

**GENERAL ASSEMBLY OF NORTH CAROLINA**



**Session 2007**

**Legislative Fiscal Note**

**BILL NUMBER:** House Bill 819 (Third Edition)

**SHORT TITLE:** Electronic Recycling Amends/Add TVs.

**SPONSOR(S):** Representatives Gibson and Allen

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>
<b>REVENUES: (in millions)</b>					
Television Mgt Account	\$0	\$0.123	\$0.123	\$0.123	\$0.123
Delay of Computer Equip. Mgt. Account Collection	(\$0.75 - \$0.80)				
<b>EXPENDITURES:</b>					
Division of Waste Mgt	\$0	\$0.087	\$0.092	\$0.097	\$0.102
Market Share Study	\$0	\$0.010	\$0.010	\$0.010	\$0.010
<b>POSITIONS (cumulative):</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
(1) Senior Environmental Specialist, Division of Waste Management					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Environment & Natural Resources, Division of Waste Management					
<b>EFFECTIVE DATE:</b> January 1, 2010 with the amendment made to GS 130A-309.93(g), GS 130A-309.93A(g), and GS 130A-309.98 becoming effective January 1, 2011.					

**BILL SUMMARY:**

This bill amends the requirements governing the management of discarded computer equipment to include discarded televisions and to delay the effective date until January 1, 2010.

**BACKGROUND:**

As technology advances, computer equipment and televisions are increasing the stream of electronics in solid waste landfills. In response to this growth in electronic waste, a fee will be collected on the sale of computer equipment and televisions in order to divert this waste from

landfills and provide recycling services to all citizens in this State. Article 9 of Chapter 130A of the General Statutes is amended to include televisions in Part 2E to the Discarded Computer Equipment section.

#### **ASSUMPTIONS AND METHODOLOGY:**

##### Discarded Televisions

Each television manufacturer must register with the Department and pay an initial registration fee of \$2,500. The annual renewal fee will be \$2,500 due each fiscal year before June 30. If the permit fee is not paid by June 30 of each year, the Department can charge up to \$150 for an administrative charge. If a television manufacturer sells less than 1,000 televisions per year, the manufacturer is exempt from paying the registration fee and the annual renewal fee.

Based on experience in other states, DENR estimates that there might be approximately 49 registered manufacturers in North Carolina that make televisions exclusively. Since the permit fee must be paid by June 30, the revenues collected in the first year would be about \$122,500 from registration fees and \$122,500 in annual renewals thereafter. These fees will be credited to the Television Management Account.

DENR will annually need to purchase a television market share study from an industry research company. Typically these types of studies cost between \$5,000 and \$15,000 and may be on the upper end if a customized study is necessary. In order to estimate expenditures, the cost of the study assumes \$10,000 annually.

Division of Waste Management will need one additional position to administer the program. The cost of a Senior Environmental Specialist would be approximately \$82,000/year to cover all staff-related costs. The expenditures for salary and related costs follows Moody's inflation rates at 6% for FY09-10, 5.9% for FY10-11, 5.6% for FY11-12 and 5.3% for FY12-13. Although the program begins on January 1, 2010, the cost of the new position assumes that this person would need to be hired at least 6 months prior to the commencement of the program.

##### Discarded Computer Equipment

This bill will also delay the effective date for computer equipment recycling by one year from January 1, 2009 to January 1, 2010. This delay will create a one-year loss in revenues to the Computer Equipment Management Account. The computer equipment recycling facilities pay an initial registration fee of \$10,000 and an annual renewal fee of \$1,000. DENR estimates that there are an estimated 75 to 80 registered computer manufacturers. Revenue in the first year is expected to be between \$750,000 and \$800,000 with annual renewals generating \$75,000 to \$80,000 thereafter.

#### **SOURCES OF DATA:**

Department of Environment & Natural Resources, and Moody's economy.com

#### **TECHNICAL CONSIDERATIONS:** None

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**DATE:** July 14, 2008



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