

AMENDED IN SENATE AUGUST 12, 2013

AMENDED IN SENATE JULY 9, 2013

AMENDED IN ASSEMBLY APRIL 23, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1022

**Introduced by Assembly Member Eggman
(Coauthors: Assembly Members Chesbro and Skinner)**

February 22, 2013

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 amended, 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 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, in consultation with the Department of Toxic Substances Control, to make CRT glass, as defined, market development ~~payments~~ *processing payments or CRT glass market development manufacturing payments* to a CRT glass processor, a CRT glass manufacturer, or an electronic waste recycler who ~~processes~~

~~for use or uses CRT glass to manufacture a product in this state processes eligible CRT glass for use in a product or in a manufacturing process, or utilizes eligible CRT glass in a product or in a manufacturing process,~~ pursuant to a specified claims procedure. The bill would repeal the requirement to make these payments on January 1, 2020. 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, payments~~ until January 1, 2020.

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.

1 (c) “Consumer” means a person who purchases a new or
2 refurbished covered electronic device in a transaction that is a
3 retail sale or in a transaction to which a use tax applies pursuant
4 to Part 1 (commencing with Section 6001) of Division 2 of the
5 Revenue and Taxation Code.

6 (d) “CRT glass” means glass released or derived from the
7 treatment or breakage of a cathode ray tube that is from or part of
8 a covered electronic device.

9 (e) “CRT glass manufacturer” means a person who produces
10 or manufactures a product containing recycled CRT glass in the
11 state.

12 (f) “CRT glass processor” means a person who processes CRT
13 glass in a manner that separates the hazardous components from
14 the glass in a manner that allows the nonhazardous glass to be
15 recycled.

16 (g) Notwithstanding Section 40118, “department” means the
17 Department of Toxic Substances Control.

18 (h) (1) Except as provided in paragraph (2), “covered electronic
19 device” means a video display device containing a screen greater
20 than four inches, measured diagonally, that is identified in the
21 regulations adopted by the department pursuant to subdivision (b)
22 of Section 25214.10.1 of the Health and Safety Code.

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

25 (A) A video display device that is a part of a motor vehicle, as
26 defined in Section 415 of the Vehicle Code, or any component
27 part of a motor vehicle assembled by, or for, a vehicle manufacturer
28 or franchised dealer, including replacement parts for use in a motor
29 vehicle.

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

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

37 (D) An electronic device, on and after the date that it ceases to
38 be a covered electronic device under subdivision (e) of Section
39 25214.10.1 of the Health and Safety Code.

1 (i) “Covered electronic waste” or “covered e-waste” means a
2 covered electronic device that is discarded.

3 (j) “Covered electronic waste recycling fee” or “covered e-waste
4 recycling fee” means the fee imposed pursuant to Article 3
5 (commencing with Section 42464).

6 (k) “Covered electronic waste recycler” or “covered e-waste
7 recycler” means any of the following:

8 (1) A person who engages in the manual or mechanical
9 separation of covered electronic devices to recover components
10 and commodities contained therein for the purpose of reuse or
11 recycling.

12 (2) A person who changes the physical or chemical composition
13 of a covered electronic device, in accordance with the requirements
14 of Chapter 6.5 (commencing with Section 25100) of Division 20
15 of the Health and Safety Code and the regulations adopted pursuant
16 to that chapter, by deconstructing, size reduction, crushing, cutting,
17 sawing, compacting, shredding, or refining for purposes of
18 segregating components, for purposes of recovering or recycling
19 those components, and who arranges for the transport of those
20 components to an end user.

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

25 (l) “Discarded” has the same meaning as defined in subdivision
26 (b) of Section 25124 of the Health and Safety Code.

27 (m) “Electronic waste recovery payment” means an amount
28 established and paid by the Department of Resources Recycling
29 and Recovery pursuant to Section 42477.

30 (n) “Electronic waste recycling payment” means an amount
31 established and paid by the Department of Resources Recycling
32 and Recovery pursuant to Section 42478.

33 (o) “Hazardous material” has the same meaning as defined in
34 Section 25501 of the Health and Safety Code.

35 (p) “Manufacturer” means either of the following:

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

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

1 (q) “Person” means an individual, ~~trust~~ *trust*, firm, joint stock
2 company, business concern, and corporation, including, but not
3 limited to, a government corporation, partnership, limited liability
4 company, and association. Notwithstanding Section 40170,
5 “person” also includes a city, county, city and county, district,
6 commission, the state or a department, agency, or political
7 subdivision thereof, an interstate body, and the United States and
8 its agencies and instrumentalities to the extent permitted by law.

9 (r) “Recycling” has the same meaning as defined in subdivision
10 (a) of Section 25121.1 of the Health and Safety Code.

11 (s) “Refurbished,” when used to describe a covered electronic
12 device, means a device that the manufacturer has tested and
13 returned to a condition that meets factory specifications for the
14 device, has repackaged, and has labeled as refurbished.

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

22 (u) (1) “Retail sale” has the same meaning as defined under
23 Section 6007 of the Revenue and Taxation Code.

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

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

36 (w) “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, 2020.

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 of Resources Recycling and
6 Recovery, in consultation with the department, shall make CRT
7 glass market development *processing* payments or *CRT glass*
8 *market development manufacturing payments* to a CRT glass
9 processor, a CRT glass manufacturer, or an electronic waste
10 recycler who ~~processes for use or uses CRT glass to manufacture~~
11 ~~a product in this state.~~ *does either of the following, as applicable:*

12 (1) *Processes eligible CRT glass in this state for use in a*
13 *product or in a manufacturing process.*

14 (2) *Utilizes eligible CRT glass processed pursuant to paragraph*
15 *(1) in a product or in a manufacturing process in this state.*

16 (b) (1) The CRT glass processor, CRT glass manufacturer, or
17 electronic waste recycler that seeks a market development
18 *processing* payment or a *CRT glass market development*
19 *manufacturing payment* shall submit a CRT glass development
20 payment claim to the Department of Resources Recycling and
21 Recovery for each calendar quarter in which the payment is being
22 claimed, in the form and manner that the Department of Resources
23 Recycling and Recovery may prescribe.

24 (2) The Department of Resources Recycling and Recovery may
25 make a CRT glass market development *processing* payment to a
26 CRT glass processor, CRT glass manufacturer, or electronic waste
27 recycler only if the Department of Resources Recycling and
28 Recovery determines ~~both~~ *all* of the following:

29 (A) The CRT glass processor, CRT glass manufacturer, or
30 electronic waste recycler demonstrates to the Department of
31 Resources Recycling and Recovery and to the ~~Department of Toxic~~
32 ~~Substances Control~~ *department* that it is in compliance with all
33 applicable laws.

34 (B) *The CRT glass is eligible for an electronic waste recovery*
35 *payment or an electronic waste recycling payment, as applicable,*
36 *pursuant to Section 42476.*

37 ~~(B)~~

38 (C) The CRT glass processor, CRT glass manufacturer, or
39 electronic waste recycler will *further* process the CRT glass for
40 ~~use or use the CRT glass to manufacture a product in this state.~~ *in*

1 *a manner that, in addition to complying with the requirements of*
2 *Section 42476, removes any hazardous materials and renders the*
3 *material ready for use as a product or in a manufacturing process*
4 *in the United States.*

5 *(3) The Department of Resources Recycling and Recovery may*
6 *make a CRT glass market development manufacturing payment to*
7 *a CRT glass processor, CRT glass manufacturer, or electronic*
8 *waste recycler only if the Department of Resources Recycling and*
9 *Recovery determines both of the following:*

10 *(A) The CRT glass is processed in compliance with paragraph*
11 *(2).*

12 *(B) The processed CRT glass will be utilized in a product*
13 *manufactured in this state or used in a manufacturing process in*
14 *this state.*

15 *(c) This section shall remain in effect only until January 1,*
16 *2020, and as of that date is repealed, unless a later enacted statute,*
17 *that is enacted before January 1, 2020, deletes or extends that date.*