# **SENATE, No. 3665**

# STATE OF NEW JERSEY

# 219th LEGISLATURE

INTRODUCED APRIL 26, 2021

**Sponsored by:** 

**Senator BOB SMITH** 

**District 17 (Middlesex and Somerset)** 

Senator LINDA R. GREENSTEIN

**District 14 (Mercer and Middlesex)** 

**Co-Sponsored by:** 

**Senator Diegnan** 

### **SYNOPSIS**

Requires manufacturers of electric vehicles to establish and implement electric vehicle battery management plans.

## **CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 5/6/2021)

# S3665 B.SMITH, GREENSTEIN

AN ACT concerning the recycling and disposal of electric vehicle 2 batteries and supplementing Title 13 of the Revised Statutes.

3 4

1

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

5 6 7

1. This act shall be known and may be cited as the "Electric Vehicle Battery Management Act."

8 9 10

11

12

13

14

15

16

17

18

19 20

21

22 23

24

25

26

27

28 29

30

31

32

33

34

35

2. The Legislature finds and declares that millions of electric vehicles have been sold in the United States during recent years; that this recent increase in electric vehicle use, while positive for the fight against climate change, has presented new environmental challenges such as where and how to dispose of used electric vehicle batteries; that consumers of electric vehicles and residents of this State do not have ready access to an efficient, environmentally sound, and cost-effective collection method for the recycling or disposal of used electric vehicle batteries; that lithiumion electric vehicle batteries, which are the most commonly used electric vehicle batteries today, contain toxic chemicals that should not be placed into landfills, since they could be hazardous, cause pollution, contaminate nearby soil and water, and potentially explode if mishandled; that many used electric vehicle batteries still retain up to seventy percent of their battery capacity when they are no longer able to charge a vehicle effectively; that it is costeffective for these used electric vehicle batteries to be reused for alternate purposes until they are fully expired of their battery life prior to recycling or disposal; and that manufacturers of electric vehicles are best able to assume responsibility for the development and implementation of a cost-effective electric vehicle battery management plan that will provide for the environmentally sound collection, transportation, reuse, and recycling or disposal of used electric vehicle batteries.

36 37

38

The Legislature therefore determines that it is in the best interest of the residents of New Jersey for the manufacturers of electric vehicles sold within the State to assume the costs of, and accept the responsibility for, the environmentally sound collection, transportation, reuse, and recycling or proper disposal of used electric vehicle batteries.

39 40 41

42

43

44

45

46

47

48

#### 3. As used in this act:

"Department" means the Department of Environmental Protection.

"Electric vehicle" means a vehicle that derives all or part of its power from electricity supplied by the electric grid, and that has a battery or equivalent energy storage device that can be charged from an electricity supply external to the vehicle with an electric plug. "Electric vehicle" includes a plug-in hybrid vehicle.

"Electric vehicle battery" means a rechargeable battery that is used to power the electric motors of an electric vehicle. "Electric vehicle battery" includes, but is not limited to, lithium-ion batteries, nickel-metal hydride batteries, and lead-acid batteries.

"Electric vehicle battery management plan" means a plan for the collection, transportation, reuse, and recycling or disposing of used electric vehicle batteries prepared pursuant to section 4 of this act.

"Environmentally sound management practices" means the policies and procedures for the collection, transportation, reuse, and recycling or disposal of used electric vehicle batteries, implemented by a manufacturer to ensure compliance with all applicable federal, State, and local laws, rules, regulations, and ordinances, and for the protection of human health, safety, and the environment, and which address matters such as adequate recordkeeping, accurate tracking, and documentation of the collection, transportation, reuse, and recycling or disposal of used electric vehicle batteries within the State, as may be established by the department.

"Manufacturer" means a person, firm, association, partnership, corporation, governmental entity, organization, combination, or joint venture that produces electric vehicles for sale to retailers or consumers.

"Plug-in hybrid vehicle" means a vehicle that can be charged from a source of electricity external to the vehicle through an electric plug, but is not exclusively powered by electricity.

"Retailer" means a person engaged in the sale of electric vehicles to a consumer at retail.

- 4. a. No later than 180 days after the effective date of this act, each manufacturer of electric vehicles sold within the State, either individually or as a part of a group of manufacturers, shall, in consultation with the department, develop and submit an electric vehicle battery management plan to the department for review and approval pursuant to section 5 of this act. The plan shall provide for manufacturers to be responsible for the collection, transportation, reuse, and recycling or disposal of all used electric vehicle batteries using environmentally sound management practices. The plan shall prioritize the reuse and recycling of used electric vehicle batteries prior to disposal.
- b. An electric vehicle battery management plan prepared and submitted pursuant to this section shall include, at a minimum, the following:
- (1) information identifying the make, model, and year of electric vehicles that may contain an electric vehicle battery, and the estimated number of electric vehicle batteries for which the manufacturer is responsible;
- (2) methods that will be used to remove, collect, and store the used electric vehicle batteries including proposed collection services;

- (3) methods that will be utilized to transport the used electric vehicle batteries to authorized recycling facilities, including the name and location of all authorized recyclers to be directly utilized pursuant to the plan;
- (4) the processes and methods that will be utilized to reuse used electric vehicle batteries for alternate second-life purposes, recycle used electric vehicle batteries that cannot be reused for alternate uses including a description of the recycling processes that will be used, and, if necessary, a plan for final disposal of used electric vehicle batteries;
- (5) a strategy for informing consumers and residents of this State about the requirement to properly manage electric vehicle batteries, the environmental impact of the improper handling or disposal of used electric vehicle batteries, and the mechanisms for the collection, transportation, reuse, and recycling or proper disposal of used electric vehicle batteries that are available to consumers pursuant to the plan;
- (6) a plan for the implementation and financing of the electric vehicle battery management plan; and
- (7) any other information, policies, or procedures as the department deems appropriate.
- c. An electric vehicle battery management plan shall, to the extent practicable, utilize the existing recycling infrastructure. Where the existing recycling infrastructure is not utilized, the electric vehicle battery management plan shall include the reasons for establishing a separate infrastructure.
- d. An electric vehicle battery management plan shall provide for the financing of the collection, transportation, reuse, and recycling or disposal of used electric vehicle batteries. The costs of such financing shall be borne by the manufacturers of electric vehicles sold in the State. The department and the manufacturers shall jointly develop a method that ensures the prompt payment to recycling facilities for costs associated with electric vehicle battery collection, transportation, reuse, and recycling or disposal.
- e. An electric vehicle battery management plan shall be reviewed and updated, as necessary, at least once every two years.

5. a. No later than 120 days after receipt by the department of a complete electric vehicle battery management plan, the department shall approve, disapprove, or conditionally approve the electric vehicle battery management plan and may impose additional requirements as a condition for approval. In making a determination pursuant to this section, the department may solicit information from representatives of recycling facilities and other stakeholders as the department deems appropriate. The department may assess a manufacturer a reasonable fee to cover the department's costs for reviewing the manufacturer's plan and for implementation and enforcement costs it incurs pursuant to this act.

- (1) If the department approves the electric vehicle battery management plan, the manufacturer shall implement the plan within 90 days after receipt of approval from the department or as otherwise agreed to by the department. If the electric vehicle battery management plan is disapproved, the department shall inform the manufacturer of the reasons for the disapproval. The manufacturer shall have 30 days thereafter to submit a revised electric vehicle battery management plan to the department.
- (2) The department may approve, in part, an electric vehicle battery management plan, and may disapprove a part of the plan that does not comply with the requirements of this act and the rules and regulations adopted pursuant thereto. The manufacturer shall implement the components of the plan, as approved, within 90 days after receipt of approval by the department or as otherwise agreed to by the department, and submit a revised electric vehicle battery management plan within 30 days after receipt of notification of the disapproval by the department in order to bring the entire plan into compliance with the requirements of this act and any rules and regulations adopted pursuant thereto. The department shall review and approve, conditionally approve, or disapprove a revised electric vehicle battery management plan within 30 days after receipt of the revised plan.
- (3) If, at the conclusion of the time period ending 120 days after receipt by the department of a complete electric vehicle battery management plan, the department has neither approved nor disapproved the electric vehicle battery management plan pursuant to paragraphs (1) or (2) of this subsection, the electric vehicle battery management plan shall be deemed to be conditionally approved. A manufacturer, subject to any modifications required by the department, shall implement a conditionally approved electric vehicle battery management plan within 90 days after the plan has been deemed conditionally approved by the department.
- b. The department may impose additional plan requirements, at the conclusion of the time period ending 240 days after the effective date of this act, on behalf of a manufacturer, for any portion of an electric vehicle battery management plan that does not comply with the requirements of this act, and any rules and regulations adopted pursuant thereto, for a plan component that has not been approved pursuant to this section.
- c. The department may review an electric vehicle battery management plan approved pursuant to this section and recommend modifications thereto at any time upon a finding that the approved electric vehicle battery management plan, as implemented, is deficient.
- d. Within 90 days after the department's approval of an electric vehicle battery management plan submitted in accordance with section 4 of this act, or any revisions thereto, the department shall post, at a publicly accessible location on its Internet website, each

## S3665 B.SMITH, GREENSTEIN

electric vehicle battery management plan and a list identifying each of the manufacturers participating in an electric vehicle battery management plan.

6. In implementing a plan approved pursuant to section 5 of this act, a manufacturer shall provide consumers with educational materials related to the electric vehicle battery management plan and the electric vehicle battery collection services that are available, in a form and manner as may be determined by the department. The educational materials shall include, but need not be limited to, information identifying the end-of-life management options that are available for used electric vehicle batteries through the electric vehicle battery management plan, and a notice that the costs of the services will be covered by the manufacturers of electric vehicles throughout the State. Manufacturers may provide retailers with educational and informational material describing collection opportunities and promoting waste prevention, reuse, and recycling of used electric vehicle batteries. The educational and promotional materials may include, but need not be limited to, signage, written materials, templates of materials for reproduction by retailers to be provided to consumers at the time of purchase, and advertising materials describing the electric vehicle battery management plan.

7. a. Beginning 18 months after the effective date of this act, a manufacturer or retailer shall not sell, or offer to sell, electric vehicles to any person in the State unless the manufacturer of the electric vehicle is engaged in the implementation of, or has fully implemented, an electric vehicle battery management plan approved by the department pursuant to section 5 of this act.

b. A retailer shall be deemed to be in compliance with subsection a. of this section if, on the date the electric vehicle is ordered thereby, the manufacturer of the electric vehicle is identified on the list maintained on the department's Internet website pursuant to subsection d. of section 5 of this act.

c. If a manufacturer fails to comply with the conditions and terms of an approved electric vehicle battery management plan, the manufacturer shall be prohibited from selling or offering for sale electric vehicles in this State.

8. a. Whenever the Commissioner of Environmental Protection finds that a person has violated any provision of this act, or any rule or regulation adopted pursuant thereto, or knowingly makes a false statement, representation, or certification in any application, record, plan, or other document filed or required to be maintained pursuant to this act, the commissioner may:

(1) issue an order requiring the person found to be in violation to comply in accordance with subsection b. of this section;

1 (2) bring a civil action in accordance with subsection c. of this section;

- (3) levy a civil administrative penalty in accordance with subsection d. of this section; or
- (4) bring an action for a civil penalty in accordance with subsection e. of this section.

Pursuit of any of the remedies specified under this section shall not preclude the seeking of any other remedy specified.

- b. Whenever the commissioner finds that a person has violated this act, or any rule or regulation adopted pursuant thereto, the commissioner may issue an administrative enforcement order specifying the provision or provisions of this act, or the rule or regulation adopted pursuant thereto, of which the person is in violation, citing the action that constituted the violation, requiring compliance with the provision violated, and giving notice to the person of the person's right to a hearing on the matters contained in the administrative enforcement order. The ordered person shall have 20 calendar days from receipt of the order within which to deliver to the commissioner a written request for a hearing. After the hearing and upon finding that a violation has occurred, the commissioner may issue a final order. If no hearing is requested, the order shall become final after the expiration of the 20-day period. A request for hearing shall not automatically stay the effect of the order.
  - c. The commissioner is authorized to institute a civil action in Superior Court for appropriate relief from any violation of the provisions of this act, or any rule or regulation adopted thereof. Such relief may include, singly or in combination:
    - (1) a temporary or permanent injunction;
  - (2) recovery of reasonable costs of any investigation or inspection which led to the discovery of the violation, and for the reasonable costs of preparing and bringing a civil action commenced under this subsection;
  - (3) recovery of reasonable costs incurred by the State in removing, correcting, or terminating the adverse effects resulting from any violation of the provisions of this act, or any rule or regulation adopted pursuant thereto, for which a civil action has been commenced and brought under this subsection;
  - (4) recovery of compensatory damages caused by a violation of the provisions of this act, or any rule or regulation adopted thereof, for which a civil action has been commenced and brought under this subsection. Assessments under this subsection shall be paid to the State Treasurer, except that compensatory damages may be paid by specific order of the court to any persons who have been aggrieved by the violation.
- d. The commissioner is authorized to assess a civil administrative penalty of not less than \$5,000 nor more than \$10,000 for each violation, provided that each day during which the

- 1 violation continues shall constitute an additional, separate and
- 2 distinct offense.

8

9

10

11

12

13 14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

- 3 In assessing a civil administrative penalty, the commissioner shall
- 4 consider the severity of the violation, the measures taken to prevent
- 5 further violations, and whether the penalty will maintain an
- 6 appropriate deterrent.

Prior to assessment of a civil administrative penalty, the person committing the violation shall be notified by certified mail or personal service that the penalty is being assessed. The notice shall identify the section of the statute, rule, regulation, or order violated; recite the facts alleged to constitute a violation; state the basis for the amount of the civil administrative penalties to be assessed; and affirm the rights of the alleged violator to a hearing. The ordered party shall have 35 days from receipt of the notice within which to deliver to the commissioner a written request for a hearing. After the hearing and upon finding that a violation has occurred, the commissioner may issue a final order after assessing the amount of the fine specified in the notice. If no hearing is requested, the notice shall become a final order after the expiration of the 35-day period. Payment of the assessment is due when a final order is issued or the notice becomes a final order. The authority to levy an administrative order is in addition to all other enforcement provisions in this act, and the payment of any assessment shall not be deemed to affect the availability of any other enforcement provisions in connection with the violation for which the assessment is levied. The department may compromise any civil administrative penalty assessed under this section in an amount and with conditions the department determines appropriate.

A person who violates any provision of this act, or any rule or regulation adopted pursuant thereto, or an administrative order issued pursuant to subsection b. of this section, or a court order issued pursuant to subsection c. of this section, or who fails to pay a civil administrative penalty in full pursuant to subsection d. of this section, or who knowingly makes any false or misleading statement on any application, record, report, or other document required to be submitted to the department, shall be subject, upon order of a court, to a civil penalty not to exceed \$10,000 per day of the violation, and each day during which the violation continues shall constitute an additional, separate, and distinct offense. Any civil penalty imposed pursuant to this subsection may be collected with costs in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), or may be collected in a civil action commenced by the commissioner. In addition to any penalties, costs or interest charges, the Superior Court, or the municipal court as the case may be, may assess against the violator the amount of economic benefit accruing to the violator from the violation.

f. All penalties collected by the department pursuant to this act shall be appropriated and allocated annually for administration and enforcement of the "Electric Vehicle Battery Management Act."

- 9. a. No later than one year after the implementation of an electric vehicle battery management plan approved pursuant to section 5 of this act, and annually thereafter, each manufacturer subject to section 4 of this act shall, either individually or as part of a group of manufacturers, report to the department concerning the implementation of the electric vehicle battery management plan. The report shall include, but need not be limited to, the following:
- (1) a description of the methods used to remove, collect, store, transport, reuse, and recycle or dispose of the used electric vehicle batteries under the electric vehicle battery management plan;
- (2) the number of used electric vehicle batteries collected during the preceding year;
- (3) the number of used electric vehicle batteries that were reused for second-life, alternate purposes during the preceding year and a description of what the electric vehicle batteries were used for;
- (4) the number of used electric vehicle batteries that were recycled in the preceding year;
- (5) the number of used electric vehicle batteries that were disposed of in the preceding year;
- (6) a list of all manufacturers implementing the electric vehicle battery management plan;
- (7) the total cost of implementing the electric vehicle battery management plan, which shall include separate figures for the cost of collection, transportation, reuse, recycling, disposal, communication, and any other categories that involved cost;
- (8) samples of the educational materials provided to consumers of electric vehicles, together with an evaluation of the methods used to disseminate those materials, and an assessment of the educational and outreach effectiveness of those materials;
- (9) an evaluation of the effectiveness of the electric vehicle battery management plan and any steps necessary to improve the effectiveness of the electric vehicle battery management plan; and
  - (10) any other information the department may require.
- b. Within 90 days after receipt by the department of the annual reports, the department shall review the annual reports and issue a report on the progress of the electric vehicle battery management plans.
- c. Each report submitted pursuant to subsection a. of this section shall be posted on the department's Internet website. The department shall not disclose financial data reported by a manufacturer pursuant to this section, except that the department may disclose such data in aggregate or summary format, provided that manufacturers are not specifically identified, and the summary omits any reference to unique characteristics from which the

1	identities	of	manufacturers	might	be	inferred	or	otherwise
2	ascertained.							

10. The department may, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules or regulations necessary to implement the provisions of this act.

11. This act shall take effect immediately.

#### **STATEMENT**

The bill requires every manufacturer of electric vehicles sold within the State, either individually or as a part of a group of manufacturers, to develop, in consultation with the Department of Environmental Protection (department), and submit an electric vehicle battery management plan to the department for review and approval. The plan is to provide for manufacturers to be responsible the collection, transportation, reuse, and recycling or disposal of all used electric vehicle batteries using environmentally sound management practices. The plan is required to prioritize the reuse and recycling of used electric vehicle batteries prior to disposal.

The bill requires the electric vehicle battery management plan to include:

- (1) information identifying the make, model, and year of electric vehicles that may contain an electric vehicle battery, and the estimated number of electric vehicle batteries for which the manufacturer is responsible;
- (2) methods that will be used to remove, collect, and store the used electric vehicle batteries, including proposed collection services;
- (3) methods that will be utilized to transport the used electric vehicle batteries to authorized recycling facilities, including the name and location of all authorized recyclers to be directly utilized pursuant to the plan;
- (4) the processes and methods that will be utilized to reuse used electric vehicle batteries for alternate second-life purposes, recycle used electric vehicle batteries that cannot be reused for alternate uses including a description of the recycling processes that will be used, and, if necessary, a plan for final disposal of used electric vehicle batteries;
- (5) a strategy for informing consumers and residents of this State about the requirements to properly manage electric vehicle batteries, the environmental impact of the improper handling or disposal of used electric vehicle batteries, and the mechanisms for the collection, transportation, reuse, and recycling or proper

disposal of used electric vehicle batteries that are available to consumers;

3

4

5

6

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

- (6) a plan for the implementation and financing of the electric vehicle battery management plan; and
- (7) any other information, policies, or procedures as the department deems appropriate.

7 Under the bill, the electric vehicle battery management plan 8 would, to the extent practicable, utilize the existing recycling 9 infrastructure. Where the existing recycling infrastructure is not 10 utilized, the electric vehicle battery management plan is required to 11 include the reasons for establishing a separate infrastructure. An 12 electric vehicle battery management plan is required to provide for 13 the financing of the collection, transportation, reuse, and recycling 14 or disposal of used electric vehicle batteries. The costs of such 15 financing is required to be borne by the manufacturers of electric 16 vehicles sold in the State. The department and the manufacturers 17 would be responsible for jointly developing a method that ensures 18 the prompt payment to recycling facilities for costs associated with 19 electric vehicle battery collection, transportation, reuse, and 20 recycling or disposal. An electric vehicle battery management plan 21 would be reviewed and updated, as necessary, at least once every 22 two years.

The bill requires a complete electric vehicle battery management plan to be submitted to the department for approval prior to its implementation by manufacturers. The department may approve, disapprove, or conditionally approve the electric vehicle battery management plan. If the department approves the electric vehicle battery management plan, the manufacturer is required to implement the plan within 90 days after receipt of approval from the department or as otherwise agreed to by the department. If the electric vehicle battery management plan is disapproved, the manufacturer would have 30 days to submit a revised electric vehicle battery management plan to the department.

The department may approve part, in part, an electric vehicle battery management plan, and may disapprove a part of the plan that does not comply with the requirements of the bill and the rules and regulations adopted pursuant thereto. In this case, the manufacturer is required to implement the approved components, within 90 days after receipt of approval by the department or as otherwise agreed to by the department, and submit a revised electric vehicle battery management plan within 30 days after receipt of notification of the disapproval of the department in order to bring the entire plan into compliance. The department will review and approve, conditionally approve, or disapprove a revised electric vehicle battery management plan within 30 days after receipt of the revised plan. If, at the conclusion of the time period ending 120 days after receipt by the department of a complete electric vehicle battery management plan, the department has neither approved nor

disapproved the electric vehicle battery management plan, the electric vehicle battery management plan is to be considered conditionally approved. A manufacturer, subject to any modifications required by the department, is required to implement a conditionally approved electric vehicle battery management plan within 90 days after the plan has been deemed conditionally approved by the department.

Within 90 days after the department's approval of an electric vehicle battery management plan, or any revisions thereto, the department is required to post, at a publicly accessible location on its Internet website, each electric vehicle battery management plan and a list identifying each of the manufacturers participating in an electric vehicle battery management plan.

Manufacturers implementing electric vehicle battery management plans are required to provide consumers with educational materials related to the electric vehicle battery management plan and the electric vehicle battery collection services that are available.

The bill prohibits a manufacturer or retailer of electric vehicles from selling, or offering to sell, electric vehicles to any person in the State unless the manufacturer of the electric vehicle is engaged in the implementation of, or has fully implemented, an electric vehicle battery management plan. A retailer would be deemed to be in compliance with this sales prohibition if, on the date the electric vehicle is ordered thereby, the manufacturer of the electric vehicle is identified on the list maintained on the department's Internet website. If a manufacturer fails to comply with the conditions and terms of an approved electric vehicle battery management plan, the manufacturer would be prohibited from selling or offering for sale electric vehicles in this State. The bill also establishes penalties for violations of the bill's provisions or any rules or regulations adopted pursuant thereto.

The bill also requires manufacturers to submit an annual report to the department, which describes or includes, among other things:

(1) a description of the methods used to remove, collect, store, transport, reuse, and recycle or dispose of the used electric vehicle batteries under the electric vehicle battery management plan; (2) the number of used electric vehicle batteries collected during the preceding year; (3) the number of used electric vehicle batteries that were reused for second-life, alternate purposes during the preceding year and a description of what the electric vehicle batteries were used for; (4) the number of used electric vehicle batteries that were recycled in the preceding year; (5) the number of used electric vehicle batteries that were disposed of in the preceding year; (6) a list of all manufacturers implementing the electric vehicle battery

# S3665 B.SMITH, GREENSTEIN

13

management plan; (7) the total cost of implementing the electric 1 2 vehicle battery management plan, including separate figures for the cost of collection, transportation, reuse, recycling, disposal, 3 4 communication, and any other categories that involved cost; (8) 5 samples of the educational materials provided to consumers of 6 electric vehicles, together with an evaluation of the methods used to 7 disseminate those materials, and an assessment of the educational and outreach effectiveness of those materials; (9) an evaluation of 8 9 the effectiveness of the electric vehicle battery management plan 10 and any steps necessary to improve the effectiveness of the electric vehicle battery management plan; and (10) any other information 11 12 the department may require. The bill requires the department to 13 review these reports and issue an annual report on the progress of 14 the electric vehicle battery management plans. 15 Finally, the bill authorizes the department to adopt rules or regulations necessary to implement the provisions of the bill. 16