

HF3075 - 0 - Disclosure of PFAS in Products

Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/14/2022 12:25:44 PM**
 Lead Agency: **Pollution Control Agency**
 Other Agencies:
 Administrative Hearings

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-	-
Administrative Hearings	-	-	-	-	-	-
Pollution Control Agency						
Environmental	-	-	314	300	154	
State Total						
Administrative Hearings	-	-	-	-	-	-
Environmental	-	-	314	300	154	
Total	-	-	314	300	154	
Biennial Total			314		454	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Pollution Control Agency					
Environmental	-	-	1.75	1.75	1
Total	-	-	1.75	1.75	1

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 2/14/2022 12:25:44 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Pollution Control Agency					
Environmental	-	-	314	300	154
Total	-	-	314	300	154
Biennial Total			314		454
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	29	-
Pollution Control Agency					
Environmental	-	-	314	300	154
Total	-	-	314	329	154
Biennial Total			314		483
2 - Revenues, Transfers In*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	29	-
Pollution Control Agency					
Environmental	-	-	-	-	-
Total	-	-	-	29	-
Biennial Total			-		29

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 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/14/2022 12:25:44 PM**
 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Environmental	-	-	314	300	154	
Total	-	-	314	300	154	
Biennial Total			314		454	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Environmental	-	-	1.75	1.75	1
Total	-	-	1.75	1.75	1

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 2/14/2022 12:17:24 PM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
Environmental	-	-	314	300	154	
Total	-	-	314	300	154	
Biennial Total			314		454	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Environmental	-	-	314	300	154	
Total	-	-	314	300	154	
Biennial Total			314		454	
2 - Revenues, Transfers In*						
Environmental	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-		-	

Bill Description

This bill creates Minn. Stat. section 116.943. Subdivision 2 requires that a manufacturer of a product for sale in Minnesota that contains intentionally added PFAS must submit a written notes to the Minnesota Pollution Control Agency (MPCA) a description of the product, the function served by PFAS in the production, the amount of PFAS in the product, the manufacturer and contact person and other information required by rule. Subdivision 3 allows the MPCA to waive all or part of the notice requirements if the equivalent information is publicly available; or accept notices from other states in a shared system; or extend the time for submittal of the notice. Subdivision 4 requires the MPCA to adopt rules regarding the notice and to establish a fee to cover the cost of developing the rules.

Assumptions

Rule would include language on complaint resolution and associated compliance work. The bill language does not include a mechanism for monitoring compliance with the rule.

The agency anticipates utilizing the Interstate Chemicals Clearinghouse High Priority Chemicals Data System, an application that stores and reports chemicals in products. The agency is already a member of this association. However, to integrate the system to accommodate Minnesota specific requirements, an upfront cost of \$75,000 is required. Annual ongoing maintenance and reporting would cost \$20,500.

The Minnesota Rulemaking Manual estimates a standard effort of 18 months to complete a rulemaking.

One program staff FTE to assist with rulemaking in FY23 and FY24 at 0.75 FTE and 0.25 FTE to work on program development. At the close of rulemaking, this position would transition to reviewing, analyzing, and responding to priorities identified, enable and maintain the fee collection process, and monitoring compliance with the reporting requirement. This would also require 0.75 FTE of Rule Coordinator staff for FY23 and FY24.

Rule development would be complete prior to requirement of reporting; agency will be reimbursed by a fee when noticed of PFAS reporting. We are unable to estimate the cost recovery fee structure until the rule is developed.

Expenditure and/or Revenue Formula

Current estimated rate for Interstate Chemical Clearinghouse association and data system access is \$75,000 initial and \$20,500 annually.

Program staff time not associated with rule making: 133,000 FTE x 0.25 FTE = \$33,250 in FY23 and FY24 and 1 FTE at \$133,000 starting in FY25

Rule making costs are assumed as follows:

1. Calculation for costs to complete the rulemaking required by the bill. Total of \$451,278
 - a. MPCA program staff, rule coordinator, and legal costs would be split over FY23 and FY24; Office of Administrative Hearing and most State Register and miscellaneous costs are placed in FY24.
 - b. Program staff: 133,000 FTE x 1.5 FTE = \$199,500 [0.75 in FY23 (\$99,750), 0.75 in FY 24 (\$99,750)]
 - c. Rule coordinator: 133,000 x 1.5 FTE = \$199,500 [(0.75 in FY23 (\$99,750), 0.75 in FY 24 (\$99,750)]
 - d. Legal: \$133/hr x 86 hr = \$11,438 (\$5,719 in FY23 and FY24)
 - e. OAH: \$215/hr = 135 hr = \$29,025 in FY24
 - f. State Register = \$7,890 (\$270 in FY23; \$7,620 in FY24)
 - g. Hearing room, communication and general expenses = \$3,925 FY24

*The annual cost of 1.0 FTE is \$133,000 in FY2021-2025. Annual costs for 1.0 FTE include salary, fringe, and non-specialized employee support costs (work space, computer and office supplies, office equipment, local travel, etc.)

Long-Term Fiscal Considerations

For the program to be funded by the regulated parties, the bill language would need to allow for MPCA to be reimbursed for implementation; current language limits it to cost recovery from rule making only.

Local Fiscal Impact

No costs to local governments are expected.

References/Sources

A similar law has been passed in Maine and is being implemented through the Maine Department of Environmental Protection.

Agency Contact: Pam Anderson (651-757-2190)

Agency Fiscal Note Coordinator Signature: John Allen

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Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/14/2022 12:25:44 PM**
 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joel Enders **Date:** 2/14/2022 12:19:34 PM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings	-	-	-	29	-
Total	-	-	-	29	-
Biennial Total			-		29
2 - Revenues, Transfers In*					
Administrative Hearings	-	-	-	29	-
Total	-	-	-	29	-
Biennial Total			-		29

Bill Description

HF3075 provides for the Pollution Control Agency (PCA) to conduct rulemaking to adopt rules for notice requirements for products containing PFAS.

Assumptions

PCA assumes a program of this size will require one large rulemaking at \$310,248 in FY2024. Based on past practices, OAH assumes that a large rulemaking under chapter 14 will require an estimated 135 hours of ALJ time for activity related to rulemaking procedures. Of the estimated rulemaking amount of \$310,248, \$29,025 is for the estimated 135 hours of ALJ time for a large rulemaking.

OAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$215 per hour (see Minn. Stat. § 16A.126, subd. 1 (2020)).

Expenditure and/or Revenue Formula

Estimated 135 hours of ALJ time for rulemaking activities related to implementing the requirements of Sec. 1, Subd. 4, PFAS Notice Rulemaking = 135 hours x \$215/hr = \$29,025 charged to PCA in FY2024 pursuant to the requirements of Minn. Stat. § 14.53.

Long-Term Fiscal Considerations

The costs associated with the rulemaking activities are a one-time occurrence.

Local Fiscal Impact

References/Sources

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