

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3220 - 2

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

*Only Impacts on Original or Engrossed Versions are Considered Official*

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### Measure Description:

Modifies provisions of electronics recycling program.

### Government Unit(s) Affected:

Cities, Department of Environmental Quality, Counties, Special Districts Association of Oregon

### Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

### Analysis:

HB 3220 - 2 modifies the Oregon E-Cycles Program within the Department of Environmental Quality (DEQ). The measure changes electronics recycling program responsibility from a state contractor program, to an electronics producer responsibility program. The electronics producer responsibility program is to be administered by an electronics producer responsibility organization that represents at least five percent of all manufacturer obligations, and is designated by a manufacturer or group of manufacturers to act as their agent for the purpose of developing and implementing a statewide program for collecting, transporting and recycling covered electronic devices. The electronics producer responsibility organization must submit a plan to DEQ for implementing the program, and report annually on implementation. Initial plans are to be submitted no later than July 1, 2025, and the measure is largely operative January 1, 2026.

This measure eliminates an annual manufacturer registration fee; as well a recycling fee that is paid to DEQ by manufacturers participating in the state contractor program to cover the costs of collecting, transporting and recycling the manufacturer's annual return share of covered electronic devices. The measure authorizes a new annual fee that the Environmental Quality Commission is to establish by rule to cover DEQ's costs of program administration; and a one-time plan review fee an electronics producer responsibility organization must pay to cover DEQ's costs for reviewing the electronics producer responsibility program plan. Any fee increases adopted by DEQ under this measure would be subject to the fee approval process outlined in ORS 291.050 and ORS 291.055, which requires ratification of fee increases by the Legislative Assembly.

The measure additionally expands allowable uses of the Covered Electronic Devices Account, so DEQ may use funds to administer and enforce statutes related to the disposal of covered electronic devices, instead of using funds only to implement these statutes.

DEQ anticipates a minimal fiscal impact from this measure. During the first 18 months of the 2021-23 biennium, DEQ had expenditures of \$2.8 million related to the electronics recycling program and had the equivalent of 0.90 FTE working on the program across multiple positions within the agency. Of this amount, approximately \$0.4 million has been used for DEQ program administration, with the rest of the funding passed through to the required state contractor program.

DEQ anticipates minimal additional costs for oversight of producer responsibility organizations under this measure, and costs will be covered by the fees authorized under this measure. Should this measure pass, DEQ will need to have approximately \$2.7 million in Other Funds expenditure limitation removed from the agency

budget for the 2025-27 biennium as pass through expenditures under the current state contractor program model begin to phase out; with additional phase outs likely required in the 2027-29 biennium, though that change is beyond the two biennia scope of this fiscal impact statement.

There is no fiscal impact to counties or special districts, and no response was received from the League of Oregon Cities.