

REQUEST FOR APPROVAL

To: Zoe Heller
Director

From: Kate Nitta
Assistant Chief Counsel, Legal Affairs Office

Request Date: July 1, 2025

Subject: Covered Electronic Waste Recycling Fee for Video Display Devices

Action By: July 15, 2025

Summary of Request:

The Electronic Waste Recycling Act of 2003 (Public Resources Code Section 42460, *et seq.*) established a financing mechanism intended to develop an infrastructure to provide convenient recycling opportunities and reduce the inappropriate disposal of certain electronic products discarded in California. This financing mechanism is funded by a covered electronic waste (CEW) recycling fee that consumers must pay at the time of retail purchase of a new covered electronic device (CED).

Pursuant to Public Resource Code (PRC) Section 42464(g), no more frequently than annually, and no less frequently than biennially, CalRecycle, in collaboration with the Department of Toxic Substances Control (DTSC), has the responsibility to assess the adequacy of the CEW recycling fee for video display devices to generate sufficient revenues to fund the operation and administration of the CEW Recycling Program and all other provisions of the Act. CalRecycle must determine by the statutory date of August 1, 2025, whether any fee adjustments are necessary. Any adjustments made to the fee levels will take effect on January 1, 2026. The current fee levels are as follows:

- Four dollars (\$4) for each CED with a screen size greater than 4 inches but less than 15 inches measured diagonally.
- Five dollars (\$5) for each CED with a screen size greater than or equal to 15 inches but less than 35 inches measured diagonally.
- Six dollars (\$6) for each CED with a screen size greater than or equal to 35 inches measured diagonally.

(See, California Code of Regulations (CCR), Title 14, Article 2.6, Section 18660.40).

Background Information, Analysis, and Findings:

The CEW recycling fee for video display devices was established by the Electronic Waste Recycling Act. Pursuant to PRC Section 42464(g), CalRecycle has the responsibility to evaluate the CEW Recycling Program's revenue needs and to adjust the CEW recycling fee levels as warranted to maintain fund solvency and ensure

continued operation of the program. CalRecycle must make necessary determinations regarding the CEW recycling fee by the statutory date of August 1, and any changes become effective the following January.

Fiscal Impact:

The emergency regulations concerning readopting existing CEW recycling fees for video display devices will not have any fiscal impacts.

Recommendation:

Staff recommends that the CEW recycling fee levels remain unchanged as follows:

- Four dollars (\$4) for each CED with a screen size greater than 4 inches but less than 15 inches measured diagonally.
- Five dollars (\$5) for each CED with a screen size greater than or equal to 15 inches but less than 35 inches measured diagonally.
- Six dollars (\$6) for each CED with a screen size greater than or equal to 35 inches measured diagonally.

The existing emergency regulations set forth in Title 14 of the California Code of Regulations (CCR), Section 18660.40 will expire on January 1, 2026. Staff recommends that the current CEW recycling fee levels for video display devices remain unchanged in Title 14 CCR Section 18660.40. Staff further recommends updating the CEW recycling fee effective date in Title 14 CCR Section 18660.40 from 2024 to 2026.

Upon approval of this recommendation, staff will work with the Legal Office to promulgate emergency regulations to readopt the current CEW recycling fee levels, as authorized by PRC Section 42475.2.

Based on the information presented in this Request for Approval, staff recommends the Director approve the CEW Recycling Fee for Video Display Devices regulations for the Electronic Waste Recycling Act.

This recommendation is based on an analysis of the following:

- The CEW recovery and recycling trends to estimate possible payment obligations
- The CED sales trends to project revenue potential
- Program-related operational costs
- Available fund balance


As CalRecycle administers the financial aspects of the CEW Recycling Program, it is obligated to maintain a fund balance that allows it to make recovery and recycling payments, as well as to provide funding for its own program specific operations and certain operations of both Department of Toxic Substances Control and California Department of Tax and Fee Administration. CalRecycle has the authority and responsibility to revisit and revise the CEW recycling fee levels annually, as warranted, to maintain adequate funds in the Electronic Waste Recovery and Recycling Account ("Account"). (See Attachment 1 for additional details.)

The Account fund balance decreased from approximately \$196 Million in FY 2023-24 to approximately \$190 Million in the current fiscal year 2024-25. The model presented in Attachment 6 shows that the unchanged fee structure of \$4, \$5, and \$6 will lower the Account fund over the course of a few fiscal years while maintaining an adequate level and allowing for contingencies in the event of unexpected fiscal developments. The ability of CalRecycle to adjust the CEW recycling fee annually, as necessary, provides significant flexibility in fulfilling statutory obligations and ensuring program solvency by selecting fiscally prudent options in the near-term.

Upon approval of this request, staff will work with the Legal Office to make the necessary filings with the Office of Administrative Law to enact the regulations.

Director Action:

On the basis of the information and analysis in this Request for Approval, I hereby approve the CEW Recycling Fee for Video Display Devices regulations for the Electronic Waste Recycling Act detailed in Title 14 CCR, Section 18660.40 and in doing so, fulfill CalRecycle's obligations pursuant to PRC Section 42464(g).


Mindy McIntyre
Chief Deputy Director

7/30/25

Date Signed

Attachments:

1. Background and Summary of Program Costs and Revenue Need Considerations
2. Historical CEW Recycling Claim Volumes
3. Fee Model and Analysis
4. Proposed Revised Regulatory Language to Maintain the CEW Recycling Fee