

HF79 - 1E - Food Packaging Chemical Use Regulated

Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/22/2021 8:49:12 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)		Biennium		Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	-	66	66	66
Pollution Control Agency					
Environmental	-	104	138	138	138
State Total					
General Fund	-	-	66	66	66
Environmental	-	104	138	138	138
Total	-	104	204	204	204
Biennial Total			308		408

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

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:** 2/22/2021 8:49:12 AM
Phone: 651-284-6540 **Email:** jim.carlson@lbo.leg.mn

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
Pollution Control Agency					
Environmental	-	104	138	138	138
Total	-	104	204	204	204
Biennial Total			308		408
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Dept					
General Fund	-	-	66	66	66
Pollution Control Agency					
Environmental	-	104	138	138	138
Total	-	104	204	204	204
Biennial Total			308		408
2 - Revenues, Transfers In*					
Health Dept					
General Fund	-	-	-	-	-
Pollution Control Agency					
Environmental	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

HF79 - 1E - Food Packaging Chemical Use Regulated

Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/22/2021 8:49:12 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	1
Total	-	.5	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: Jim Carlson **Date:** 2/19/2021 4:25:40 PM
Phone: 651-284-6540 **Email:** jim.carlson@lbo.leg.mn

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
Total	-	104	138	138	138
Biennial Total			242		276
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Environmental	-	104	138	138	138
Total	-	104	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. Requires MN Dept. of Health (MDH) to amend the health risk limit for PFOS by July 1, 2023. And appropriates funds from the Environmental Fund to go to the MPCA for transfer to MDH.

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.

We assumed MDH would complete 100% of the rulemaking so there would be no cost to the Agency.

The cost for handling the transfer of funds from the MPCA to MDH is negligible and would be covered by existing funds.

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

Staff familiar with rulemaking, transfer of funds processes, and establishing new programs for identifying, tracking, and providing assistance to manufacturers and distributors of products.

Agency Contact: Aaron Luckstein 507-206-2606

Agency Fiscal Note Coordinator Signature: John Allen

Phone: 651-757-2185

Date: 2/19/2021 1:21:26 PM

Email: john.j.allen@state.mn.us

HF79 - 1E - Food Packaging Chemical Use Regulated

Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/22/2021 8:49:12 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:** 2/21/2021 9:50:29 AM
Phone: 651-284-6436 **Email:** christian.larson@lbo.leg.mn

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

HF79-1E 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

Phone: 651-539-1517

Date: 2/16/2021 12:28:24 PM

Email: amy.trumper@state.mn.us

HF79 - 1E - Food Packaging Chemical Use Regulated

Chief Author: **Ami Wazlawik**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/22/2021 8:49:12 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
Total		-	-	66	66	66
Biennial Total				66		132

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund		-	-	.5	.5	.5
Total		-	-	.5	.5	.5

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:** 2/22/2021 8:16:42 AM
Phone: 651-2846541 **Email:** carlos.guereca@lbo.leg.mn

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
Total		-	-	66	66
Biennial Total				66	132
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund		-	-	66	66
Total		-	-	66	66
Biennial Total				66	132
2 - Revenues, Transfers In*					
General Fund		-	-	-	-
Total		-	-	-	-
Biennial Total				-	-

Bill Description

This bill would ban the manufacture, distribution for sale or use, and sale of food packaging that contains intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS) beginning January 1, 2023. The enforcement authority lies with the Minnesota Pollution Control Agency (MPCA), in coordination with Departments of Health and Commerce. The bill adds Minnesota Statutes, chapter 325F. HF79-1E adds a requirement to HF79 that MDH promulgate a Health Risk Limit (HRL) for perfluorooctane sulfonate (PFOS) that does not exceed 0.015 parts per billion by July 1, 2023. It also provides a blank appropriation to do this work.

Assumptions

The department works closely with the 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 FTE is required to assist with outreach, messaging, and communication efforts.

The health department also 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 in licensed food establishments 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 section 1, subdivision 3. Subdivision 3 does include a coordinating role for the health department, which is covered in our assumptions above.

MDH has a biennial review and rulemaking process for contaminants and has already initiated the health risk limit (HRL) rule amendment process for perfluorooctane sulfonate (PFOS) as part of this cycle. Initial request for public comment was issued in January of 2021. A proposed PFOS HRL of 0.015 parts per billion is included in the proposed amendment (see *References/Sources*). There is no additional projected cost to MDH to amend the HRL for PFOS.

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
	FTE	0.00	0.50	0.50	0.50
	Subtotal	0	52,587	52,587	52,587
Information Technology:					
Computing & IT support per FTE	2,712	0	1,356	1,356	1,356
	Subtotal	0	1,356	1,356	1,356
Other Operating Costs:					
Materials, supplies & training per FTE	600	0	300	300	300
	Subtotal	0	300	300	300
Grants, Aids & Subsidies:					
	Subtotal	0	0	0	0
Indirect (21.7% Eligible Costs)	Subtotal	0	11,771	11,771	11,771
Expenditure	Total	0	66,014	66,014	66,014
Fiscal Tracking (Dollars in Thousands)	BACT	FY 2022	FY 2023	FY 2024	FY 2025
Health Protection	3	0	66	66	66
Administration		0	66	66	66
Grants		0	0	0	0

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Minnesota Department of Health (February 2021). "Health Risk Limits Rules for Groundwater Rules Amendments Contaminants." URL: <https://www.health.state.mn.us/communities/environment/risk/rules/water/chemicals.html>

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

Date: 2/19/2021 11:27:35 AM

Phone: 651-201-5235

Email: brian.awsumb@state.mn.us