

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1569 S HB	<b>Title:</b> Product degradability
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## Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Office of Attorney General	Non-zero but indeterminate cost and/or savings. Please see discussion.					
<b>Total \$</b>	0	0	0	0	0	0

Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	14,000	14,000	.1	28,000	28,000	.1	28,000	28,000
<b>Total \$</b>	0.0	14,000	14,000	0.1	28,000	28,000	0.1	28,000	28,000

Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 902-9810	<b>Date Published:</b> Preliminary 2/25/2019
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1569 S HB	<b>Title:</b> Product degradability	<b>Agency:</b> 090-Office of State Treasurer
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Operating Expenditures from:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

☐

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

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<b>Agency Preparation:</b> Dan Mason	<b>Phone:</b> (360) 902-8990	<b>Date:</b> 02/21/2019
<b>Agency Approval:</b> Dan Mason	<b>Phone:</b> (360) 902-8990	<b>Date:</b> 02/21/2019
<b>OFM Review:</b> Ramona Nabors	<b>Phone:</b> (360) 902-0547	<b>Date:</b> 02/21/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SHB 1569 creates the compostable products revolving account, coupled with the general fund as the recipient of the earnings from investments.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. Two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings. Based on the November 2018 revenue forecast, assume approximately \$27,200 in FY 20, \$32,500 in FY 21, \$33,300 in FY 22, and \$34,300 in FY 23 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1569 S HB	<b>Title:</b> Product degradability	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.
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### Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.1	0.0	0.1	0.1
<b>Account</b>					
General Fund-State 001-1	0	14,000	14,000	28,000	28,000
<b>Total \$</b>	0	14,000	14,000	28,000	28,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

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<b>Agency Preparation:</b> Cam Comfort	<b>Phone:</b> (360) 664-9429	<b>Date:</b> 02/25/2019
<b>Agency Approval:</b> Dianna Wilks	<b>Phone:</b> 360-709-6463	<b>Date:</b> 02/25/2019
<b>OFM Review:</b> Gwen Stamey	<b>Phone:</b> (360) 902-9810	<b>Date:</b> 02/25/2019

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 states legislative findings and public policy.

Section 2 is a new section defining various words and terms. Revisions have been made to several of the words and terms and new definitions added.

Section 3 is a new section prohibiting manufacturers and suppliers from selling, offering for sale, or distributing certain plastic products. An exception is provided for biodegradable film mulch.

Section 4 is a new section imposing requirements on products labeled as “compostable” that are sold, offered for sale, or distributed for use in Washington.

Section 5 is a new section imposing requirements on manufacturers and suppliers of a film bag that meets American Society for Testing and Materials (ASTM) standard specification D6400 and that is distributed or sold by retailers.

Section 6 is a new section imposing requirements on manufacturers and suppliers of food service products or film products that meet ASTM standard specification D6400 or ASTM standard specification D6868.

Section 7 is a new section imposing requirements on manufacturers and suppliers of film products or food service products sold, offered for sale, or distributed for use in Washington, that do not meet the ASTM standard specifications specified in Sections 5 and 6.

Section 8 is a new section requiring manufacturers and supplies to provide nonconfidential business information upon request.

Section 9 is a new section vesting authority in the Attorney General, county, and cities, to enforce this chapter and imposing a penalty for its violation.

Section 10 is a new section providing that manufacturers and suppliers that violate this act are subject to the civil penalties described in Section 9.

Section 11 is a new section creating an account in the custody of the state treasurer.

Section 12 provides that Sections 1 through 11 and 13 constitute a new chapter in Title 70 RCW.

Section 13 provides an effective date of July 1, 2020.

Section 14 is a severability clause.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Cash Receipt impact:

AGO Council for Environmental Protection (CEP) activities are funded with General Fund-State dollars. No cash receipt impact. There is no client agency to bill for legal services.

Penalties deposited into the Compostable Products Revolving Account are indeterminate. The AGO is not able to provide the number of fines issued and the amounts of each fine to a plausible total per FY.

## II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

### AGO Agency Assumptions:

1. This bill is assumed effective 90 days after the end of the 2019 legislative session.
2. This request does not include cost of living salary increases identified in the Governor's proposed 2019-21 budget.

### Assumptions for the AGO Council for Environmental Protection Legal Services:

1. AGO CEP activities are funded with General Fund-State dollars. There is no client agency to bill for legal services.
2. The AGO will receive reports of potential violation from members of the public, which will need to be investigated and either found substantiated or unsubstantiated.
3. AGO will spend time coordinating with local governments, which are also authorized to collect penalties under this bill.
4. Potential violators will require reminders and, in some cases, penalties to prompt compliance with this bill.
5. AGO anticipates 20 reports of potential violation each Fiscal Year. Each violation will require:
  - A. One Asssitant Attorney General (AAG) hour of work for each violation to research and prepare a compliance letter;
  - B. One AAG hour for followup investigation.
6. CEP anticipates three persistent violations each year, requiring approximately 20 hours of AAG time for litigation, negotiation, and followup.
7. An AAG will spend approximately 100 hours per year conducting and supervising investigation, notifying violators, and imposing and litigating penalties.
8. Total workload impact:

FY 2020: This bill would go into effect on July 1, 2020. An AAG will spend approximately 40 hours researching applicability, meeting with affected agencies, and developing guidance materials for implementation. These costs are nominal and will be provided with existing resources.

FY 2021 and in each FY thereafter: 0.06 AAG at a cost of \$14,000.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	14,000	14,000	28,000	28,000
Total \$			0	14,000	14,000	28,000	28,000

#### III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.1	0.0	0.1	0.1
A-Salaries and Wages		9,000	9,000	18,000	18,000
B-Employee Benefits		3,000	3,000	6,000	6,000
E-Goods and Other Services		2,000	2,000	4,000	4,000
Total \$	0	14,000	14,000	28,000	28,000

#### III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Assistant Attorney General	103,560		0.1	0.0	0.1	0.1
Total FTEs			0.1	0.0	0.1	0.1

#### III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Counsel For Environmental Protection (CEP)		14,000	14,000	28,000	28,000
Total \$		14,000	14,000	28,000	28,000

### Part IV: Capital Budget Impact

NONE

None

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

None