

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 12-0460  
**Prime Sponsor(s):** Sen. Schwartz

**Date:** February 14, 2012  
**Bill Status:** Senate Agriculture  
**Fiscal Analyst:** Alex Schatz (303-866-4375)

**TITLE:** CONCERNING THE DIVERSION OF ELECTRONIC DEVICES FROM LANDFILLS.

<b>Fiscal Impact Summary</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>
<b>State Revenue</b> Cash Funds		(\$450,000)
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2012-2013:</b> None required.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

This bill directs the Solid and Hazardous Waste Commission (SHWC), under the Colorado Department of Public Health and Environment (CDPHE), to adopt a landfill ban for specified electronic devices. The SHWC will select a date for this ban at its discretion, and will also exempt communities that do not have reasonable access to recyclers. The SHWC may also adopt rules concerning allowable certifications of recyclers in addition to the current R2 and E-Steward standards.

Each state agency must, by July 1, 2013, use a certified recycler for electronic devices. The CDPHE is directed to coordinate public and private educational efforts about the recycling of electronic devices. The bill also establishes immunities for recyclers concerning data on electronic devices, and for landfills and waste haulers concerning acceptance of electronic waste.

**Background**

According to a recent characterization of municipal waste by the Environmental Protection Agency, consumer electronics (including electronic devices both included and excluded under the bill) comprise slightly less than 2 percent of the total waste stream to landfills. Due to concerns about hazardous materials in electronic devices, many landfills in Colorado do not accept electronic waste, and nonresidential entities, including state and local government agencies, are prohibited by current law from sending hazardous electronic waste to landfills.

Under current law, the surplus state property program, administered by Colorado Correctional Industries (CCi) under the Department of Corrections, is responsible for receiving surplus electronic equipment from state agencies and processing this equipment for reuse. CCi does not hold certification as a recycler but disposes of electronics that it cannot process for reuse by contracting with a certified recycler. Many state agencies rely on the Office of Information Technology (OIT) to remove disused or obsolete electronic equipment, which OIT then services or transfers to CCi as appropriate.

### **State Revenue**

As defined by the bill, processing for reuse is a recycling activity, which, lacking a certification, CCi will no longer be able to perform as a recycler for state agencies as of July 1, 2013. Electronic devices account for approximately \$450,000 of CCi's current revenue in the state surplus property program. This revenue from electronic devices is eliminated by the bill. State agencies would be required to individually contract with a private recycler, and any reuse value would be transferred to the private recycler.

The revenue impact of this bill is avoided if CCi seeks and receives certification as a recycler under the R2, E-Steward, or other standard adopted by SHWC rule. The availability and viability of this certification for CCi is unknown and is not assumed for this fiscal note.

### **State Expenditures**

State expenditures will increase on July 1, 2013, if the central management of state surplus electronic devices is eliminated. Each state agency must review its disposal of electronic devices and arrange for handling by a certified recycler. The administrative cost to review disposal of surplus property is minimal for most agencies and, in those agencies, will be absorbed within existing resources. The cost to comply with state agency recycling requirements may be more substantial for agencies with a large volume of electronic waste (potentially subject to a per-device fee) or with offices in rural areas of the state (where there are no local firms with recycler certification).

CCi may seek certification as a recycler as an option to continue its state surplus property services for electronic devices. It is unknown whether this certification would require CCi to modify its current practices, and the cost to CCi cannot be estimated at this time. The fiscal note assumes that CCi will make a business assessment to seek the certification or not, and appropriations to cover any significant costs will be requested in the annual budget process.

The CDPHE will have costs to facilitate rulemaking by the SHWC and to coordinate public education efforts. Public education efforts by CDPHE will utilize existing resources and require no additional appropriations. Rulemaking by the SHWC is estimated to increase staff workload in CDPHE by 150 hours in FY 2012-13, as well as minimal increase in legal counsel to CDPHE by the Department of Law; both CDPHE and Department of Law costs will be absorbed within existing resources.

### **Local Government Impact**

Local governments will be impacted by the bill in 2017, when the ban on receiving electronic devices in solid waste from all sources becomes effective.

Certain local governments derive revenue from tipping fees or taxation of landfill operations. Successful diversion of electronic waste could reduce local government revenue from landfills; however, this potential loss of revenue is expected to be minimal under the bill based on current practices and the availability of local exemptions in rural areas where electronic devices are more likely to be accepted in the normal waste stream.

Based on immunities provided by the bill, local governments operating waste pick-up services or landfills will have minimal costs to inform their customers of the landfill ban by posting signage and annually notifying in writing all other waste haulers from which the local government accepts waste.

### **Departments Contacted**

All Departments