



E-Cycle Wisconsin Requirements for Proof of Financial Responsibility for Electronics Recyclers

PUB-WA-1377 2020

Purpose

This document and related forms provide direction for recyclers of eligible electronic devices operating as part of the E-Cycle Wisconsin program under s. 287.17(8), Wis. Stats., in fulfilling the required proof of financial responsibility component of their registration.

Background

A person wishing to operate as an electronics recycler¹ under Wisconsin's electronics recycling law must register with the Department of Natural Resources. § 287.17(8)(a) Wis. Stats. A requirement of recycler registration is to certify compliance with operational requirements listed under § 287.17(8)(c), Wis. Stats. One of the listed operational requirements is to maintain proof of financial responsibility, described under § 287.17 (8)(c)3. Wis. Stats., ensuring that sufficient funds are available to cover reasonably estimated costs for a third party to clean up and close a recycling facility, including managing any remaining electronics or materials derived from electronics.

DNR staff will review documentation for closure cost estimates and ensure adequate funds have been set aside at the time of initial registration and through annual checks throughout a recycler's participation in E-Cycle Wisconsin.

Estimating closure and cleanup costs

Section 287.17(8)(c)3. Wis. Stats. specifies that registered recyclers "shall maintain, and provide to the department upon request, an itemized statement of the estimated costs in a form specified by the department and documentation of the source of the estimates." Form 4400-320 is the form specified by the department for a recycler to report an itemized statement of the estimated costs. If a recycler has its closure cost estimate in another form, it should consult with E-Cycle Wisconsin staff at the DNR to determine whether substitution for Form 4400-320 is acceptable.

- [Registered Recycler Cost Estimate \(4400-320\)](#)

Acceptable financial assurance instruments

A recycler must maintain proof of financial responsibility. § 287.17(8)(c)3. Wis. Stats. The law allows a recycler to use one of the mechanisms listed below as proof of financial responsibility:

- a surety bond;
- a deposit of cash, certificates of deposit, or securities issued by the federal government;
- an escrow account;
- an irrevocable letter of credit; or
- an irrevocable trust.

¹ "Recycler" means a person who accepts eligible electronic devices from Wisconsin households, covered schools or collectors for the purpose of recycling. "Recycling" means preparing eligible electronic devices for use in manufacturing processes or for recovery of useable materials and delivering the materials for use [ss. 287.17 (1)(L) & (m), Wis. Stats.].

If a recycler located in Wisconsin names the DNR as the beneficiary, that can streamline the registration process. The process for naming the DNR as the beneficiary is outlined below.

Recyclers located outside Wisconsin, or Wisconsin recyclers choosing to name a third party other than the DNR as beneficiary, have the option to use the DNR's surety bond and letter of credit forms as templates.

Process for naming the Wisconsin DNR as beneficiary

A recycler may, but is not required to, name the DNR as the beneficiary. If the recycler chooses to name the DNR as the beneficiary, the recycler must provide a draft copy of the financial instrument the recycler proposes to use (e.g. letter of credit, surety bond, etc.) for DNR approval. Please contact E-Cycle Wisconsin program staff for review.

The final document should be mailed to the address below, with a cover letter clearly noting the recycler name and address and that this is in reference to E-Cycle Wisconsin recycler registration.

Section Chief, Business Support and IT
Bureau of Waste and Materials Management – WA/5
P.O. Box 7921
Madison, WI 53707

The beneficiary name and address should be written as:
State of Wisconsin Department of Natural Resources
P.O. Box 7921
Madison, WI 53707

The DNR has developed template forms for recyclers to use when using a letter of credit or a surety bond and if they intend to name the DNR as beneficiary. If a recycler wishes to use a different instrument it may do so but we recommend contacting the E-Cycle Wisconsin staff at DNRWIE-cycling@wisconsin.gov to discuss the minimum requirements for such financial instruments.

- [Performance Bond for Closure for Use by Registered E-Cycle Wisconsin Recyclers \(4400-318\)](#)
- [Irrevocable Letter of Credit for Closure for Use by Registered E-Cycle Wisconsin Recyclers \(4400-319\)](#)



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Bureau of Waste and Materials Management
Wisconsin Department of Natural Resources
P.O. Box 7921, Madison, WI 53707-7921
DNRWIE-cycling@wisconsin.gov

Disclaimer: This document is intended solely as guidance and does not contain any mandatory requirements except where requirements found in statute or administrative rule are referenced. Any regulatory decisions made by the Department of Natural Resources in any matter addressed by this guidance will be made by applying the governing statutes and administrative rules to the relevant facts.

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WISCONSIN DEPARTMENT OF NATURAL RESOURCES NOTICE OF FINAL GUIDANCE & CERTIFICATION

Pursuant to ch. 227, Wis. Stats., the Wisconsin Department of Natural Resources has finalized and hereby certifies the following guidance document.

DOCUMENT ID

WA-20-1377-C

DOCUMENT TITLE

Requirements for Proof of Financial Responsibility for Electronics Recyclers

PROGRAM/BUREAU

Waste and Materials Management

STATUTORY AUTHORITY OR LEGAL CITATION

Ch. 287.17, Wis. Stats.

DATE SENT TO LEGISLATIVE REFERENCE BUREAU (FOR PUBLIC COMMENTS)

05/26/2020

DATE FINALIZED

06/17/2020

DNR CERTIFICATION

I have reviewed this guidance document or proposed guidance document and I certify that it complies with sections 227.10 and 227.11 of the Wisconsin Statutes. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is not explicitly required or explicitly permitted by a statute or a rule that has been lawfully promulgated. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is more restrictive than a standard, requirement, or threshold contained in the Wisconsin Statutes.

A handwritten signature in black ink, appearing to be 'R', is written over a horizontal line.

June 17, 2020

Signature

Date