

95TH GENERAL ASSEMBLY State of Illinois 2007 and 2008 HB0278

Introduced 1/19/2007, by Rep. Thomas Holbrook

SYNOPSIS AS INTRODUCED:

New Act 415 ILCS 15/4

from Ch. 85, par. 5954

Creates the Electronic Scrap Recycling Act. Creates a not-for-profit, public-benefit corporation to manage the State collection, transportation, and recycling system for covered electronic devices. Sets forth the duties and responsibilities of the not-for-profit, public-benefit corporation. Prohibits the sale of covered electronic devices by a manufacturer who (i) is not in compliance with the Act or (ii) fails to permanently label the devices with the manufacturer's brand. Prohibits the sale of any covered electronic devices containing specified substances. Prohibits the disposal of the devices into a landfill or by incineration. Imposes a fee on manufacturers of covered electronic devices, and sets forth procedures for calculating the fee. Requires the Environmental Protection Agency to propose rules to require that any covered electronic device that is, or could be, considered hazardous waste be treated as universal waste. Requires the not-for-profit, public-benefit corporation to develop a minimum level of environmental design for all covered electronic devices sold in the State. Allows certain manufacturers to establish a self-recycling program. Requires audits of covered electronic device retailers and the not-for-profit, public-benefit corporation. Requires and the reports from manufacturers, retailers, not-for-profit, public-benefit corporation. Requires the recyclers of covered electronic devices to follow federal recycling guidelines. Contains other provisions. Amends the Solid Waste Planning and Recycling Act to provide that each county municipal waste plan shall contain an evaluation of the county's progress on the recycling of covered electronic devices. Effective immediately.

LRB095 04482 CMK 24530 b

FISCAL NOTE ACT MAY APPLY 1 AN ACT concerning safety.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- 4 Section 1. Short title. This Act may be cited as the
- 5 Electronic Scrap Recycling Act.
- 6 Section 5. Definitions.
- 7 "Basel Convention" means the Basel Convention on the
- 8 Control of Transboundary Movements of Hazardous Wastes and
- 9 Their Disposal and is a global agreement ratified by over 100
- 10 member countries addressing the problems and challenges posed
- 11 by hazardous waste. It aims to minimize the generation of
- 12 hazardous wastes in terms of quantity and hazardousness, to
- 13 dispose of them as close to the source of generation as
- 14 possible, and to reduce the movement of hazardous wastes.
- "Cathode ray tube" or "CRT" means a vacuum tube or picture
- 16 tube used to convert an electronic signal into a visual image
- 17 (for example, a computer monitor).
- 18 "Cellular telephone" means a hand-held mobile
- 19 radiotelephone, normally equipped with a viewing screen less
- than 4 inches when measured diagonally, for use in an area
- 21 divided into small sections (cells), each with its own
- 22 short-range transmitter/receiver.
- 23 "Computer" means an electronic, magnetic, optical,

- 1 electrochemical, or other highspeed data processing device
- 2 performing logical, arithmetic, or storage functions, and may
- 3 include both a computer central processing unit and a monitor,
- 4 but does not include an automated typewriter or typesetter, a
- 5 portable hand-held calculator, a portable digital assistant,
- 6 or other similar device.
- 7 "Design for environment" means: (1) an environmental
- 8 manufacturing process that reduces the level of toxic materials
- 9 utilized in the manufacturing and production of a product and
- 10 (2) designing products that are easier to disassemble and
- 11 recycle.
- "E-cycling" is a generic term applied to the process of
- 13 collecting, dismantling, refurbishing, or recycling electronic
- 14 discards.
- "E-scrap" or "e-waste" is a popular, informal name for
- 16 electronic products at the end of their "useful life." The term
- is loosely applied to consumer and business electronic
- 18 equipment and includes computers and their associated
- 19 peripheral equipment, as well as televisions, VCR/DVD players,
- 20 stereos, copiers, fax machines, and cellular phones.
- 21 "Agency" means the Environmental Protection Agency.
- "Manufacturer" means any person who, on or after the
- 23 effective date of this Act, and irrespective of the selling
- technique used, including by means of remote sale:
- 25 (1) manufactures covered electronic devices under its
- own brand for sale in this State;

- 1 (2) manufactures covered electronic devices for sale 2 in this State without affixing a brand;
 - (3) resells in this State covered electronic devices produced by other suppliers under its own brand or label; or
 - (4) imports or exports covered electronic devices into the United States that are sold in this State. If, however, a company from which an importer purchases the merchandise has a U.S. presence, assets, or both, that company (and not the importer) shall be deemed to be the manufacturer.

"Monitor" means a separate visual display component of a computer, either sold separately or together with a computer central processing unit/computer box. A monitor is made up of:

(i) a cathode ray tube; liquid crystal display; gas plasma; digital light processing; or other image projection technology greater than 4 inches when measured diagonally; (ii) a case; (iii) interior wires and circuitry; (iv) a cable to the central processing unit; and (v) a power cord.

"Portable computer" means a computer and video display greater than 4 inches in size when measured diagonally that can be carried as one unit by an individual (for example, a laptop computer).

"Recycling" means any process by which covered electronic devices that would otherwise become solid waste or hazardous waste are collected, separated, and processed to be returned to use in the form of raw materials or products, in accordance

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1 with environmental standards established by the Agency.

"Retailer" means a person who owns or operates a business
that sells new covered electronic devices in this State by any
means to an end user.

"Reuse" means any operation by which a covered electronic device or component changes ownership for the same purpose for which it was originally put on the market, and includes repair and the continued use of whole systems or components.

"Video display device" means an output surface having a viewable area greater than 4 inches when measured diagonally that displays moving graphical images or а visual representation of image sequences or pictures, showing a number of quickly changing images on a screen in fast succession to create the illusion of motion, including, if applicable, a device that is an integral part of the display (and cannot be easily removed from the display by the consumer) that produces the moving image on the screen. Displays typically use a CRT, liquid crystal display, gas plasma, digital light processing, or other image projection technology.

20 Section 10. Scope of covered electronic devices (CEDs).

This Act covers the first sale of new desktop/personal computers; computer monitors; portable computers; desktop printers; computer peripherals, including zip drives, scanners, cables, mice, and keyboards; CRT-based televisions; non-CRT-based televisions; television peripherals including

- VCRs, DVD players, and video game consoles; fax machines; cellular telephones; MP3 players; and PDAs. This Act does not cover any of the following:
 - (1) A covered electronic device that is a part of a motor vehicle or any component part of a motor vehicle assembled by, or for, a vehicle manufacturer or franchised dealer, including replacement parts for use in a motor vehicle.
 - (2) A covered electronic device that is functionally or physically a part of a larger piece of equipment designed and intended for use in an industrial, commercial, agricultural, or medical setting, including diagnostic, monitoring, or control equipment.
 - (3) A covered electronic device that is contained within a clothes washer, clothes dryer, refrigerator, refrigerator and freezer, microwave oven, conventional oven or range, dishwasher, room air conditioner, dehumidifier, water pump, sump pump, or air purifier.
 - (4) Small consumer electronic devices including wristwatches, timers and clocks; sonar and fish locators; radar detectors; thermometers; hand-held calculators; levels, tape measures, stud finders, and other electronic building supplies; garage door openers; games; range finders; and other similar devices.
 - The not-for-profit, public benefit corporation defined in Section 20 shall, on an annual basis, review the electronics

- 1 marketplace to determine which, if any, additional products
- 2 shall be added to the list of CEDs defined in this Section.
- Section 15. Scope of persons and organizations covered. The provisions of this Act apply to all residents of Illinois, as well as all "small quantity generators", as defined by the Resource Conservation and Recovery Act, that are doing business in Illinois.
 - Section 20. Recycling system management. A not-for-profit, public benefit corporation shall be created within one year after the effective date of this Act. The corporation shall be solely responsible for managing a cost-efficient and environmentally sound State collection, transportation, and recycling system for CEDs. The corporation shall be funded by the fees described in Section 25.

Specific responsibilities of the corporation shall be to:

- (1) Organize, administer, and ensure that electronics collection opportunities are available throughout the State and in such a manner as to be convenient, to the maximum extent feasible, to all consumers in the State.
- (2) Encourage the use of existing collection and consolidation infrastructures for handling CEDs to the extent that this infrastructure is accessible on a regular and ongoing basis to Illinoisans, is cost effective, and meets the environmentally sound management requirements

described in this Act. The corporation shall, through contractual agreement, compensate for the collection and recycling of CEDs, by qualified collectors and recyclers whether by government, for-profit corporations, non-profit corporations, retailers, manufacturers, or any other party, for the reasonable costs associated with these activities. These activities shall be audited annually. In order to strengthen the market for Illinois recycling companies, the corporation shall not pay for costs associated with the use of prison labor.

- (3) Maintain a list of all manufacturers in compliance with all reporting, financial, and other requirements of this Act and post the list on an Internet website; furthermore, forward a list of manufacturers not in compliance to the Attorney General's office for further enforcement action as provided in this subsection. Two years after the effective date of this Act, no manufacturer may sell a CED in Illinois unless the manufacturer is in compliance with the provisions of this Act. Further, 2 years after the effective date of this Act, no manufacturer or retailer may sell any CED in Illinois unless the CED is labeled with the manufacturer's brand, and that label is permanently affixed and is readily visible.
- (4) Receive fees from manufacturers or their agents for the sole purpose of fulfilling its responsibilities under this Act.

- 1 (5) Organize and coordinate public outreach in association with the primary education responsibility charged to retailers, and any secondary education plan established by manufacturers.

 (6) Prepare a business plan every 3 years that establishes per capita collection and recycling goals for
 - (6) Prepare a business plan every 3 years that establishes per capita collection and recycling goals for each manufacturer based on an overall goal for the State and a proportionate share for each manufacturer as calculated by the formula in Section 25.
 - (7) Identify any necessary State actions to expand the collection opportunities to achieve the per capita collection and recycling goals.
 - (8) Report to the Governor and the General Assembly at least annually on the implementation of the system during the previous calendar year. The report will also be posted on the corporation's website. The report must include:
 - (A) A list of all parties participating in the system whom the corporation has designated as approved to receive payments, the amount of payments it has made to those parties, and the purpose of those payments.
 - (B) The total number and weight of covered electronic devices collected in the State the previous year as reported to the corporation.
 - (C) Progress toward achieving the overall annual total recovery and recycling goals described in the business plan.

1	(D) The total amount of fees collected.
2	(E) A summary of funds expended by category:
3	(i) Education
4	(ii) Administration
5	(iii) Collection
6	(iv) Transportation
7	(v) Recycling
8	(vi) Disposal
9	(vii) Other
10	(F) Any surplus funds carried forward.
11	(G) A complete listing of all collection sites and
12	the amount of material collected at each site.
13	(H) An evaluation of the effectiveness of the
14	education and outreach program.
15	(9) Be fully audited by an independent, certified
16	public accountant at the end of each calendar year, with
17	that audit report submitted to the General Assembly.
18	(10) Maintain a website and toll-free number complete
19	with up-to-date listings of where consumers can bring
20	covered electronics products for recycling.
21	Section 25. Basic fee mechanism. Manufacturers shall pay an
22	annual fee to fund the recycling system based on a simple
23	weighted average of previous year sales in pounds and products
24	returned for recycling in pounds. As provided in Section 55,
25	retailers shall provide the sales data that will be used in

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this formula, the final version of which shall be announced to all stakeholders and the general public within one year after the effective date of this Act. On an annual basis, manufacturers shall provide the corporation with the weight of all CEDs sold in the State. The formula shall fairly apportion fees for orphan products (as defined in Section 30), and shall assign fees for legacy products (as defined in Section 35).

Section 30. Orphan products. The corporation shall, in the development of its fee mechanism, ensure that orphan products are apportioned fairly by the simple weighted average described in Section 25. Orphan products are only those returned CEDs the manufacturer of which either cannot be identified or is no longer in business and has no successor in interest.

Section 35. Legacy products. Legacy CEDs are the responsibility of the original manufacturer, or the manufacturer that is that original manufacturer's successor in interest. Legacy manufacturers shall be responsible for their equivalent share of returned CEDs and also their share of orphan products as defined in Section 30.

Section 40. Restrictions on hazardous substances. Within one year after the effective date of this Act, manufacturers may not place on the market in Illinois any CEDs that contain mercury, cadmium, lead, hexavalent chromium, polybrominated

1 biphenyls, or polybrominated diphenyl ethers.

Section 45. Designation of electronic waste as universal waste. Within one year after the effective date of this Act, the Agency shall draft proposed rules for submittal to the Illinois Pollution Control Board requiring any CED that is or could be considered hazardous waste be treated as universal waste in Illinois, thereby prohibiting that waste from being disposed of in landfills. The rules shall take effect within 2 years after the effective date of this Act, together with the effective date of the landfill ban prescribed in Section 70.

Section 50. Fee reduction for manufacturers designing for environment. Notwithstanding the requirements of Section 45, manufacturers may apply for a reduced fee based on improvements to their CEDs that make the products easier to recycle or reuse, less hazardous, or both. Within one year after the effective date of this Act, the corporation, working with the Agency or an advisory board established by the corporation, the members of which shall be approved by the Agency, shall develop a minimum level of environmental design for all CEDs being sold in the State. This minimum level of design shall be based on scores from the Electronic Products Environmental Assessment Tool. Thereafter, on an annual basis, manufacturers may apply for a permanent reduction in the per-unit fee for a CED that will take effect the following year. The application shall be

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based on a design and production change that will go beyond the minimum level of environmental design and significantly improve the product's recyclability, reusability, or both, or reduce the health risk posed by the materials in the unit, as judged exclusively by the Agency or the advisory board established by the corporation. The fee reduction shall be revoked if the Agency or the advisory board determine that the design or production modification leading to the reduction has been reversed or materially altered to the detriment of recyclability, reusability, and hazardousness in a future year. A fee reduction guide shall be developed by the Agency within one year after the effective date of this Act.

Section 55. Reuse. For purposes of calculating its current compliance with this Act, as well as future recycling goals as computed by the formula described in Section 25, corporation shall count the collection of a single CED as 2 CEDs by weight when that item is donated free of charge for reuse to the Illinois State Board of Education, or to any not-for-profit corporation recognized under Section 501(c)(3) of the Internal Revenue Code, whose principal mission is to assist low-income children or families living in Illinois. To qualify for the donation reuse credit under this Section, manufacturers must ensure the delivery of electronic equipment that: (a) is no older than 6 years old; (b) if applicable, has functioning operating system; (c) is in full working

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condition; and (d) has been approved in writing for donation by
the recipient. Manufacturers shall, on an annual basis, report
to the corporation the amount of eligible equipment donated for
reuse to eligible organizations. Under the formula in this
Section, the manufacturer's annual fee shall be adjusted
accordingly.

Section 60. Self-recycling. Manufacturers may choose not to participate in the State recycling system operated by the corporation and instead operate their own program for the collection and recycling of CEDs. To be eligible for self-recycling option, a manufacturer must not be a entrant, defined as: (1) A manufacturer of televisions, television peripherals, or both, or fax machines, that have been sold in the State for less than 10 years or (2) a manufacturer of desktop computers, laptop and computers, computer monitors, computer peripherals, cellular telephones, MP3 players, or PDAs that have been sold in the State for less than 5 years. A manufacturer of both televisions and computers or a manufacturer of both televisions and computer monitors, however, that is deemed a new entrant under either only (1) or (2) of this paragraph is not considered a new entrant for purposes of this Section.

A manufacturer choosing to establish its own collection and recycling program is required to submit an application to the corporation every 3 years demonstrating its strategy to collect

and recycle a total weight of product equivalent to what would be collected and recycled under the corporation's plan, and shall include its share of orphan products. Manufacturers qualifying for the self-recycling option shall not have a fee assessed on CEDs or be compelled to participate in the corporation's program. A manufacturer applying for self-recycling status may apply alone or as a group in collaboration with other manufacturers.

A manufacturer's application shall include all of the following elements:

- (1) Description of the systems for the collection, transporting, and processing of covered electronic devices.
- (2) Service providers for the collection, transportation, and processing of CEDs.
- (3) Names of recycling companies headquartered in Illinois to which the manufacturer will send its CEDs for processing (Illinois-based recycling companies are preferred provided that the manufacturer does not operate its own recycling plants elsewhere in the United States).
- (4) Description of accessibility of recycling service to all citizens of the State.
- (5) Descriptions of accounting and reporting systems that will be employed to track progress toward meeting collection and recycling targets set by the corporation or its share of CED returns in addition to a share of orphan

- 1 and abandoned products.
 - (6) Timeline, including startup and implementation, with associated progress milestones with anticipated results.
 - (7) A public information campaign, complementary to, and designed in conjunction with, the primary retailer-driven campaign described in Section 65, to promote the recycling of electronic products and proper end-of-life management of the products by the final users.

A manufacturer qualifying for the self-recycling option shall file an annual report with the corporation stating the total weight of CEDs collected and recycled the previous year, as well as an evaluation of the existing infrastructure to fulfill the manufacturer's collection and recycling responsibilities.

Section 65. Retailer responsibilities. A retailer shall on a quarterly basis submit to the corporation a report showing, by product, the total number of CEDs sold in the State during the previous 3 months. The corporation shall consolidate these data statewide by manufacturer for the purpose of tracking sales as a component of the formula described in Section 25.

Retailers shall be the primary source of information about end-of-life options to electronics consumers. As such, retailers shall be charged with:

(1) posting any educational materials provided by the

- 1 corporation in publicly accessible areas of their stores;
- 2 (2) posting any educational materials provided by the 3 corporation on the primary Web page describing products for 4 sale either in stores or via the Internet; and
 - (3) training all employees, whether at stores or available by telephone or Internet, to answer customers' questions about end-of-life options.

If a manufacturer engages in any retail sales of its own products, whether through the Internet, catalogs, or other means, the manufacturer is responsible for fulfilling the retailer responsibilities as defined in this Section.

The corporation shall on a periodic basis perform unannounced audits on retailer locations, Websites, or both to ensure that all information provided by the corporation has been posted according to the requirements of this Section.

Section 70. Landfill ban. Two years after the effective date of this Act, it is illegal for any person to dispose of any CED into a landfill, or by incineration, in this State.

Section 75. Qualification of recyclers. All recyclers participating in the corporation's plan, or any manufacturer qualifying for self-recycling as described in Section 60, must recycle in a manner that is in compliance with all applicable federal, State, and local laws, regulations, and ordinances, and must not be exported for disposal in a manner that poses a

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- significant risk to the public health or the environment.
 Specifically, recyclers shall:
 - (1) Guarantee that all data stored on CEDs designated for reuse under Section 55, or for export under item (2), have been completely removed, with no opportunity for recovery by subsequent recipients of these CEDs. Furthermore, guarantee that any data on CEDs intended for recycling has been entirely deleted, with no opportunity for recovery, prior to dismantling of the CEDs.
 - (2) Consistent with the rules of the U.S. Environmental Protection Agency Plug-in Partner campaign, ensure compliance with any applicable requirements of the United States, as well as applicable requirements of importing and transit countries. Recyclers must be aware of the Basel Convention, to which the U.S. is not a party. Nonetheless, recyclers and their subsidiaries must be knowledgeable of the Basel Convention requirements that could affect them, implemented by the laws of importing and transit as countries. In addition, the importing and transit countries may have other laws and regulations that could affect U.S. exporters and their transactions. Until such time as the U.S. becomes a party to the Basel Convention, no country that is a party to the Basel Convention but not a member of the Organization for Economic Cooperation and Development may legally accept hazardous waste (and thus CEDs because of the Basel Convention's definition of

- hazardous waste) exported from the U.S. absent a bilateral agreement between the governments under Article 11 of the Basel Convention.
 - (3) Prohibit CEDs to be sent to prisons for recycling either directly or through intermediaries.
 - (4) Assure that a certified or otherwise comprehensive and comparable "environmental management system" is in place and that current operations meet best practices based on the current Institute for Scrap Recycling Industries, Inc. policy manual. The corporation shall review this manual on an annual basis for adequacy.
 - (5) Commit to ensuring that the entire recycling chain, including downstream intermediaries and recovery operations such as smelters, are meeting all applicable environmental and health regulations. In addition, every effort shall be made to make use of only those facilities (for example, smelters) that provide the most efficient and least polluting recovery services available globally.
 - (6) Agree to provide visible tracking of CEDs throughout the product recycling chain. The tracking information should show the final disposition of all hazardous waste materials. If there is a concern about trade secrets, an independent auditor acceptable to parties concerned may be used to verify compliance.
 - Section 80. Relation to federal law. This Act is intended

- 1 to govern all aspects of the collection and recycling of CEDs
- 2 as those terms are defined in this Act. Upon the implementation
- 3 of an acceptable national program to collect, recycle, or both,
- 4 covered electronic devices, the provisions of this Act shall
- 5 sunset within the time frame determined by federal law.
- 6 Section 900. The Solid Waste Planning and Recycling Act is
- 7 amended by changing Section 4 as follows:
- 8 (415 ILCS 15/4) (from Ch. 85, par. 5954)
- 9 Sec. 4. (a) By March 1, 1991, each county with a population
- of 100,000 or more and each municipality with a population of
- 11 1,000,000 or more, and by March 1, 1995, each county with a
- 12 population of less than 100,000, shall submit to the Agency an
- officially adopted plan for the management of municipal waste
- 14 generated within its boundaries. Such plan shall conform with
- the waste management hierarchy established as State policy in
- 16 subsection (b) of Section 2 of the Illinois Solid Waste
- 17 Management Act.
- 18 (b) The Agency shall review each county waste management
- 19 plan to ensure consistency with the requirements of this Act
- 20 and, if warranted, return it to the county with specific
- 21 recommendations for improving the plan within 90 days after the
- 22 plan is submitted. If the plan is returned, the county shall
- 23 consider the Agency recommendations, make any appropriate
- revisions, and adopt a revised plan by September 1, 1991, or by

- September 1, 1995 in the case of a county with a population of less than 100,000.
 - (c) Each waste management plan shall contain, at a minimum, the following provisions:
 - (1) A description of the origin, content and weight or volume of municipal waste currently generated within the county's boundaries, and the origin, content, and weight or volume of municipal waste that will be generated within the county's boundaries during the next 20 years, including an assessment of the primary variables affecting this estimate and the extent to which they can reasonably be expected to occur.
 - (2) A description of the facilities where municipal waste is currently being processed or disposed of and the remaining available permitted capacity of such facilities.
 - (3) A description of the facilities and programs that are proposed for the management of municipal waste generated within the county's boundaries during the next 20 years, including, but not limited to their size, expected cost and financing method.
 - (4) An evaluation of the environmental, energy, life cycle cost and economic advantages and disadvantages of the proposed waste management facilities and programs.
 - (5) A description of the time schedule for the development and operation of each proposed facility or program.

(6) The identity of potential sites within the county
where each proposed waste processing, disposal and
recycling program will be located or an explanation of how
the sites will be chosen. For any facility outside the
county that the county proposes to utilize, the plan shall
explain the reasons for selecting such facility.

- (7) The identity of the governmental entity that will be responsible for implementing the plan on behalf of the county and explanation of the legal basis for the entity's authority to do so.
- (8) Beginning on the effective date of this amendatory

 Act of the 95th General Assembly, an evaluation of the county's progress on CED recycling.
- (9) (8) Any other information that the Agency may require.
 - (d) Any county may delegate power to a municipality within the county or Municipal Joint Action Agency for the specific purpose of preparing the waste management plan or any portion thereof under this Act.
 - (e) Counties may, by intergovernmental agreement, jointly create and administer their solid waste management plans, provided that such joint plans fulfill all the requirements of this Act.
- 24 (Source: P.A. 86-228.)
- 25 Section 999. Effective date. This Act takes effect upon 26 becoming law.