electronic Waste Advisory Council and require it to make certain evaluations.
- Create the "Electronics Recycling Fund" to cover the DEQ's expenses of administering Part 173, and require registration fees to be deposited in the Fund.

Senate Bill 898 (S-4) would do the following:

- Beginning April 1, 2010, prohibit a person from engaging in the business of recycling covered electronic devices without registering with the DEQ and paying a \$2,000 registration fee.
- Require recyclers to report to the DEQ the total weight of covered electronic devices recycled each year, beginning October 30, 2010.
- Require recyclers to obtain insurance, employ industry-accepted procedures, maintain a management system, and maintain records, and prohibit recyclers from using prison labor to process covered electronic devices.
- Prescribe civil and criminal fines for violations of Part 173, and allow the DEQ to suspend or revoke a recycler's registration for a third or subsequent violation.
- Require civil fines to be deposited in the Electronics Recycling Fund.

-- Grant manufacturers, recyclers, collectors, and retailers immunity from liability for the loss or use of data from an information storage device of a covered electronic device.

The takeback programs would apply to covered electronic devices returned by consumers who used the devices primarily for personal or small business purposes in this State.

The bills are tie-barred to each other.

MCL 324.11514 et al. (S.B. 897)
Proposed MCL 324.17317 et al. (S.B. 898)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would generate an unknown amount of revenue for the State to be used for recycling electronic waste. The registration fees would be deposited into the Electronics Recycling Fund and used for administrative expenses of the DEQ to implement this program. Activities could include administration of manufacturer and recycler registration programs and inspections of recyclers to assess compliance. The amount of fees collected would depend on the number of manufacturers and recyclers that registered with the Department of Environmental Quality and how many of those manufacturers maintained a takeback program for covered electronic devices.

According to the United States Census Bureau, in 2002 there were 556 manufacturers of household electronic devices (electronic computers and terminals) based in the United States that would likely be subject to the provisions of the bill if they wanted to sell their products in Michigan. If all of these manufacturers registered with the State of Michigan, between \$1,112,000 and \$1,668,000 would be collected from the initial registration fee, depending on whether a manufacturer used in-State recyclers for its takeback program. Some major computer manufacturers are not based in the United States and are not included in this number although they would be subject to the same registration requirement. Printer manufacturers would be required to register with the State and pay the fee beginning in 2011.

Beginning in 2010, recyclers of covered electronic devices would be required to register with the DEQ and pay a \$2,000 registration fee. The revenue collected would depend on the number of recyclers.

An indeterminate amount of revenue would be generated from violations of this part. Money collected from civil fines for violations would be deposited into the Electronic Recycling Fund. Criminal fine revenue would benefit public libraries.

Date Completed: 11-12-08

Fiscal Analyst: Jessica Runnels

Floor\sb897

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.