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PREPARED BY: Jeanne Glenn
DATE PREPARED: March 07, 2011
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LB 626

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	94,681	700,000	1,257,792	1,205,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	94,681	700,000	1,257,792	1,205,000

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 626 would establish the Electronics Recycling Act and Job Creation Act. The fiscal impact would include the following:

Manufacturer registration -- Beginning January 31, 2012, and each year thereafter, manufacturers who sold at least 500 electronic devices in the state the previous calendar year would be required to register with the Department of Environmental Quality (DEQ). Beginning January 31, 2012, and each year thereafter, manufacturers would be required to pay registration fees based upon the number of devices sold within the state. DEQ estimates that 70 manufactures would be subject to the registration fee and that a maximum of \$700,000 could be received from the fee in FY11-12.

Beginning in FY13-14, DEQ would be authorized to adjust manufacturer registration fees to collect at least \$1,000,000 and no more than \$1,500,000 in the following fiscal year. It is estimated that the increased revenue from the fee adjustment would first be expended in FY14-15.

Recycler registration – LB 626 provides that on or after July 1, 2012, recyclers would pay a \$50 registration fee. DEQ estimates that \$5,000 in revenue will be received from this fee and would first be expended in FY12-13.

Environmental Trust Fund grant – LB 626 directs DEQ to apply for a \$500,000 grant from the Nebraska Environmental Trust from FY11-12 though FY16-17. If received, grant revenue would be credited to the Waste Reduction and Recycling Incentive Fund and paid out as grants. It is estimated the first grant from the Nebraska Environmental Trust would be awarded and expended in FY12-13.

Registration fee reduction based upon recycling -- LB 626 provides that beginning January 31, 2013, the manufacturer registration fee shall be reduced by 50% if the percentage of recycled electronic devices is not less than 60%. The impact to the registration fee would depend upon the number of manufacturers meeting the 60% recycling requirement.

DEQ administrative expenses and grant program – All fees collected under LB 626 would be deposited in the Waste Reduction and Recycling Incentive Fund. DEQ would be allowed to use fees collected under LB 626 to offset administrative expenses, and the agency estimates that administrative costs would total \$94,681 Cash Funds in FY11-12 and \$47,792 Cash Funds in FY12-13. In FY12-13, the agency estimates that \$1,210,000 in Electronics Recycling and Job Creation Grants would be approved.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	3/4/11	PHONE 471-2526
COMMENTS			
ENVIRONMENTAL QUALITY – I have no basis to dispute statement.			

RECEIVED**FISCAL NOTE LB626
Environmental Quality**

MAR 3 2011

LEGISLATIVE FISCAL

Prepared By	Lamberson, Thomas
Date Prepared	1/24/2011
Prepared Phone	402-471-4235

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds	94,681	700,000	1,257,792	2,505,000
Federal Funds				
Other Funds				
Total Funds	94,681	700,000	1,257,792	2,505,000

Explanation of Estimate:

The DEQ estimates that the manufacturers registration fees established by LB 626 will generate up to \$705,000 during the first year the fees are collected, and DEQ will adjust the fee structure beginning in fiscal year 2013-2014 collect a maximum of \$1,500,000. This estimate is based on 70 manufacturers required to be registered. In addition, an additional \$500,000 annually may be available for the program from a grant from the Nebraska Environmental Trust Fund. On and after July 1, 2012 any person that operates as a recycler in the state registers with the department and pay a registration fee of \$50. For purposes of this analysis it is assumed that 100 persons will have to register and remit the fee with total revenue from this source of \$5,000 annually. The department assumed that any revenue generated would be expended the next fiscal year.

The DEQ estimates it will take 1.0 FTE the first year and 0.5 FTE the remaining years to implement LB 626.

LB 626 places the following responsibilities on the DEQ:

1. Create and administer an annual manufacturer and recycler registration program;
2. Collect manufacturer and recycler registration fees and remit the fees to the State Treasurer;
3. Annually adjust the registration fee structures;
4. Adopt and promulgate rules and regulations creating standards for recycling and reuse of electronic devices in the state and to carry out the Electronics Recycling and Job Creation Act;
5. Prepare a report to the Legislature on the development of the electronics recycling industry in Nebraska;
6. Annually report to the legislature information related to the funds credited to the Waste Reduction and Recycling Incentive Fund;
7. Annually award grants related to the recycling of electronic devices; and,
8. Until fiscal year 2016 -17 annually apply for a grant from the Nebraska Environmental Trust Fund.
9. Auditing and inspection activities related to fee collection and grant administration.

It should be noted that manufacturers that sell less than 500 devices are not required to register, therefore the fee of \$1,250 would not apply.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
Environmental Quality Programs Specialist	1	0.5	36,793	18,397
		Benefits	26,972	13,437
		Operating	23,916	13,958
		Travel	2,000	2,000
		Capital outlay	5,000	0
		Aid		1,210,000
		Capital improvements		
		Total	94,681	1,257,792