

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-0222/1	Introduction Number SB-248
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Description
 changes to the electronic waste recycling program and granting rule-making authority

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs	

Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.370 (4)(hr)

Agency/Prepared By	Authorized Signature	Date
DNR/ Paul Neumann (608) 266-0818	Paul Neumann (608) 266-0818	4/5/2021

Fiscal Estimate Narratives

DNR 4/5/2021

LRB Number	21-0222/1	Introduction Number	SB-248	Estimate Type	Original
Description changes to the electronic waste recycling program and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

The bill makes changes to the electronic waste (e-waste) recycling program.

Fiscal Effect

1. Revenues

The main fiscal impact comes from a change to the tiered annual registration fees paid by electronics manufacturers to the DNR. The current law has three manufacturer registration fee levels, based on the units of covered electronics sold to Wisconsin households and schools during a program year: \$0, \$1,250 and \$5,000. The bill would change the ranges for the number of units sold under which each of these fee levels would apply.

- \$0 fee: current law is fewer than 25 units sold; bill would adjust to fewer than 250 units
- \$1,250 fee: current law is 25 to 249 units sold; bill would adjust to 250 to 499 units
- \$5,000 fee: current law is 250 or more units sold; bill would adjust to 500 or more units

There would be a reduction in e-waste revenue from manufacturers in the 25 to 249 units category, since under the proposed thresholds those manufacturers would no longer pay a fee. In FY2021, there are 28 manufacturers in this category, paying a total of \$35,000. This compares with 27 manufacturers in this category in FY2020, 39 in FY2019 and 33 in in FY2018. Based on the average of about 32 manufacturers per year in this category, each paying a \$1,250 fee, annual revenues are estimated to decrease by \$40,000 ($\$1,250 \times 32$).

There would be additional, but indeterminate, revenue loss from manufacturers that sell between 250 and 500 units, since under the bill they would pay an annual fee of \$1,250 instead of the current fee of \$5,000. Since the DNR does not have data on the specific number of units each manufacturer sells, there is no reliable way to estimate this additional revenue loss.

2. Costs

Because more manufacturers have registered than originally estimated when the law was passed in 2009, the DNR does not expect the bill and the corresponding revenue loss to have a significant effect on core work.

The bill directs DNR to create a grant program to improve electronics collection and recycling infrastructure in areas of the state that have lacked consistent access to collection sites under E-Cycle Wisconsin. The DNR anticipates funding the grants using shortfall fees paid by manufacturers that do not meet their annual recycling targets, along with a portion of the annual registration fees paid by manufacturers, if sufficient. The DNR anticipates allocating approximately \$50,000 to \$75,000 in grants during the first year of the program (using reserve funds in the electronics recycling account), and granting a total of \$25,000 to \$30,000 annually in subsequent years. The reduced revenue from manufacturer registration fees may limit the DNR's ability to provide grants under the newly authorized program in future years, if the revenue loss is more significant than anticipated.

The law does not add significant workload or long-term costs for the DNR; however, because electronic reporting forms would need to be updated, there would be one-time costs for IT work to implement those updates during the first 1-2 years. A rough estimate of the additional one-time costs is \$3,000 in FY2022 and \$4,000 in FY2023.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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Description changes to the electronic waste recycling program and granting rule-making authority		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$3,000 in FY 2022 and \$4,000 in FY 2023 for IT implementation costs		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S (Environmental Fund)		-40,000
TOTAL State Revenues	\$	-\$40,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-40,000	\$
Agency/Prepared By		
Authorized Signature		Date
DNR/ Paul Neumann (608) 266-0818		Paul Neumann (608) 266-0818
		4/5/2021