

## FISCAL IMPACT STATEMENT

### A. Fiscal Effect on Local Government

#### 5. No fiscal impact exists.

The proposed regulations do not have any fiscal impacts on local governments. The determination that no fiscal impact exists is due to the scope of this rulemaking not including requirements that would have a fiscal impact on a local government. The scope of this rulemaking is focused on meeting CalRecycle's most immediate SB 1215 statutory mandate. Specifically, Public Resources Code (PRC) section 42478(b)(1) requires CalRecycle to adopt regulations, effective January 1, 2025, establishing a process for covered electronic waste recyclers to submit payment claims for covered electronic waste (including battery-embedded products) resulting from discarded covered electronic devices. The proposed regulations require that beginning April 1, 2026, all information submitted to CalRecycle pursuant to the Covered Electronic Waste Recycling Program shall be submitted electronically using CalRecycle's electronic portal that is utilized for the purposes of implementing the Covered Electronic Waste Recycling Program.

### B. Fiscal Effect on State Government

#### 4. Other.

SB 1215 amended and expanded the Electronic Waste Recycling Act of 2003 by adding battery-embedded products as covered electronic devices that qualify for recovery and recycling payments pursuant to California's Covered Electronic Waste Recycling Program. **The total cost to the state to implement the proposed regulations is estimated at \$6,014,052.** This total includes the estimated fiscal impacts to CalRecycle and the Department of Toxic Substances Control (DTSC). Using current information for this rulemaking package, and as provided in the 2023-2024 Budget Change Proposal Cover Letter 3970-020-BCP-2023-GB, pages 13 through 16, and summarized in Table 1, below, CalRecycle's estimated fiscal impact of the proposed regulations is \$5,861,554 for personnel services costs. Certain positions, including Associate Governmental Program Analysts and Accounting Officers, among others, may be hired later.

Table 1: CalRecycle’s Fiscal Impact for SB 1215 - Compensation for Current and Following Two Years

		FY23 Budget Year		FY23 BY+1		FY23 BY+2	
Class Code	Class Title	Position	Total Compensation (Max)	Position	Total Compensation (Max)	Position	Total Compensation (Max)
756	ENVIRONMENTAL PROGRAM MANAGER I (SUPERVISORY)	1	\$301,511	1	\$301,511	1	\$301,511
765	SENIOR ENVIRONMENTAL SCIENTIST(SPECIALIST)	1	\$189,256	1	\$189,256	1	\$189,256
1414	INFORMATION TECHNOLOGY SPECIALIST II	1	\$228,290	1	\$228,290	1	\$228,290
4546	ACCOUNTING OFFICER (SPECIALIST)	1	\$138,422	1	\$138,422	1	\$138,422
4800	STAFF SERVICES MANAGER I	0	\$0	1	\$180,383	1	\$180,383
5142	ASSOCIATE PERSONNEL ANALYST	1	\$155,721	1	\$155,721	1	\$155,721
5393	ASSOCIATE GOVERNMENTAL PROGRAM ANALYST	0	\$0	1	\$155,721	3	\$467,163
5734	RESEARCH DATA SUPERVISOR I	0	\$0	1	\$188,454	1	\$188,454
5742	RESEARCH DATA SPECIALIST I	1	\$176,692	1	\$176,692	1	\$176,692
5780	ATTORNEY IV	1	\$310,440	1	\$310,440	1	\$310,440
<b>Total</b>		<b>7</b>	<b>\$1,500,332</b>	<b>10</b>	<b>\$2,024,890</b>	<b>12</b>	<b>\$2,336,332</b>

For this SB 1215 rulemaking, CalRecycle's estimated fiscal impact of \$5,861,554 for personnel services costs is based on the estimated costs to implement the proposed regulations. The scope of the proposed regulations is focused on meeting CalRecycle's most immediate SB 1215 statutory mandate. Specifically, PRC section 42478(b)(1) requires CalRecycle to adopt regulations, effective January 1, 2025, establishing a process for covered electronic waste recyclers to submit payment claims for covered electronic waste (including battery-embedded products) resulting from discarded covered electronic devices. The proposed regulations will require that beginning April 1, 2026, all information submitted to CalRecycle pursuant to the Covered Electronic Waste Recycling Program, unless otherwise specified by CalRecycle, shall be submitted electronically using CalRecycle's electronic portal that is utilized for the purposes of implementing the Covered Electronic Waste Recycling Program.

The proposed regulations also include additional regulatory components to further implement and make specific certain SB 1215 requirements. For example, the proposed regulations include requirements to implement another SB 1215 statutory mandate pertaining to manufacturers notifying California retailers that they are selling covered battery-embedded products. Specifically, PRC Section 42466.2 specifies requirements for a manufacturer of a covered battery-embedded product to send a notice to any retailer that sells a covered battery-embedded product that is manufactured by the manufacturer to inform the retailer that it is selling a covered electronic device, and that the device is subject to a covered battery-embedded waste recycling fee. Manufacturers must send notices to retailers on or before July 1, 2025, and every year thereafter. PRC Section 42466.2(b) requires a manufacturer to send copies of the notices to CalRecycle. In addition, PRC section 42467 requires manufacturers, on or before July 1, 2027, to submit a report, as specified, to CalRecycle. The proposed regulations specify that the notices must be sent to CalRecycle electronically.

CalRecycle is required to administer and enforce the Electronic Waste Recycling Act of 2003 in consultation with DTSC. CalRecycle met with and consulted DTSC on the proposed regulations and requested that DTSC provide an estimate of the fiscal impact that the proposed regulations will have on DTSC. After multiple consultations, DTSC specified that as a result of the proposed regulations, DTSC will require one Senior Environmental Scientist (Specialist) to conduct the complex and new type of enforcement that will be needed to implement the SB 1215 statute. The information DTSC provided to CalRecycle specifies that the fiscal impact will be \$152,498 in fiscal year 2024/2025. DTSC specified that it will require one Senior Environmental Scientist (Specialist) position for the following reasons:

- The SB 1215 statute added "covered battery-embedded product" to the statutory definition of "covered electronic device."
- DTSC is required to inspect covered electronic waste recyclers once every 12 months and strives to inspect collectors once every 4-5 years.
- DTSC inspections confirm if the facilities are operating in conformance with all applicable laws, regulations, and ordinances.

- If the facility is not in compliance with the applicable laws and regulations, DTSC will issue violations. DTSC pursues enforcement for the most significant and serious violations.
- Enforcement includes assessing penalties and issuing specialized conditions in settlement documentation to deter further violations of the applicable hazardous waste laws and regulations. Recyclers must dismantle covered battery-embedded products to recycle them. Battery-embedded products will require handling and thus a greater likelihood of significant or serious violations. DTSC expects enforcement to increase with the change in regulations and the increased volume of waste streams.

### **C. Fiscal Effect on Federal Funding of State Programs**

#### **3. No fiscal impact exists.**

The proposed regulations do not have any fiscal impacts on federal funding of state programs. The determination that no fiscal impact exists is due to the scope of this rulemaking not including requirements that would have a fiscal impact on federal funding of state programs. The scope of this rulemaking is focused on meeting CalRecycle's most immediate SB 1215 statutory mandate. Specifically, PRC section 42478(b)(1) requires CalRecycle to adopt regulations, effective January 1, 2025, establishing a process for covered electronic waste recyclers to submit payment claims for covered electronic waste (including battery-embedded products) resulting from discarded covered electronic devices. The proposed regulations will require that beginning April 1, 2026, all information submitted to CalRecycle pursuant to the Covered Electronic Waste Recycling Program, unless otherwise specified by CalRecycle, shall be submitted electronically using CalRecycle's electronic portal that is utilized for the purposes of implementing the Covered Electronic Waste Recycling Program.