

HF3180 - 0 - PFAS Use in Food Packaging Prohibited

Chief Author: **Anne Claflin**
 Committee: **Environment & Natural Resources Finance Division**
 Date Completed: **2/24/2020 12:46:21 PM**
 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	
	FY2019	FY2020	FY2021	FY2022	FY2023
Health Dept					
General Fund	-	-	65	65	65
Pollution Control Agency					
Environmental	-	-	97	134	134
State Total					
General Fund	-	-	65	65	65
Environmental	-	-	97	134	134
	Total	-	162	199	199
	Biennial Total		162		398

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
Health Dept					
General Fund	-	-	.5	.5	.5
Pollution Control Agency					
Environmental	-	-	.5	1	1
	Total	-	1	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: Christian Larson **Date:** 2/24/2020 12:46:21 PM
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		FY2019	FY2020	FY2021	FY2022	FY2023
Health Dept						
General Fund		-	-	65	65	65
Pollution Control Agency						
Environmental		-	-	97	134	134
	Total	-	-	162	199	199
	Biennial Total			162		398
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Dept						
General Fund		-	-	65	65	65
Pollution Control Agency						
Environmental		-	-	97	134	134
	Total	-	-	162	199	199
	Biennial Total			162		398
2 - Revenues, Transfers In*						
Health Dept						
General Fund		-	-	-	-	-
Pollution Control Agency						
Environmental		-	-	-	-	-
	Total	-	-	-	-	-
	Biennial Total			-		-

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 Committee: **Environment & Natural Resources Finance Division**
 Date Completed: **2/24/2020 12:46:21 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	FY2019	FY2020	FY2021	FY2022	FY2023
Environmental	-	-	97	134	134	
Total	-	-	97	134	134	
Biennial Total			97			268

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
Environmental	-	-	.5	1	1
Total	-	-	.5	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: Christian Larson **Date:** 2/24/2020 12:29:47 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 Dollars in Thousands	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
Environmental	-	-	97	134	134
Total	-	-	97	134	134
Biennial Total			97		268
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Environmental	-	-	97	134	134
Total	-	-	97	134	134
Biennial Total			97		268
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, 2021, halfway into FY21.
- 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.
- A Fourier transform infrared spectroscopy (FTIR) is needed for product screening.
- If the screening indicates the presence of PFAS, samples will be tested in an accredited lab. Assumed to be at the Minnesota Dept. of Health
- Enforcement would likely be in the form of warning letters or having items removed from store shelves (No cost to MPCA and no revenue anticipated)

Expenditure and/or Revenue Formula

FTIR unit and required accessories = \$30,000 FY21 = \$30,000 FY22 and beyond = \$0/year
 Sample purchases \$10/productx200 products=\$2,000 FY21 = \$1,000 FY22 and beyond = \$2,000/year
 Lab tests \$400/sample x 20 tests = \$8,000 FY21 = \$4,000 FY22 and beyond = \$8,000/year
1 FTE = \$124,000 FY21 = \$62,000 (0.50 FTE) FY22 and beyond = \$124,000 (1 FTE)

Total

FY21 = \$97,000 FY22 and beyond = \$134,000/year

*The annual cost of 1.0 FTE is \$124,000 in FY2019-2023. 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

Cost will be ongoing

Local Fiscal Impact

N/A

References/Sources

N/A

Agency Contact: Katie Smith 651-757-2499

Agency Fiscal Note Coordinator Signature: John Allen

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HF3180 - 0 - PFAS Use in Food Packaging Prohibited

Chief Author: **Anne Claflin**
 Committee: **Environment & Natural Resources Finance Division**
 Date Completed: **2/24/2020 12:46:21 PM**
 Agency: **Commerce Dept**

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	FY2019	FY2020	FY2021	FY2022	FY2023
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
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:** 2/24/2020 9:11:21 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	FY2019	FY2020	FY2021	FY2022	FY2023	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF3180-0 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, 2021, halfway into FY21.

Commerce assumes no additional cost since the majority of enforcement work would be the responsibility of MPCA. Commerce would serve as a resource for MPCA in their enforcement of this statute.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

Agency Contact:

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HF3180 - 0 - PFAS Use in Food Packaging Prohibited

Chief Author: **Anne Claflin**
 Committee: **Environment & Natural Resources Finance Division**
 Date Completed: **2/24/2020 12:46:21 PM**
 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	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	65	65	65	65
Total	-	-	65	65	65	65
Biennial Total			65			130

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
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:** 2/20/2020 4:21:37 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		FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	65	65	65	65
Total	-	-	65	65	65	65
Biennial Total			65			130
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	65	65	65	65
Total	-	-	65	65	65	65
Biennial Total			65			130
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, 2021. 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 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, pollution control is directed to coordinate with the commissioner of health in its enforcement. Specifically, the department assumes our role will be to coordinate with pollution control for outreach, messaging and education only when they find unapproved packaging via complaints. In our experience in similar sized programs, staffing equivalent to 0.5 full-time 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 2020	FY 2021	FY 2022	FY 2023
Salary & Fringe:		FTE	FTE	FTE	FTE
Planner Principal State	104,016	0	0.50	0.50	0.50
	FTE	0.00	0.50	0.50	0.50
	Subtotal	0	52,008	52,008	52,008

Information Technology:					
Computing & IT support at 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 (21.78% Eligible Costs)	Subtotal	0	11,688	11,688	11,688
Expenditure	Total	0	65,352	65,352	65,352
Fiscal Tracking (Dollars in Thousands)	BACT	FY 2020	FY 2021	FY 2022	FY 2023
Health Protection	03	0	65	65	65
Administration		0	65	65	65
Grants		0	0	0	0

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

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