

**HF1165 - 0 - Biodegradable or Compostable Item Labeling**

Chief Author: **Ami Wazlawik**  
 Committee: **Environment And Natural Resources Finance And Policy**  
 Date Completed: **3/1/2021 9:13:26 AM**  
 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
		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	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Environmental	-	-	.13	.25	.25
<b>Total</b>	-	-	.13	.25	.25

**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:** 3/1/2021 9:13:26 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.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Environmental		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Environmental						
Expenditures		-	-	16	32	32
Absorbed Costs		-	-	(16)	(32)	(32)
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
Environmental						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

**Bill Description**

This bill amends Minnesota Statutes 2020, Section 325E.046.

Section 1, subdivision 1 expands labeling standards for “biodegradable” from manufacturers, distributors, and wholesalers of plastic bags to any person selling or offering to sell bags, food or beverage products, and packaging. The term “decomposable” is also added as a regulated label term. This section also prohibits the sale or offer for sale of a covered product that is labeled as “biodegradable,” “degradable,” “decomposable,” or any form of those terms or even implying that the product would breakdown, degrade, etc. unless it complies with an ASTM standard specification that is approved by the legislature.

Section 1, subdivision 2 expands labeling standards for “compostable” from manufacturers, distributors, and wholesalers of plastic bags to any person selling or offering to sell bags, food or beverage products, and packaging. It also specifically requires that a covered product that is labeled as “compostable” meet ASTM standard D6400 or its successor or ASTM standard D6868 or its successor. It also outlines the specific labeling such as the use of brown and green color schemes or striping.

Section 1, subdivision 2a requires that beginning January 1, 2024, a person may not sell or offer for sale a covered product labels as compostable unless the person first obtains a certification that the meets the requirements in this bill.

Section 1, subdivision 3 authorizes the Pollution Control Agency to take enforcement for violations under its existing statutory authority and establishes enforcement dollar amounts of \$100 for each prepackaged saleable unit not to exceed \$5,000 total.

Section 1, subdivision 4 establishes definitions of ASTM, covered product, food or beverage product, and packaging.

This bill becomes effective on January 1, 2023.

**Assumptions**

All costs will be absorbed by the MPCA using current program appropriations.

It is assumed the MPCA’s will be responsible for providing education to retailers and distributors of an expanded labeling

requirements; and coordinating compliance activities and implementing the enforcement authority provisions outlined in Subd. 3 Enforcement; civil penalty; injunctive relief, as needed. It is assumed 0.25 FTE will be dedicated to complete this work.

It is assumed the MPCA will not have any responsibility for or participation in the development of ASTM standards.

It is assumed the MPCA will not have any role in the oversight of or issuance of certifications required under Subd. 2a.

It is assumed the MPCA have the assigned staff start on or near January 1, 2023 to align with the effective date of the section.

**Expenditure and/or Revenue Formula**

For FY23: 6 months (0.25/2) FTE x \$128,000/FTE = \$16,000

FY24 and beyond: 0.25 FTE x \$128,000/FTE = \$32,000

All costs will be absorbed by the MPCA using current program appropriations. Total cost to state: \$0.

\*The annual cost of 1.0 FTE is \$128,000 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**

N/A

**Local Fiscal Impact**

None known

**References/Sources**

MPCA solid waste program leadership expertise and experience

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