

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	216,654		206,654	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	216,654		206,654	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 454 would establish the Electronics Extended Producer Responsibility and Job Creation Act. The act would set recycling requirements and timetables for the manufacturers of covered electronic equipment and would require manufacturers to register with the Department of Environmental Quality (DEQ) and to provide annual reports to DEQ regarding the attainment of recycling goals. Manufacturers would be required to pay a registration fee, a recycling surcharge and a reporting fee; all fee revenue would be deposited in the Waste Reduction and Recycling Incentive Fund.

There is no basis to disagree with the DEQ estimate that 2 FTE would be required to operate the various components of the program. Costs would come from the Waste Reduction and Recycling Incentive Fund and would total \$216,654 in FY13-14 and \$206,654 in FY14-15. Because fee revenue would not become available until FY15-16, it is estimated that there would be no revenue to offset additional administrative expenses charged to the Waste Reduction and Recycling Incentive Fund. This would result less funding available for grants awarded under the Waste Reduction and Recycling Incentive program.

Total fee revenue would depend upon the number of manufacturers registering and reporting under the act and the level of surcharges that will be assessed. Because surcharge is based upon the attainment of standards established in LB 454, it is not possible at this time to estimate potential revenue. It is possible that program costs could be significantly offset by fee revenue after FY15-16.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 454	AM:	AGENCY/POLT. SUB: Department of Environmental Quality
REVIEWED BY: Cindy Miserez	DATE: 2/1/2013	PHONE: 402-471-4174
COMMENTS: I concur with the analysis and conclusions of the Department of Environmental Quality regarding the fiscal impact to the Department of Environmental Quality.		

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2013

LB⁽¹⁾ 454 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Environmental Quality

Prepared by: ⁽³⁾ Tom Lamberson Date Prepared: ⁽⁴⁾ 1-30-2013 Phone: ⁽⁵⁾ (402) 471-4235

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$216,654	\$0	\$206,654	\$0
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$216,654	\$0	\$206,654	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate: Revenue will initially be generated by LB454 with the submittal of registration forms by July 1, 2015. Therefore no appreciable revenue is expected to be accrued until the beginning of FY 2016. Funds from the Waste Reduction and Recycling Fund would need to be utilized the first two years until revenue is accrued to administer LB454. This would reduce the amount of funds available for grants for the Waste Reduction and Recycling program during FY14 and FY15.

There is no reliable way to determine the amount of revenue that will be generated by this proposal.

LB454 establishes recycling, registration, fee, and reporting requirements for electronics manufacturers. The bill establishes registration, fee, and reporting requirements for consolidation facilities, and recycling facilities, and notification requirements for collection sites.

DEQ estimates it will take 2 FTEs to implement LB454. The bill places the following responsibilities on the DEQ:

1. Receive registrations and annual reports.
2. Develop rules and regulations, and provide regulatory oversight of the program.
3. Receive registration and annual reporting fees, receive surcharge fees and oversee trade credits.
4. Review annual reports to calculate and establish a market share for each manufacturer, and provide the manufacturer's market share on an annual basis to each manufacturer. Review and provide waivers from providing detailed sales information in the annual reports to determine market share.
5. Develop education standards to be used by the manufacturers.
6. Manage electronic recycling grants.
7. Annually report the amount of funds credited to the Waste Reduction and Recycling Incentive Fund, provide a bi-annual report to the Governor and Clerk of the Legislature on the implementation of LB 454, and on or before July 1, 2018 provide a report to the legislature on the development of the electronics recycling industry in Nebraska.
8. Provide and maintain website information on the program.
9. Implement a landfill ban on electronics.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Environmental Quality Programs Specialist	2	2	84,032	84,032
Benefits.....			54,606	54,606
Operating.....			64,016	64,016

Travel.....	4,000	4,000
Capital outlay.....	10,000	0
Aid.....	0	0
Capital improvements.....	0	0
TOTAL.....	216,654	206,654