

HF79 - 0 - Food Packaging Chemical Use Regulated

Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **1/26/2021 10:26:32 AM**
 Lead Agency: **Pollution Control Agency**
 Other Agencies:
 Commerce Dept Health Dept

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) Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	66	66	66	66
Pollution Control Agency					
Environmental	-	104	138	138	138
State Total					
General Fund	-	66	66	66	66
Environmental	-	104	138	138	138
Total	-	170	204	204	204
Biennial Total			374		408

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	1	1	1	1
Pollution Control Agency					
Environmental	-	.5	1	1	1
Total	-	1.5	2	2	2

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:** 1/26/2021 10:26:32 AM
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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
Health Dept						
General Fund		-	66	66	66	66
Pollution Control Agency						
Environmental		-	104	138	138	138
Total		-	170	204	204	204
Biennial Total				374		408
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Dept						
General Fund		-	66	66	66	66
Pollution Control Agency						
Environmental		-	104	138	138	138
Total		-	170	204	204	204
Biennial Total				374		408
2 - Revenues, Transfers In*						
Health Dept						
General Fund		-	-	-	-	-
Pollution Control Agency						
Environmental		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

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Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **1/26/2021 10:26:32 AM**
 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	-	104	138	138	138	138
Total	-	104	138	138	138	138
Biennial Total			242			276

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Environmental	-	.5	1	1	1
Total	-	.5	1	1	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:** 1/26/2021 10:26:21 AM
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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
Environmental	-	104	138	138	138	138
Total	-	104	138	138	138	138
	Biennial Total		242			276
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Environmental	-	104	138	138	138	138
Total	-	104	138	138	138	138
	Biennial Total		242			276
2 - Revenues, Transfers In*						
Environmental	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

Proposes prohibition of manufacturing, sale, or distribution of food packaging that contains intentionally added Perfluoroalkyl and polyfluoroalkyl substances (PFAS) chemicals. Provides for enforcement by MPCA. Requires coordination with Departments of Commerce and Health.

Assumptions

Work would begin January 1, 2022, halfway into FY22. One FTE will be needed for outreach and education, technical assistance, complaint response, random purchasing and sampling and screening of products, conducting any necessary enforcement follow-up, and coordination with other state agencies. MPCA will need to purchase some products for testing. Funds are needed to support a competitively-selected laboratory in developing PFAS screening, extraction and/or analytical techniques for the variety of materials found in food packaging. If the screening indicates the presence of PFAS, samples will be tested in an accredited lab.

Expenditure and/or Revenue Formula

Lab contract to develop PFAS screening and testing method = \$30,000

Sample purchases \$10/product x 200 products = \$2,000

Lab tests \$400/sample x 20 tests = \$8,000

1 FTE = \$128,000

*The annual cost of 1.0 FTE is \$128,000 in FY2021-2024. 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

N/A

Local Fiscal Impact

N/A

References/Sources

N/A

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Agency Fiscal Note Coordinator Signature: John Allen

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HF79 - 0 - Food Packaging Chemical Use Regulated

Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **1/26/2021 10:26:32 AM**
 Agency: **Commerce Dept**

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
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
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: Christian Larson **Date:** 1/25/2021 9:11:36 AM
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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
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

HF79 prohibits the intentional use of PFAS chemicals in the manufacturing of food packaging items. The Minnesota Pollution Control Agency (MPCA) has primary enforcement responsibility outlined in the proposal but must coordinate with the Commerce Department and Minnesota Department of Health.

Assumptions

The Commerce Department would assist MPCA in potential enforcement action similar to our current roll in enforcing laws in response to existing bans on chemicals in children’s products.

The Commerce Department does not anticipate any additional cost associated with this legislation.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

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HF79 - 0 - Food Packaging Chemical Use Regulated

Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **1/26/2021 10:26:32 AM**
 Agency: **Health Dept**

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
General Fund	-	66	66	66	66	66
Total	-	66	66	66	66	66
Biennial Total			132			132

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	1	1	1	1
Total	-	1	1	1	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: Carlos Guereca **Date:** 1/25/2021 2:52:46 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
General Fund	-	66	66	66	66	66
Total	-	66	66	66	66	66
Biennial Total			132			132
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	66	66	66	66	66
Total	-	66	66	66	66	66
Biennial Total			132			132
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill would ban in Minnesota the manufacture, distribution for sale or use, and sale of food packaging that contains intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS) beginning January 1, 2022. The enforcement authority lies with the Minnesota Pollution Control Agency, in coordination with Departments of Health and Commerce. The bill adds a new law in *Minnesota Statutes, chapter 325F* and includes no appropriation language.

Assumptions

The department works closely with the Minnesota Pollution Control Agency (MPCA) on similar initiatives, and we assume this coordination would be similar to those initiatives. While the department would not take a direct role in enforcing this section, MPCA is directed to coordinate with the commissioner of health in its enforcement. Specifically, the department assumes our role will be to coordinate with MPCA for outreach, messaging, and education generally and when they find unapproved packaging via complaints or testing. In similar sized programs, staffing equivalent to 0.5 fulltime equivalent staff person is required to assist with outreach, messaging, and communication efforts.

The health department regulates food establishments where these products may be used as packaging for the end consumer. The department assumes no cost or responsibility to enforce this requirement as the bill places the regulations in Minnesota Statutes, chapter 325F, and not in the health department’s primary food safety regulatory statute, chapter 157. Additionally, the bill explicitly states that the “commissioner of the Pollution Control Agency may enforce this section” in subdivision 3. Subdivision 3 does include a coordinating role for the health department, which is covered in our assumptions above.

Expenditure and/or Revenue Formula

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
Planner Principal State	105,174	0.50	0.50	0.50	0.50
	FTE	0.50	0.50	0.50	0.50
	Subtotal	52,587	52,587	52,587	52,587

Information Technology:					
Computing & IT support per FTE	2,712	1,356	1,356	1,356	1,356
	Subtotal	1,356	1,356	1,356	1,356
Other Operating Costs:					
Materials, supplies & training per FTE	600	300	300	300	300
	Subtotal	300	300	300	300
Grants, Aids & Subsidies:					
	Subtotal	0	0	0	0
Indirect (21.7% Eligible Costs)	Subtotal	11,771	11,771	11,771	11,771
Expenditure	Total	66,014	66,014	66,014	66,014
Fiscal Tracking (Dollars in Thousands)	BACT	FY 2022	FY 2023	FY 2024	FY 2025
Health Protection	03	66	66	66	66
Administration		66	66	66	66
Grants		0	0	0	0

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

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