



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

VIA E-MAIL

TO: Carol Morey Viventi, Secretary of the Senate
Gary Randall, Clerk of the House of Representatives

FROM: Dan Wyant, Director 

DATE: September 30, 2013

SUBJECT: Report on Part 173, Electronics Fees

The Department of Environmental Quality (DEQ) respectfully submits this report in accordance with Section 17317(9) of Part 173, Electronics, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Part 173 requires a biennial report that assesses the adequacy of the fees collected from manufacturers and recyclers of covered electronic devices and makes any recommendation to modify those fees.

Electronic Waste Recycling Fund (Fund) Revenues and Expenses

The following table contains a summary of the Fund account revenues and expenses. Revenue is received from the annual registrations paid by computer, printer, and television manufacturers and recyclers. Manufacturers must pay \$3,000 per year, and electronics recyclers must pay \$2,000 per year. Expenses include the costs associated with administering the law. Part 173 was signed into law in December 2008. Annual registrations were first required in October 2009.

Fiscal Year (FY) 2012 Beginning Fund Balance	\$143,145
FY 2012 Fund revenue	\$278,190
FY 2012 Fund expenses	\$109,950
Number of FY 2012 Complete manufacturer registrations	75
Number of FY 2012 Complete recycler registrations	24
FY 2013 Beginning Fund Balance	\$311,385
FY 2013 Fund revenue (projected)	\$262,514
FY 2013 Fund expenses (projected)	\$145,413
Number of FY 2013 Complete manufacturer registrations	69
Number of FY 2013 Complete Recycler Registrations	28
Total revenue	\$540,704
Total expenses	\$255,363
Fund Balance at September 30, 2013 (projected)	\$428,486

The annual revenue received by the Fund meets the projections outlined during the inception of Part 173 and its funding mechanism. The Fund is not taking in any more revenue than anticipated and, therefore, will not exceed \$600,000 on December 31 of any year, as limited by Section 17303(6) of Part 173.

Fund Adequacy

The Fund continues to be adequate for administering the current program that focuses primarily on compliance assistance and outreach. The demands on the Fund have been below projections due to organizational and staff changes. A full-time professional staff person was added to the program in December 2012, enabling increased attention on compliance assistance through site visits to registered recyclers and on assistance and education for collectors of electronics under Part 173.

Recommendation for Fee Modification

Because the fees are adequate to fund the current program, the DEQ does not recommend any changes to them at this time. The DEQ intends to establish a stakeholder work group in FY 2014 to develop recommendations for improving the effectiveness of the program, which may result in changes that require additional resources at a later time.

For additional information on Michigan's Electronic Waste Takeback law, Part 173, please visit <http://www.michigan.gov/deqwaste> and click on "Electronic Waste Takeback Program." If you have any questions or need further information, please contact Elizabeth M. Browne, Chief, Office of Waste Management and Radiological Protection, at 517-284-6551, or you may contact me at 517-284-6700.

cc: Ellen Jeffries, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
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