

HF372 - 0 - Products Containing PFAS Notice Required

Chief Author: **Athena Hollins**
 Committee: **Environment and Natural Resources Finance And Policy**
 Date Completed: **1/26/2023 9:47:38 AM**
 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	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-	-
Administrative Hearings	-	-	-	-	-	-
Pollution Control Agency						
Environmental	-	332	313	157	157	
State Total						
Administrative Hearings	-	-	-	-	-	-
Environmental	-	332	313	157	157	
Total	-	332	313	157	157	157
Biennial Total			645			314

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Pollution Control Agency					
Environmental	-	1.75	1.75	1	1
Total	-	1.75	1.75	1	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:** 1/26/2023 9:47:38 AM
Phone: 651-284-6540 **Email:** jim.carlson@lbo.mn.gov

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		FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings		-	-	-	-	-
Administrative Hearings		-	-	-	-	-
Pollution Control Agency						
Environmental		-	332	313	157	157
	Total	-	332	313	157	157
	Biennial Total			645		314
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Administrative Hearings		-	-	-	-	-
Administrative Hearings		-	-	33	-	-
Pollution Control Agency						
Environmental		-	332	313	157	157
	Total	-	332	346	157	157
	Biennial Total			678		314
2 - Revenues, Transfers In*						
Administrative Hearings		-	-	-	-	-
Administrative Hearings		-	-	33	-	-
Pollution Control Agency						
Environmental		-	-	-	-	-
	Total	-	-	33	-	-
	Biennial Total			33		-

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 Date Completed: **1/26/2023 9:47:38 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

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State Cost (Savings)	Biennium			Biennium		
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Full Time Equivalent Positions (FTE)	Biennium			Biennium	
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Environmental	-	1.75	1.75	1	1
Total	-	1.75	1.75	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:** 1/25/2023 9:39:06 AM
Phone: 651-284-6540 **Email:** jim.carlson@lbo.mn.gov

State Cost (Savings) Calculation Details

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Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Environmental	-	332	313	157	157	
Total	-	332	313	157	157	157
	Biennial Total		645			314
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Environmental	-	332	313	157	157	
Total	-	332	313	157	157	157
	Biennial Total		645			314
2 - Revenues, Transfers In*						
Environmental	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

This bill creates a reporting system in Minn. Stat. section 116.943. Subdivision 2 that requires a manufacturer of a product for sale in Minnesota that contains intentionally added PFAS to report 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. 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 authorizes the MPCA to adopt rules regarding the notice requirements and to establish a fee to cover the cost of developing the rules.

Notice must be submitted to the commissioner before April 1, 2025. For products sold, offered for sale, or distributed in the state after the effective date of the subdivision, notice must be submitted no later than 30 days before the initial sale, offer for sale, or distribution of products in the state.

Subdivision 2, which requires the notice prior to April 1, 2025, is not enacted until January 1, 2026.

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 \$80,000 in FY24 is required. Annual ongoing maintenance and reporting would cost \$17,000 FY25 onward.

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

One program staff FTE to assist with rulemaking in FY24 and FY25 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 FY24 and FY25.

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 \$80,000 initial and \$17,000 annually.

Program staff time not associated with rule making: 140,000 FTE x 0.25 FTE = \$35,000 in FY24 and FY25 and 1 FTE at \$140,000 starting in FY26.

Rule making costs are assumed as follows:

1. Calculation for costs to complete the rulemaking required by the bill. Total of \$477,618
 - a. MPCA program staff, rule coordinator, and legal costs would be split over FY24 and FY25; Office of Administrative Hearing and most State Register and miscellaneous costs are placed in FY25.
 - b. Program staff: 140,000 FTE x 1.5 FTE = \$210,000 [0.75 in FY24 (\$105,000), 0.75 in FY 25 (\$105,000)]
 - c. Rule coordinator: 140,000 x 1.5 FTE = \$210,000 [(0.75 in FY24 (\$105,000), 0.75 in FY 25 (\$105,000)]
 - d. Legal: \$148/hr x 86 hr = \$12,728 (\$6,364 in FY24 and FY25)
 - e. OAH: \$245/hr x 135 hr = \$33,075 in FY25
 - f. State Register = \$7,890 (\$270 in FY24; \$7,620 in FY25)
 - g. Hearing room, communication and general expenses = \$3,925 FY25

*The annual cost of 1.0 FTE is \$140,000 in FY2023-2027. 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

Phone: 651-757-2185

Date: 1/24/2023 2:50:29 PM

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

HF372 - 0 - Products Containing PFAS Notice Required

Chief Author: **Athena Hollins**
 Committee: **Environment and Natural Resources Finance And Policy**
 Date Completed: **1/26/2023 9:47:38 AM**
 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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	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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: Chloe Burns **Date:** 1/26/2023 9:35:20 AM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings	-	-	33	-	-
Total	-	-	33	-	-
Biennial Total			33		-
2 - Revenues, Transfers In*					
Administrative Hearings	-	-	33	-	-
Total	-	-	33	-	-
Biennial Total			33		-

Bill Description

HF372 and SF450 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 \$477,618 in FY2025. 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 \$477,618, \$33,075 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 \$245 per hour (see Minn. Stat. § 16A.126, subd. 1 (2022)).

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 \$245/hr = \$33,075 charged to PCA in FY2025 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

Agency Contact: Denise Collins

Agency Fiscal Note Coordinator Signature: Denise Collins
Phone: 651-3617875

Date: 1/25/2023 9:26:50 AM
Email: denise.collins@state.mn.us