

Multiple Agency Fiscal Note Summary

Bill Number: 2903 HB	Title: Electronic product recycling
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final 2/ 5/2016
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 43690

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2903 HB	Title: Electronic product recycling	Agency: 461-Department of Ecology
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Part I: Estimates

☒ No Fiscal Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/29/2016
Agency Preparation: My-Hanh Mai	Phone: 360-407-6996	Date: 02/03/2016
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/03/2016
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/04/2016

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Under current law, Ecology is required to fill the 11 positions on the Washington Materials Management & Financing Authority (WMMFA) Board with representatives of the manufacturers that are funding the program.

House bill 2903 would amend RCW 70.95N, the Electronic Product Recycling Act, by requiring the WMMFA to be guided by the policies and procedures of RCW 39.26 when procuring goods and services.

In addition, Ecology would be required to fill three of the eleven positions on the WMMFA Board of Directors with representatives of businesses or organizations that are not manufacturers of covered electronic products effective in program year 2016 and beyond. This bill would require two Board positions be reserved for representatives of collection and transportation businesses (one of which must be a mini or micro-owned business enterprise), and one Board position would be reserved for an organization that advocates for the recycling and reuse of discarded electronic products.

Section 1 would amend RCW 70.95N, the Electronic Product Recycling Act, by requiring the WMMFA to be guided by the policies and procedures of RCW 39.26 when procuring goods and services.

Section 2 would require Ecology to fill three of the eleven positions on the WMMFA Board of Directors with representatives of businesses/organizations that are not manufacturers of covered electronic products beginning in the program year 2016 and beyond. Under the current E-Cycle law, Ecology is required to recruit and fill the WMMFA Board positions. Since Ecology currently does this work, additional resources would not be required.

Ecology assumes that the instructions are sufficiently specific and clear in the law that rulemaking would not be required to give Ecology authority to select three positions for the Board according to the requirements of this bill. Ecology does not anticipate a problem with implementing the changes in this bill without amending the rule, chapter 173-900 WAC. As a best management practice, Ecology assumes these changes should be incorporated into the rule at some point. Ecology anticipates delaying the rule amendment process until other amendments are also needed and it would be more financially feasible to spend funds on a rule amendment.

This bill would not have fiscal impact on the Department of Ecology.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

This bill would not require new rule making.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2903 HB	Title: Electronic product recycling
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☒ Cities: Solid waste utilities where electronic waste products are collected for sale to the WMMFA

☒ Counties: Same as above

☒ Special Districts: Same as above

☒ Specific jurisdictions only: Qualifying small governments

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☐ Expenditures represent one-time costs:

☒ Legislation provides local option: Jurisdictions may elect to partner with WMMFA

☒ Key variables cannot be estimated with certainty at this time: Number of jurisdictions partnering with WMMFA; effect of legislation on rates paid to collectors

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Allan Johnson	Phone: 360-725-5033	Date: 02/05/2016
Leg. Committee Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/29/2016
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/05/2016
OFM Review: David Dula	Phone: (360) 902-7437	Date: 02/05/2016

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill would require the Washington Materials Management and Financing Authority (WMMFA) to follow the procurement policies established and implemented by the Department of Enterprise Services that apply to state agencies. The bill would also adjust the composition of the WMMFA board.

BACKGROUND:

The WMMFA is a quasi-public agency and considered an "instrumentality" of the State of Washington exercising essential government functions. It operates as a business management organization to manage the collection, transportation and recycling of covered electronic products. The agency fulfills its mission on behalf of its member manufacturers who finance the operations of the WMMFA. The WMMFA is governed by a board composed of member manufacturers and retailers appointed by the Department of Ecology.

Small governments may partner with the WMMFA as a collector and they are defined as: a city with a population of less than 50,000; a county with a population of less than 125,000; or a special purpose district.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

This legislation would have no impact on expenditures by local jurisdictions. This bill is not anticipated to impact the amount of waste collected or the cost of collecting and providing this material to the WMMFA.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

This bill would have an indeterminate impact on revenue provided to jurisdictions collecting electronic waste and selling this material to the WMMFA.

Information from the Department of Ecology indicates that approximately two-dozen jurisdictions currently are registered as collectors for the WMMFA. These cities, counties, and solid waste districts receive payment based upon pounds of electronic waste collected and provided to the WMMFA. These amounts are established via the WMMFAs Standard Operating Plan.

This bill would change the procurement procedures currently used by WMMFA and could affect operating costs and reimbursement rates. Based upon information from the WMMFA, the effect of these changes on rates paid to collectors could be higher or lower and cannot be estimated in advance. As a result, fiscal impacts to local jurisdictions providing electronic waste to the WMMFA is indeterminate.

SOURCES:

WMMFA

Department of Ecology