



## **The Executive Summary of Senate Bill 2106**

### **Overview**

Thanks to the leadership provided by Senator Garrett and Representative Daniel Biss, Senate Bill 2106 is a huge boon for small businesses, local governments, the environment and residents of the state. SB 2106 improves the Electronic Recycling and Reuse Act (e-recycling law) by nearly doubling the state's annual recycling goal, increasing economic development for Illinois' electronic recyclers and creating greater opportunities for free residential recycling programs across the state. The Illinois General Assembly passed Senate Bill (SB) 2106 on May 27, 2011 with overwhelming bi-partisan support. The Senate sent the bill to the Governor's Office on June 24<sup>th</sup>. SB 2106 was signed into law by Governor Quinn on August 10, 2011.

### **Background**

The increasingly short life span of electronics has caused those products to be the fastest growing portion of our municipal waste. Obsolete electronics are a huge environmental problem and threat to human health. Electronics contain a host of toxic materials such as lead, mercury, arsenic, cadmium and beryllium that once landfilled pollute the soil and threaten ground water. The good news is that electronic products also contain a host of valuable materials that can be recycled for reuse such as copper, gold, circuit chips, plastic and glass. The reuse of these commodities is an economic engine that drives our state's multi-million dollar electronic recycling industry, while conserving natural resources and energy. Enacted in 2008, the Electronic Recycling and Reuse Act was intended to deal with the ever increasing volume of obsolete electronic gadgets. The law requires the manufacturers of computers, televisions, monitors and printers to recycle their percentage of the state's annual recycling goal. Manufacturers hire electronic recyclers to meet their recycling goals. Recyclers typically form partnerships with local governments to facilitate the collection of residential electronics in order to meet a manufacturer's recycling goal.

### **E-recycling Program Implementation and Lessons Learned**

The manufacturer-funded residential recycling program was to increase over time as the popularity of the program grew and the January 1, 2012 landfill ban went into effect. The state-wide recycling goal for the first program year was a modest 2.5 pounds per capita or 32 million pounds. Several states, such as Minnesota, have consistently recycled twice as many electronics, on a per capita basis, through their manufacturer-funded recycling programs. Illinois' program failed to be as effective as Minnesota's program, due to certain provisions within the law. The manner in which the annual goal was determined is flawed. The law requires that whatever amount of recycling the manufacturers did during the first six months of 2010 would be doubled to establish the annual goal for the second program year of 2011. The manufacturers recycled less than a third of the state's annual recycling goal during the first half of 2010 causing the annual recycling goal to decrease in 2011. Under the existing law the annual recycling goal will remain well below the goals achieved by other states. The existing law does not have

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an adequate mechanism to incentives or require manufacturers to recycle more than their modest goal. As a result, the consumer demand for electronic recycling will remain unmet particularly for those residential consumers that live in outside the Chicago metro-area since manufacturers can more easily meet their existing goals in these more populated areas of the state.

The manner in which each manufacturer's percentage of the annual goal is determined is also flawed. Several stakeholders complained that this provision is inefficient, overly complicated, increases costs and unfair to manufacturers that no longer sale residential electronics. The provision of the Act that determines how each manufacturer's percentage of the state-wide goal is allocated requires quarterly audits of the products collected for recycling so each product brand can be assigned to the manufacturer. The audits increase manufacturer costs, are less accurate than other methods that are based on sales data, and are an extremely complicated way for the Illinois Environmental Protection Agency to for assign each manufacturer with a percentage of the state's annual recycling goal. The audits also unfairly burden those manufacturers that no longer sell residential electronics with a disproportionate percentage of the state's annual recycling goal in comparison to those manufacturers that currently sell a significant amount of retail electronics.

### **Legislative Improvements**

SB 2106 amends the e-recycling law by increasing the state-wide e-recycling goal and creating a more efficient method of assigning manufacturer goals. The increase in the state's annual recycling goal is designed to lessen the manufacturer's recycling costs by including a wider group of products. SB 2106 expands the type of products that must be recycled from four to seventeen. The new products are: electronic keyboards, facsimile machines, videocassette recorders, portable digital music players, digital video disc players, video game consoles, small scale servers, scanners, electronic mice, digital converter boxes, cable receivers, satellite receivers and digital video disc players. The state-wide recycling goal will increase dramatically from 28 million pounds in 2011 to just over 50 million pounds in 2012 and over 60 million pounds in 2013. This is a huge boon for residential consumers and local governments throughout the state who will longer be bear the costs to recycle or dispose of these products.

The amendments also create a more efficient program that adopts a method of assigning recycling goals based on retail sells, this method has proven track record of success in states such as Minnesota, Wisconsin and Indiana. The retail sells method requires each manufacturer to recycle a percentage of the products it sold at retail. For example, in the year 2012, manufacturers must recycle the weight equivalent to 40% of the products they sold in Illinois in 2010. In the year 2013, and for each year thereafter, manufacturers must recycle the weight equivalent to 50% of the products they sold in Illinois two years prior to the program year. This method of assigning goals alleviates the need for expensive audits, is simpler to manage and is more efficient and accurate.

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### The Big Picture

The amendments to the Illinois' Electronic Products Recycling and Reuse Act are a triple win for Illinois residents. First, there is a real benefit to the environment since the amendments will ban seventeen residential electronic products from landfills. Second, the electronic recycling program is free to consumers. Third, the recycling program will create and sustain jobs and revenue for Illinois residents.

The Electronic Products Recycling and Reuse Act does not require local government funding or participation. Instead, manufacturers of certain residential electronic products are required to set up and pay for the collection, transportation, recycling and or reuse of obsolete electronic products. Local governments may choose to partner with electronics manufacturers and recyclers as a means of augmenting existing local government electronics recycling programs or as a means of funding seasonal collection programs. Electronics manufacturers are given incentives to reach their recycling goals. Manufacturers gain extra credit for: collecting obsolete electronic products in rural counties, refurbishing products for reuse, and donating refurbished products to underprivileged individuals, the disabled as well as the public schools that serve low-income students.

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## Section-by-section Summary (415 ILCS 150/5)

### Sec. 5. Findings and purpose.

Section	Proposed Amendment	Policy
(a)(1)	Updates USEPA numbers on the amount of e-waste and percent recycled nationally	Use current data to show that problem continues to grow
(a)(6)	Updates DCEO data on revenue and jobs created in the e-waste recycling industry	Shows increased job creation and revenue

## (415 ILCS 150/10)

### Sec. 10. Definitions. As used in this Act:

Definition	Proposed Amendment	Policy
“Computer”	Creates a definition for tablet personal computers	Clarifies that tablet computers are covered electronic devices
“Covered Electronic Device”	Includes new products: electronic keyboards, facsimile machines, videocassette recorders, portable digital music players, digital video disc players, video game consoles players, small scale servers, scanners, electronic mice, digital converter boxes, cable or satellite receivers and digital video disc recorders	Simplifies? individual manufacturer obligations via the inclusion of new products while increasing the annual recycling goal to a sustainable level
“Developmentally Disabled”	Creates consistency with the Department of Human Services’ definition	Consistency between state laws
“Eligible Electronic Device”	Removes scanners, electronic mice, electronic keyboards, facsimile machines, videocassette recorders, portable digital music players, digital video disc players or video game consoles and includes these items in the definition of covered electronic devices	Lower individual manufacturer obligations via the inclusion of new products while increasing the annual recycling goal to a sustainable level
“Manufacturer”	Expands the scope of manufacturers to include those companies that make and or sell the following products under their brand name: electronic keyboards, facsimile machines, videocassette recorders, portable digital music players, digital video disc players, video game consoles, small scale servers, scanners, electronic	Lower individual manufacturer obligations via the inclusion of new products while increasing the annual recycling goal to a sustainable level

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	mice, digital converter boxes, cable or satellite receivers and digital video disc recorders	
“Processing for reuse”	Adds sentence for consistency with the definition of “recycling”	“reuse” includes the collection and transportation of e-waste
“Recycling coordinator”	Creates a new stakeholder	Each county will receive \$2K annually to promote the e-recycling program
“Retailer”	Includes new products: electronic keyboards, facsimile machines, videocassette recorders, portable digital music players, digital video disc players, video game consoles, small scale servers, scanners, electronic mice, digital converter boxes, cable or satellite receivers and digital video disc recorders	Creates consistency covering all covered electronic devices
“Small-scale server”	New product	Lower individual manufacturer obligations via the inclusion of new products while increasing the annual recycling goal to a sustainable level
“Underserved counties”	Determined by population density, counties with a population density of 190 person per square mile or less are “underserved counties”	Counties that are more densely populated are easier to collect in than counties with less population density, same as Minnesota law.

### (415 ILCS 150/15)

#### Sec. 15. Statewide recycling and reuse goals for all covered electronic devices.

Section	Proposed Amendment	Policy
(c)	Requires manufacturers of CEDs: <ul style="list-style-type: none"> <li>▪2012 recycle by weight 40% of CEDs sold at retail two years ago</li> <li>▪2013 and thereafter recycle 50% of CEDs sold at retail</li> </ul>	Lower individual manufacturer obligations via the inclusion of new products while increasing the annual recycling goal to a sustainable level

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(415 ILCS 150/20)

### Sec. 20. Agency responsibilities.

Section	Proposed Amendment	Policy
(a)	Allows the for the use of administrative citations	Administrative citations are more efficient and cost effective versus filing a prosecuting a lawsuit
(c)	Requires the Agency to conduct a local government education campaign until 2015	Public awareness is key to a successful program
(c-5)	Requires the Agency use a portion of the registration fees to issue \$2K grants each county to inform residents of the e-recycling program	Public awareness is key to a successful program
(c-10)	Requires the Agency to meet with retail associations to discuss retail compliance with Section 40.	Public awareness is key to a successful program
(c-15)	Requires the Agency to post on its website the locations and amounts of e-waste collected at each collection site annually.	Data needed to evaluate the success of the program
(d)(3)	Requires the Agency to post on its website the total weight of CEDs and EEDs recycled or reused by the manufacturers	Data needed to evaluate the success of the program
(d)(4)	Requires the Agency to post on its website all entities or persons that the Agency issued an administrative citation or made referred for enforcement to the Attorney General's Office	Data needed to evaluate the success of the program
(e)	Requires the Agency to post on its website: (1) a list or registered manufacturers; (2) a list of manufacturers that failed to pay the registration fee and (3) a list of all registered collectors, their address and links to their websites	Data needed to evaluate the success of the program
(g)	Requires the Agency to post on its website by October 1 <sup>st</sup> each manufacturers recycling goal and the state-wide recycling goal for the following program year	Data needed for the success of the program
(j)(2)(3)	Establishes a timeline and process for the Agency to issue a written report in 2016 to evaluate the program and incorporate stakeholder comments	Data needed to evaluate the success of the program
(k)(m)(n) and (o)	Establishes a procedure for the Agency and counties that have entered into delegation agreement with the Agency to issue and enforce administrative citations	Administrative citations are more efficient and cost effective versus filing a prosecuting a lawsuit

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### (415 ILCS 150/30)

#### Sec. 30. Manufacturer responsibilities.

Section	Proposed Amendment	Policy
(b)(1)	Lowers the registration fee from \$5K to \$1,250 if the manufacturer sells less than 250 units in Illinois	Small manufacturers are struggling to pay registration fees in 23 states that have e-waste laws. Consistent with Minnesota and Wisconsin.
(g)	Requires manufacturers to report to the IEPA the names of the recyclers chosen to meet the manufacturer's goal prior to the next program year	Requires manufacturers to choose a recycler prior to the next program year
(l)	Changes the date on which manufacturers must report the amount of e-waste recycled during the previous year from April 1 <sup>st</sup> to January 31 <sup>st</sup> .	If legislative action is needed to address an issue an earlier reporting date is needed

### (415 ILCS 150/55)

#### Sec. 55. Collector responsibilities.

Section	Proposed Amendment	Policy
(d)	Changes the date on which collectors must report the total amount of e-waste collected from May 1 <sup>st</sup> to January 31 <sup>st</sup>	If legislative action is needed to address an issue an earlier reporting date is needed
(d)(1)	Requires collectors to report the total weight of individual CEDS and EEDs collected during the program year	Data needed to evaluate the success of the program

### (415 ILCS 150/60)

#### Sec. 60. Collection strategy for underserved counties.

Section	Proposed Amendment	Policy
(b)	"Underserved counties" are those counties with a population density of 190 person per square mile or less	Encourages rural recycling

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(415 ILCS 150/80)

**Sec. 80. Penalties.**

<b>Section</b>	<b>Proposed Amendment</b>	<b>Policy</b>
(a)	Increases the fine for a general violation of the Act from \$1K to \$7K	Mechanism for enforcement
(c)	2012 manufacturers penalized 70 cents per pound for failure to recycle less than 50% of their recycling goal 2013 manufacturers penalized 70 cents per pound for failure to for recycle less than 60% of their recycling goal 2014 and beyond manufacturers penalized 70 cents per pound for failure to for recycle less than 70% of their recycling goal	Negotiations with Manufacturers
(j)	Limits administrative citation fines to \$1K	Mechanism for enforcement

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(415 ILCS 150/95)

**Sec. 95. Landfill ban**

<b>Section</b>	<b>Proposed Amendment</b>	<b>Policy</b>
(a)	Bans the following items from municipal waste disposed at a landfill: electronic keyboards, facsimile machines, videocassette recorders, portable digital music players, digital video disc players, video game consoles, small scale servers, scanners, electronic mice, digital converter boxes, cable or satellite receivers and digital video disc recorders	Removes toxic waste from landfills and encourages recycling
(b)	Bans the following items from sanitary landfills: electronic keyboards, facsimile machines, videocassette recorders, portable digital music players, digital video disc players, video game consoles, small scale servers, scanners, electronic mice, digital converter boxes, cable or satellite receivers and digital video disc recorders	Removes toxic waste from landfills and encourages recycling
(c)	Bans the burning and incineration of the following items: electronic keyboards, facsimile machines, videocassette recorders, portable digital music players, digital video disc players, video game consoles, small scale servers, scanners, electronic mice, digital converter boxes, cable or satellite receivers and digital video disc recorders	Prevents air pollution and encourages recycling