

**ASSEMBLY BILL**

**No. 1022**

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**Introduced by Assembly Member Eggman**

February 22, 2013

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An act to amend Sections 42463 and 42476 of, and to add and repeal Section 42479.5 of, the Public Resources Code, relating to recycling and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1022, as introduced, Eggman. Electronic waste: CRT glass market development payments.

Existing law, the Electronic Waste Recycling Act of 2003, requires a retailer selling a covered electronic device in this state to collect a covered electronic waste recycling fee from the consumer, as specified. These fees are deposited in the Electronic Waste Recovery and Recycling Account, and the Department of Resources Recycling and Recovery (CalRecycle) is continuously appropriated the money in the account to, among other things, make electronic waste recovery payments and recycling payments.

This bill would require the department to make CRT glass, as defined, market development payments to a manufacturer or an electronic waste recycler who uses CRT glass to manufacture a product in this state, pursuant to a specified claims procedure. The bill would repeal on a unspecified date the requirement to make these payments. The bill would additionally authorize the expenditure of not more than \$10,000,000 each year of the continuously appropriated funds for the purpose of making those market development payments, until that unspecified date.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 42463 of the Public Resources Code is  
 2 amended to read:  
 3 42463. For the purposes of this chapter, the following terms  
 4 have the following meanings, unless the context clearly requires  
 5 otherwise:  
 6 (a) “Account” means the Electronic Waste Recovery and  
 7 Recycling Account created in the Integrated Waste Management  
 8 Fund under Section 42476.  
 9 (b) “Authorized collector” means any of the following:  
 10 (1) A city, county, or district that collects covered electronic  
 11 devices.  
 12 (2) A person or entity that is required or authorized by a city,  
 13 county, or district to collect covered electronic devices pursuant  
 14 to the terms of a contract, license, permit, or other written  
 15 authorization.  
 16 (3) A nonprofit organization that collects or accepts covered  
 17 electronic devices.  
 18 (4) A manufacturer or agent of the manufacturer that collects,  
 19 consolidates, and transports covered electronic devices for  
 20 recycling from consumers, businesses, institutions, and other  
 21 generators.  
 22 (5) An entity that collects, handles, consolidates, and transports  
 23 covered electronic devices and has filed applicable notifications  
 24 with the department pursuant to Chapter 23 (commencing with  
 25 Section 66273.1) of Division 4.5 of Title 22 of the California Code  
 26 of Regulations.  
 27 (c) “Consumer” means a person who purchases a new or  
 28 refurbished covered electronic device in a transaction that is a  
 29 retail sale or in a transaction to which a use tax applies pursuant  
 30 to Part 1 (commencing with Section 6001) of Division 2 of the  
 31 Revenue and Taxation Code.  
 32 (d) “CRT glass” means glass released or derived from the  
 33 treatment or breakage of a cathode ray tube that is from or part  
 34 of a covered electronic device.  
 35 (d)

1 (e) Notwithstanding Section 40118, “department” means the  
2 Department of Toxic Substances Control.

3 ~~(e)~~

4 (f) (1) Except as provided in paragraph (2), “covered electronic  
5 device” means a video display device containing a screen greater  
6 than four inches, measured diagonally, that is identified in the  
7 regulations adopted by the department pursuant to subdivision (b)  
8 of Section 25214.10.1 of the Health and Safety Code.

9 (2) “Covered electronic device” does not include any of the  
10 following:

11 (A) A video display device that is a part of a motor vehicle, as  
12 defined in Section 415 of the Vehicle Code, or any component  
13 part of a motor vehicle assembled by, or for, a vehicle manufacturer  
14 or franchised dealer, including replacement parts for use in a motor  
15 vehicle.

16 (B) A video display device that is contained within, or a part of  
17 a piece of industrial, commercial, or medical equipment, including  
18 monitoring or control equipment.

19 (C) A video display device that is contained within a clothes  
20 washer, clothes dryer, refrigerator, refrigerator and freezer,  
21 microwave oven, conventional oven or range, dishwasher, room  
22 air-conditioner, dehumidifier, or air purifier.

23 (D) An electronic device, on and after the date that it ceases to  
24 be a covered electronic device under subdivision (e) of Section  
25 25214.10.1 of the Health and Safety Code.

26 ~~(f)~~

27 (g) “Covered electronic waste” or “covered e-waste” means a  
28 covered electronic device that is discarded.

29 ~~(g)~~

30 (h) “Covered electronic waste recycling fee” or “covered e-waste  
31 recycling fee” means the fee imposed pursuant to Article 3  
32 (commencing with Section 42464).

33 ~~(h)~~

34 (i) “Covered electronic waste recycler” or “covered e-waste  
35 recycler” means any of the following:

36 (1) A person who engages in the manual or mechanical  
37 separation of covered electronic devices to recover components  
38 and commodities contained therein for the purpose of reuse or  
39 recycling.

1 (2) A person who changes the physical or chemical composition  
2 of a covered electronic device, in accordance with the requirements  
3 of Chapter 6.5 (commencing with Section 25100) of Division 20  
4 of the Health and Safety Code and the regulations adopted pursuant  
5 to that chapter, by deconstructing, size reduction, crushing, cutting,  
6 sawing, compacting, shredding, or refining for purposes of  
7 segregating components, for purposes of recovering or recycling  
8 those components, and who arranges for the transport of those  
9 components to an end user.

10 (3) A manufacturer who meets any conditions established by  
11 this chapter and Chapter 6.5 (commencing with Section 25100)  
12 of Division 20 of the Health and Safety Code for the collection or  
13 recycling of covered electronic waste.

14 ~~(i)~~

15 (j) “Discarded” has the same meaning as defined in subdivision  
16 (b) of Section 25124 of the Health and Safety Code.

17 ~~(j)~~

18 (k) “Electronic waste recovery payment” means an amount  
19 established and paid by the Department of Resources Recycling  
20 and Recovery pursuant to Section 42477.

21 ~~(k)~~

22 (l) “Electronic waste recycling payment” means an amount  
23 established and paid by the Department of Resources Recycling  
24 and Recovery pursuant to Section 42478.

25 ~~(l)~~

26 (m) “Hazardous material” has the same meaning as defined in  
27 Section 25501 of the Health and Safety Code.

28 ~~(m)~~

29 (n) “Manufacturer” means either of the following:

30 (1) A person who manufactures a covered electronic device sold  
31 in this state.

32 (2) A person who sells a covered electronic device in this state  
33 under that person’s brand name.

34 ~~(n)~~

35 (o) “Person” means an individual, trust firm, joint stock  
36 company, business concern, and corporation, including, but not  
37 limited to, a government corporation, partnership, limited liability  
38 company, and association. Notwithstanding Section 40170,  
39 “person” also includes a city, county, city and county, district,  
40 commission, the state or a department, agency, or political

1 subdivision thereof, an interstate body, and the United States and  
2 its agencies and instrumentalities to the extent permitted by law.

3 ~~(o)~~

4 (p) “Recycling” has the same meaning as defined in subdivision  
5 (a) of Section 25121.1 of the Health and Safety Code.

6 ~~(p)~~

7 (q) “Refurbished,” when used to describe a covered electronic  
8 device, means a device that the manufacturer has tested and  
9 returned to a condition that meets factory specifications for the  
10 device, has repackaged, and has labeled as refurbished.

11 ~~(q)~~

12 (r) “Retailer” means a person who makes a retail sale of a new  
13 or refurbished covered electronic device. “Retailer” includes a  
14 manufacturer of a covered electronic device who sells that covered  
15 electronic device directly to a consumer through any means,  
16 including, but not limited to, a transaction conducted through a  
17 sales outlet, catalog, or the Internet, or any other similar electronic  
18 means.

19 ~~(r)~~

20 (s) (1) “Retail sale” has the same meaning as defined under  
21 Section 6007 of the Revenue and Taxation Code.

22 (2) “Retail sale” does not include the sale of a covered electronic  
23 device that is temporarily stored or used in California for the sole  
24 purpose of preparing the covered electronic device for use  
25 thereafter solely outside the state, and that is subsequently  
26 transported outside the state and thereafter used solely outside the  
27 state.

28 ~~(s)~~

29 (t) “Vendor” means a person that makes a sale of a covered  
30 electronic device for the purpose of resale to a retailer who is the  
31 lessor of the covered electronic device to a consumer under a lease  
32 that is a continuing sale and purchase pursuant to Part 1  
33 (commencing with Section 6001) of Division 2 of the Revenue  
34 and Taxation Code.

35 ~~(t)~~

36 (u) “Video display device” means an electronic device with an  
37 output surface that displays, or is capable of displaying, moving  
38 graphical images or a visual representation of image sequences or  
39 pictures, showing a number of quickly changing images on a screen  
40 in fast succession to create the illusion of motion, including, if

1 applicable, a device that is an integral part of the display, in that  
 2 it cannot be easily removed from the display by the consumer, that  
 3 produces the moving image on the screen. A video display device  
 4 may use, but is not limited to, a cathode ray tube (CRT), liquid  
 5 crystal display (LCD), gas plasma, digital light processing, or other  
 6 image projection technology.

7 SEC. 2. Section 42476 of the Public Resources Code is  
 8 amended to read:

9 42476. (a) The Electronic Waste Recovery and Recycling  
 10 Account is hereby established in the Integrated Waste Management  
 11 Fund. All fees collected pursuant to this chapter shall be deposited  
 12 in the account. Notwithstanding Section 13340 of the Government  
 13 Code, the funds in the account are hereby continuously  
 14 appropriated, without regard to fiscal year, for the following  
 15 purposes:

16 (1) To pay refunds of the covered electronic waste recycling  
 17 fee imposed under Section 42464.

18 (2) To make electronic waste recovery payments to an  
 19 authorized collector of covered electronic waste pursuant to Section  
 20 42479.

21 (3) To make electronic waste recycling payments to covered  
 22 electronic waste recyclers pursuant to Section 42479.

23 (4) To make payments to manufacturers pursuant to subdivision  
 24 (h).

25 (5) *To make market development payments for CRT glass*  
 26 *pursuant to Section 42479.5, in an amount of no more than ten*  
 27 *million dollars (\$10,000,000) each year, until January 1, \_\_\_\_.*

28 (b) (1) The money in the account may be expended for the  
 29 following purposes only upon appropriation by the Legislature in  
 30 the annual Budget Act:

31 (A) For the administration of this chapter by the Department of  
 32 Resources Recycling and Recovery and the department.

33 (B) To reimburse the State Board of Equalization for its  
 34 administrative costs of registering, collecting, making refunds, and  
 35 auditing retailers and consumers in connection with the covered  
 36 electronic waste recycling fee imposed under Section 42464.

37 (C) To provide funding to the department to implement and  
 38 enforce Chapter 6.5 (commencing with Section 25100) of Division  
 39 20 of the Health and Safety Code, as that chapter relates to covered

1 electronic devices, and any regulations adopted by the department  
2 pursuant to that chapter.

3 (D) To establish the public information program specified in  
4 subdivision (d).

5 (2) Any fines or penalties collected pursuant to this chapter shall  
6 be deposited in the Electronic Waste Penalty Subaccount, which  
7 is hereby established in the account. The funds in the Electronic  
8 Waste Penalty Subaccount may be expended by the Department  
9 of Resources Recycling and Recovery or the department only upon  
10 appropriation by the Legislature.

11 (c) Notwithstanding Section 16475 of the Government Code,  
12 any interest earned upon funds in the Electronic Waste Recovery  
13 and Recycling Account shall be deposited in that account for  
14 expenditure pursuant to this chapter.

15 (d) Not more than 1 percent of the funds annually deposited in  
16 the Electronic Waste Recovery and Recycling Account shall be  
17 expended for the purposes of establishing the public information  
18 program to educate the public in the hazards of improper covered  
19 electronic device storage and disposal and on the opportunities to  
20 recycle covered electronic devices.

21 (e) The Department of Resources Recycling and Recovery shall  
22 adopt regulations specifying cancellation methods for the recovery,  
23 processing, or recycling of covered electronic waste.

24 (f) The Department of Resources Recycling and Recovery may  
25 pay an electronic waste recycling payment or electronic waste  
26 recovery payment only for covered electronic waste that meets all  
27 of the following conditions:

28 (1) (A) The covered electronic waste is demonstrated to have  
29 been generated by a person who used the covered electronic device  
30 while located in this state.

31 (B) Covered electronic waste generated outside of the state and  
32 subsequently brought into the state is not eligible for payment.

33 (C) The Department of Resources Recycling and Recovery shall  
34 establish documentation requirements for purposes of this  
35 paragraph that are necessary to demonstrate that the covered  
36 electronic waste was generated in the state and eligible for payment.

37 (2) The covered electronic waste, including any residuals from  
38 the processing of the waste, is handled in compliance with all  
39 applicable statutes and regulations.

- 1 (3) The manufacturer or the authorized collector or recycler of  
2 the electronic waste provides a cost-free and convenient  
3 opportunity to recycle electronic waste, in accordance with the  
4 legislative intent specified in subdivision (b) of Section 42461.
- 5 (4) If the covered electronic waste is processed, the covered  
6 electronic waste is processed in this state according to the  
7 cancellation method authorized by the Department of Resources  
8 Recycling and Recovery.
- 9 (g) The Legislature hereby declares that the state is a market  
10 participant in the business of the recycling of covered electronic  
11 waste for all of the following reasons:
- 12 (1) The fee is collected from the state’s consumers for covered  
13 electronic devices sold for use in the state.
- 14 (2) The purpose of the fee and subsequent payments is to prevent  
15 damage to the public health and the environment from waste  
16 generated in the state.
- 17 (3) The recycling system funded by the fee ensures that  
18 economically viable and sustainable markets are developed and  
19 supported for recovered materials and components in order to  
20 conserve resources and maximize business and employment  
21 opportunities within the state.
- 22 (h) (1) The Department of Resources Recycling and Recovery  
23 may make a payment to a manufacturer that takes back a covered  
24 electronic device from a consumer in this state for purposes of  
25 recycling the device at a processing facility. The amount of the  
26 payment made by the Department of Resources Recycling and  
27 Recovery shall equal the value of the covered electronic waste  
28 recycling fee paid for that device. To qualify for a payment  
29 pursuant to this subdivision, the manufacturer shall demonstrate  
30 both of the following to the Department of Resources Recycling  
31 and Recovery:
- 32 (A) The covered electronic device for which payment is claimed  
33 was used in this state.
- 34 (B) The covered electronic waste for which a payment is  
35 claimed, including any residuals from the processing of the waste,  
36 has been, and will be, handled in compliance with all applicable  
37 statutes and regulations.
- 38 (2) A covered electronic device for which a payment is made  
39 under this subdivision is not eligible for an electronic waste

1 recovery payment or an electronic waste recycling payment under  
2 Section 42479.

3 SEC. 3. Section 42479.5 is added to the Public Resources Code,  
4 to read:

5 42479.5. (a) The department shall make CRT glass market  
6 development payments to a manufacturer or an electronic waste  
7 recycler who uses CRT glass to manufacture a product in this state.

8 (b) (1) The manufacturer or electronic waste recycler that seeks  
9 a market development payment shall submit a CRT glass  
10 development payment claim to the department for each calendar  
11 quarter in which the payment is being claimed, in the form and  
12 manner that the department may prescribe.

13 (2) The department may make a CRT glass market development  
14 payment to a manufacturer or electronic waste recycler only if the  
15 department determines both of the following:

16 (A) The manufacturer or electronic waste recycler demonstrates  
17 to the department that it is in compliance with all applicable laws.

18 (B) The electronic waste recycler or a manufacturer will utilize  
19 the CRT glass to manufacture a product in this state.

20 (c) This section shall remain in effect only until January 1,  
21 \_\_\_\_\_, and as of that date is repealed, unless a later enacted statute,  
22 that is enacted before January 1, \_\_\_\_\_, deletes or extends that date.