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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

VIA E-MAIL

TO: Jeff Cobb, Secretary of the Senate
Gary Randall, Clerk of the House of Representatives

FROM: Dan Wyant, Director

DATE: September 28, 2015

SUBJECT: Report on Part 173, Electronics Fees

In accordance with Section 17317(9) of Part 173, Electronics, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, attached is the Department of Environmental Quality's (DEQ) report on the Electronic Waste Recycling Fund (Fund) for fiscal year (FY) 2014 and FY 2015.

Electronic Waste Recycling Fund Revenues and Expenses

The following table contains a summary of the Fund account revenues and expenses since the last report. Program revenue is received from the annual registrations paid by manufacturers and recyclers of computers, printers, and televisions from residents and small business sources. 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. The program establishes a system for the oversight of the proper recycling of consumer and small business sourced electronics.

FY 2014 beginning Fund balance	\$442,700
FY 2014 Fund revenue	\$305,000
FY 2014 Fund expenses	\$237,500
Number of FY 2014 manufacturer registrations	79
Number of FY 2014 recycler registrations	33
FY 2015 beginning Fund balance	\$510,200
FY 2015 Fund revenue (projected)	\$276,400
FY 2015 Fund expenses (projected)	\$336,500
Number of FY 2015 manufacturer registrations	78
Number of FY 2015 recycler registrations	27
Total program revenue	\$581,400
Total program expenses	\$574,000
Fund balance on September 30, 2015 (projected)	\$450,100

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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 more revenue than anticipated and, therefore, will not exceed \$600,000 on December 31 of any year, as defined in Section 17303(6) of Part 173.

Fund Adequacy

The Fund continues to be sufficient to allow the administration of the current program that has a primary focus of compliance assistance, education and outreach, and community assistance. A full-time professional staff person was added to the program in FY 2103, providing for an increased level of attention to compliance assistance through site visits to electronic recyclers and assistance and education for communities involved in the collection of electronics under Part 173.

Recommendation for Fee Modification

The DEQ completed a stakeholder process in FY 2015 and intends to introduce the group recommendation for improving the effectiveness of the program. This may result in changes to the program that would require additional resources. For additional information on Michigan's Electronic Waste Takeback Law, Part 173, please visit <http://www.michigan.gov/deq> and search for "Electronic Waste Takeback Program."

If you need further information, please contact Bryce Feighner, Chief, Office of Waste Management and Radiological Protection, at 517-284-6551; or you may contact me at 517-284-6700.

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