

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		1,600,000	1,600,000	1,600,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		1,600,000	1,600,000	1,600,000

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

LB 644 would establish the Electronics Recycling Act. The fiscal impact would include the following:

**Manufacturer registration** -- Beginning January 31, 2010, manufacturers of electronic devices would be required to register with the Department of Environmental Quality (DEQ). Beginning January 31, 2010, and each year thereafter, manufacturers would be required to pay registration fees based upon the number of devices sold within the state. Annual fees would be: \$1,000 for manufacturers selling 500 to 1,000 devices in the state; \$7,500 for manufacturers selling more than 1,000 to 5,000 devices in the state; and \$20,000 for manufacturers selling more than 5,000 devices in the state. DEQ estimates that 80 manufacturers would be subject to the registration fee and that a maximum of \$1,600,000 could be received from the fee. Fees would be deposited in the Waste Reduction and Recycling Incentive Fund.

**Registration fee reduction based upon recycling** -- LB 644 provides that beginning January 31, 2010, in order to receive a reduction in the registration fee, manufacturer must certify to DEQ the number of electronic devices recycled as a percentage of the number of electronic sold in the state in the previous calendar year. Reductions would be based upon the following guidelines:

<u>Percent of equipment recycled</u>	<u>Percent of fee reduction</u>
At least 10% and less than 20%	10%
At least 20% and less than 30%	20%
30% or more	50%

The impact on revenue in future fiscal years will depend upon the number of manufacturers meeting this standard, and thereby qualifying for a fee reduction.

**DEQ fee adjustment** -- Beginning in FY11-12 and thereafter, DEQ would adjust registration fees to collect a minimum of \$1,000,000 and a maximum of \$1,500,000 in revenue annually. The need for fee adjustments will depend upon the number of manufacturers registering under the act and the extent of fee reductions that may occur as a result of equipment recycling efforts.

**DEQ administrative expenses and grant program** -- DEQ would be allowed to use fees collected under LB 644 to offset administrative expenses, but the agency estimates that it could carry out provisions of the act using existing staff. As a result, all funding received under LB 644 would be devoted to a grant program for infrastructure development and the collection, transportation and recycling of electronic devices. It is estimated that the first grants would be awarded in FY10-11.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE	2/11/09	PHONE	471-2526
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COMMENTS

ENVIRONMENTAL QUALITY – I concur. This is in the high range of possible cash fund proceeds.