

2010 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3606 **STATUS:** A Engrossed
SUBJECT: Recycling of electronic devices
GOVERNMENT UNIT AFFECTED: Department of Environmental Quality
PREPARED BY: Dawn Farr
REVIEWED BY: Ken Rocco
DATE: February 12, 2010

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See Analysis.		

REVENUES:
See Analysis.

EFFECTIVE DATE: On passage.

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: The bill modifies provisions related to the determination of return share and return share by weight are calculated for television manufacturers, and, allows the Department of Environmental Quality (DEQ) to assess a surcharge on annual registration fees to cover costs to make the determinations required by the bill.

The bill would change the method for calculating the return share and return share by weight for television manufacturers in the statewide electronics recycling created by HB 2626 (2007). This change would require DEQ staff to spend time responding to television manufacturers about their assigned shares, require additional hours of research, and increase DEQ's investment in national marketing research to make the new determination. Total Other Fund expenditures for Personal Services and Services and Supplies (including market research) are estimated at \$36,400 for 2009-11 and \$54,325 for the 2011-13 biennia. The bill allows DEQ to assess a surcharge to cover increased expenditures resulting from the change in method.

DEQ also indicates that the use of the new method to calculate recycling fees for TV manufacturers will likely result in approximately \$950,000 less Other Fund revenues than under the old method. DEQ anticipates allowing TV manufacturers to change their recycling program choice, which may result in more manufacturers choosing the State Contractor Program and lower potential lost revenues. Once DEQ has determined a more specific revenue impact, they will modify planned recycling expenditures to compensate for anticipated revenue losses, so the net impact on DEQ's operational budget is zero. However, revenue losses will result in DEQ having excess Other Fund expenditure limitation at the end of the 2009-11 biennium.