

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2656 S HB	<b>Title:</b> Single-use food service
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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 Attorney General	0	17,000	0	34,000	0	29,000
Department of Revenue	0	0	0	22,000,000	0	61,000,000
<b>Total \$</b>	<b>0</b>	<b>17,000</b>	<b>0</b>	<b>22,034,000</b>	<b>0</b>	<b>61,029,000</b>

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
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 Attorney General	.0	0	17,000	.1	0	34,000	.1	0	29,000
Department of Revenue	2.4	433,300	433,300	1.6	349,100	349,100	1.1	201,000	201,000
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	2.5	0	641,813	3.6	0	976,865	1.3	0	372,665
<b>Total \$</b>	<b>4.9</b>	<b>433,300</b>	<b>1,092,113</b>	<b>5.3</b>	<b>349,100</b>	<b>1,359,965</b>	<b>2.5</b>	<b>201,000</b>	<b>602,665</b>

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
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 Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

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Prepared by: Lisa Borkowski, OFM	Phone: (360) 902-0573	Date Published: Preliminary 2/13/2020
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2656 S HB	<b>Title:</b> Single-use food service	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Legal Services Revolving Account-State 405-1		17,000	17,000	34,000	29,000
<b>Total \$</b>		17,000	17,000	34,000	29,000

### 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>					
Legal Services Revolving Account-State 405-1	0	17,000	17,000	34,000	29,000
<b>Total \$</b>	0	17,000	17,000	34,000	29,000

### Estimated Capital Budget Impact:

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.
- ☒ 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.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/07/2020
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 02/12/2020
Agency Approval: Diana Arens	Phone: 3605869346	Date: 02/12/2020
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/13/2020

## 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.*

This is an act relating to waste associated with single-use service products

Section 1: Intent section.

Section 2: Definitions section.

Section 3: Beginning January 1, 2021, certain single-use products may be made available only at the request of the consumer.

Section 4: Beginning October 1, 2021, requires the Department of Ecology (DOE) to determine which counties and cities provide composting.

Section 5: DOE must review availability of compostable alternatives by July 1, 2022.

Section 6: DOE ability to grant waivers and rulemaking required.

Section 7: Restrictions on retail starting January 1, 2030.

Section 8: DOE to establish single-use food service product fee, and how the fee will be assessed and imposed – rule making permitted.

Section 9: Fines – emphasis should be on education and outreach, not fines.

Section 10: Rules regarding local ordinances to reduce pollution from single-use food products.

Section 11: Plastic waste reduction account is created in the state treasury.

Section 12: Nothing limits the Washington Utilities and Transportation Commission (UTC) authority to regulate collection of solid waste.

Section 13: DOE reporting requirements.

Section 14: Amends RCW 70.95.080 to include compostable food service products.

Section 15: Section 7 takes effect January 1, 2030.

Section 16: Sections 1 through 13 are a new chapter in title 70 RCW.

Section 17: 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 receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Ecology. The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

## **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.*

### **Attorney General's Office (AGO) Agency Assumptions:**

1. Legal services associated with the enactment of this bill will begin on July 1, 2020. Section 7 is assumed effective January 1, 2030.
2. The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Department of Commerce (COM). COM was assigned this fiscal note request for its role in estimating the impact of bills on local governments. COM itself will not be given any new authorities or responsibilities under this bill. This will not generate any legal work for AHD. Costs are not included in this request.
3. The AGO Revenue & Finance Division has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Revenue (DOR). This bill is unlikely to generate any requests for legal advice from DOR. New legal services are assumed to be nominal and costs are not included in this request.
4. The AGO Utilities & Transportation Division has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Utilities & Transportation Commission (UTC). The enactment of this bill will not change or limit the Commission's regulatory authority over solid waste collection. New legal services are assumed to be nominal and costs are not included in this request.

### **Assumptions for the AGO Ecology Division (ECY) Legal Services for the Department of Ecology (DOE):**

1. The AGO will bill DOE for legal services based on the enactment of this bill.
2. In FY 2021 and FY 2022, ECY assumes a need for 0.07 Assistant Attorney General (AAG) for advice on rulemaking. Rules will be complex and likely controversial, with a need to consider legal defensibility of decisions in the event of a challenge. It will include general "gap filling" of relevant statutory provisions prohibiting particular types of plastic food service in particular contexts, establishing a process and set of standards for waivers, and establishing a fee to be imposed by retailers and remitted to Department of Revenue on compostable food service items to recover the cost of providing composting services and associated solid waste management planning.

3. In FY 2023 and FY 2024, ECY assumes a need for 0.07 AAG for enforcement advice, and advice on waiver requests concerning the ban on plastic food service items.

4. In FY 2025 and in each FY thereafter, ECY assumes a need for 90 AAG hours for enforcement advice, and advice on waiver requests concerning the ban on plastic food service items.

5. Total workload impact:

FY 2021 through FY 2024: 0.07 AAG at a cost of \$17,000.

FY 2025 and in each FY thereafter: 0.05 AAG at a cost of \$12,000 per FY.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
405-1	Legal Services Revolving Account	State	0	17,000	17,000	34,000	29,000
Total \$			0	17,000	17,000	34,000	29,000

### 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		11,000	11,000	22,000	19,000
B-Employee Benefits		4,000	4,000	8,000	7,000
E-Goods and Other Services		2,000	2,000	4,000	3,000
Total \$	0	17,000	17,000	34,000	29,000

**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	108,156		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
Ecology Division (ECY)		17,000	17,000	34,000	29,000
Total \$		17,000	17,000	34,000	29,000

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

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

NONE

### IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

## Part V: New Rule Making Required

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 2656 S HB	<b>Title:</b> Single-use food service	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Account	FY 2020	FY 2021	2019-21	2021-23	2023-25
NEW-State 00 - 00 -				22,000,000	61,000,000
<b>Total \$</b>				22,000,000	61,000,000

### Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		4.7	2.4	1.6	1.1
<b>Account</b>					
GF-STATE-State 001-1		433,300	433,300	349,100	201,000
<b>Total \$</b>		433,300	433,300	349,100	201,000

### Estimated Capital Budget Impact:

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:

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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.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/07/2020
Agency Preparation: Tyler McLeod	Phone: 360-534-1531	Date: 02/10/2020
Agency Approval: Kim Davis	Phone: 360-534-1508	Date: 02/10/2020
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 02/11/2020

Request # 2656-2-1

## 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.*

Note: This fiscal note reflects language in SHB 2656 (H-4565.3), 2020 Legislative Session.

#### CURRENT LAW:

There is currently no fee specific to single-use food service products.

#### COMPARISON OF SUBSTITUTE BILL WITH THE ORIGINAL BILL:

This version of the bill taxes the producer or importer of single-use food service products rather than the retail establishment.

#### PROPOSAL:

This fiscal note only addresses those sections of the bill that impact the Department of Revenue (Department).

Beginning January 1, 2022, this bill creates fees for single-use food service products such as utensils and takeout containers which are:

- \$0.01 per item that is neither recyclable nor compostable; and
- Variable, up to \$0.01 per item that is recyclable or compostable. The fee varies depending on the material type, form of the item, and amount of material used in plastic food service products sold in Washington.

All receipts from these fees must be deposited in the Plastic Waste Reduction Account created in this bill.

#### EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

### 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.*

#### ASSUMPTIONS

- No growth assumed due to changes in consumer and business behavior.
- Fees on recyclable or compostable items are indeterminate. These variable fees are set by Department of Ecology and it is unknown what these fees may be and industry data is limited for these items.
- Low compliance rates assumed as this bill does not extend the administrative provisions of Chapter 82.32 RCW, which is the chapter of law that contains the Department's enforcement provisions, to the new fee in Section 9(2).
- Compliance:
  - 13 percent revenue collections in Fiscal Year 2022,
  - 26 percent revenue collections in Fiscal Year 2023,
  - 39 percent revenue collections in Fiscal Year 2024, and
  - 52 percent revenue collections in Fiscal Year 2025 and thereafter.

#### DATA SOURCES

- US Census Bureau
- Plastics Today
- National Geographic
- NBC News
- Statista



- Market Watch
- Science Daily
- European Union

## REVENUE ESTIMATES

This bill increases state revenues by an estimated \$4 million in the 5 months of impacted collections in Fiscal Year 2022, and by \$18 million in Fiscal Year 2023, the first full year of impacted collections. This bill does not impact local revenues.

## TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2020 -	\$ 0
FY 2021 -	\$ 0
FY 2022 -	\$ 4,000
FY 2023 -	\$ 18,000
FY 2024 -	\$ 26,000
FY 2025 -	\$ 35,000

## 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.*

### ASSUMPTIONS:

- This bill affects 22,000 taxpayers.
- This bill is not subject to RCW 82.32, so interest and penalties will not be assessed by the Department.

### FIRST YEAR COSTS:

The Department will incur total costs of \$433,300 in Fiscal Year 2021. These costs include:

Labor Costs – Time and effort equates to 4.7 FTEs.

- Answer additional telephone, email, and web inquiries,
- Establish new accounts,
- Create new line codes and fee structure,
- Create a special notice to affected taxpayers,
- Create and update publications and web pages.

Object Costs - \$32,300.

- Printing and mailing a special notice to affected taxpayers,
- Printing and mailing new account notices and returns to those taxpayers who file paper returns.

### SECOND YEAR COSTS:

The Department will incur total costs of \$232,300 in Fiscal Year 2022. These costs include:

Labor Costs – Time and effort equates to 1.8 FTEs.

- Answer additional telephone, email, and web inquiries,
- Establish new accounts,
- Test system changes,
- Work with additional taxpayer review requests.

Object Costs - \$74,300.

- Printing and mailing new account notices and returns to those taxpayers who file paper returns,

- Contracted system programming.

**ONGOING COSTS:**

Ongoing costs for Fiscal Year 2023 equal \$116,800 and include similar activities described in the second year costs. Time and effort equates to 1.3 FTEs.

**Part III: Expenditure Detail**

**III. A - Expenditures by Object Or Purpose**

	<b>FY 2020</b>	<b>FY 2021</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25</b>
FTE Staff Years		4.7	2.4	1.6	1.1
A-Salaries and Wages		243,600	243,600	174,900	121,000
B-Employee Benefits		73,000	73,000	52,500	36,400
C-Professional Service Contracts				66,000	
E-Goods and Other Services		86,100	86,100	48,300	39,000
J-Capital Outlays		30,600	30,600	7,400	4,600
<b>Total \$</b>		<b>\$433,300</b>	<b>\$433,300</b>	<b>\$349,100</b>	<b>\$201,000</b>

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

<b>Job Classification</b>	<b>Salary</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25</b>
CUSTOMER SERV SP2	38,376		0.4	0.2	0.1	
EXCISE TAX EX 2	52,536		2.5	1.3	1.2	1.0
IT QA-JOURNEY	83,148				0.1	
MGMT ANALYST4	68,892		0.2	0.1	0.1	
TAX INFO SPEC 1	42,132		1.0	0.5		
TAX INFO SPEC 4	62,460		0.4	0.2		
TAX POLICY SP 3	79,944		0.2	0.1	0.1	0.1
<b>Total FTEs</b>			<b>4.7</b>	<b>2.4</b>	<b>1.6</b>	<b>1.1</b>

**III. C - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

NONE

None.

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2656 S HB	<b>Title:</b> Single-use food service	<b>Agency:</b> 215-Utilities and Transportation Commission
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## Part I: Estimates

☒ **No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

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:

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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.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/07/2020
Agency Preparation: Melissa Hamilton	Phone: 360 664-1158	Date: 02/12/2020
Agency Approval: Jon Noski	Phone: 360-664-1209	Date: 02/12/2020
OFM Review: Jenna Forty	Phone: (360) 902-0419	Date: 02/12/2020

## 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 15(3) adds a requirement to expand solid waste management plans to include an assessment of logistical and economic feasibility of widespread commercial composting of organic materials in the jurisdiction by 2030. Per RCW 70.95.096, Utilities and Transportation Commission (UTC) must be provided with any preliminary draft solid waste management plan to assess the cost impacts on rates charged by the local solid waste collection companies. The increased requirement will require additional review and analysis by commission staff, but it is assumed this will be accomplished in the normal course of business.

### 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.*

No Cash Receipt Impact

### 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.*

Although the added requirement provided in Section 15(3) will require additional review and analysis by commission staff, the UTC assumes it will be accomplished in the normal course of business.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

**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*

NONE

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

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

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

NONE

### IV. C - Capital Budget Breakout

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

No Capital Budget Impact

## **Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2656 S HB	<b>Title:</b> Single-use food service	<b>Agency:</b> 303-Department of Health
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

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.
- ☐ 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.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/07/2020
Agency Preparation: Jodine Sorrell	Phone: (360) 236-3015	Date: 02/11/2020
Agency Approval: Carl Yanagida	Phone: 360-7894832	Date: 02/11/2020
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 02/11/2020

## 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.*

This fiscal note has not changed from the previous fiscal note submitted for the HB version of the bill.

This bill phases out the use of single-use plastic food service products, plans for future compostable products, and establishes a fee on single-use plastic for food service. Since no work is required of the Department of Health (DOH) and the Department of Ecology will be collecting the fee, there is no fiscal impact to DOH.

### 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.*

### 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

**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*

NONE

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

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

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

NONE

### IV. C - Capital Budget Breakout

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**Part V: New Rule Making Required**



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2656 S HB	<b>Title:</b> Single-use food service	<b>Agency:</b> 461-Department of Ecology
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	4.9	2.5	3.6	1.3
<b>Account</b>					
Model Toxics Control Operating Account-State 23P-1	0	641,813	641,813	362,479	0
Plastic Waste Reduction Account-State NEW-1	0	0	0	614,386	372,665
<b>Total \$</b>	0	641,813	641,813	976,865	372,665

### Estimated Capital Budget Impact:

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.
- ☐ 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.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/07/2020
Agency Preparation: My-Hanh Mai	Phone: 360-407-6996	Date: 02/12/2020
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/12/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 02/12/2020

## 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.*

Compared to HB 2656, SHB 2656 has the following substantive changes:

- This bill would remove the ban on polystyrene foam food-service products.
- Section 4(2) would prohibit Ecology from adopting rules that would have detrimental impacts on safe food handling of hot meat items.
- Sections 4 and 5 would now expire January 1, 2030 instead of June 30, 2030.
- Section 5 would delay the effective date of restrictions on single-use plastic food service products to 485 days (instead of 365 days in the prior version) after Ecology determines at least two alternatives are available.
- Section 8(1) would remove the fee on compostable food service ware.
- Section 8(2) would change the fee charged per single-use food service products to be collected from producers instead of retail establishments. It would remove the requirement for Ecology to coordinate with the Department of Revenue to collect the fees in conjunction with taxes paid by retail establishments.
- Section 11 would move the target date for statewide composting infrastructure from 2030 to 2027.

The removal of the polystyrene ban would reduce the estimated fiscal impact to Ecology related to education/outreach and attorney general costs compared to the prior bill version.

Under current law, the Department of Ecology (Ecology), reviews and approves local solid waste plans and provides planning assistance. We also interact with compost facilities across the state to facilitate proper composting.

Under this bill, Ecology would be required to conduct determinations of which cities and counties are serviced by solid waste facilities that provide composting of compostable food service products and to assess the status of available composting infrastructure available to local jurisdictions.

This bill would phase out the use of single-use plastic food service products, and take other steps to reduce waste from single-use food service products including material bans.

Section 3 would require food service businesses, beginning January 1, 2021, to provide single-use food service products (utensils, straws, and condiment packaging) only upon the request of the consumer; or to allow the consumer access to single-use food service products in bulk for on-site consumption. The single-use food products may not be bundled or packaged in plastic with other products.

Section 4 would require Ecology to determine which counties and cities preparing independent solid waste management plans are serviced by solid waste facilities that provide for the composting of compostable food service products beginning October 1, 2021, and each October 1 through 2029.

Retail establishments located in jurisdictions that do have access to compost facilities that accept compostable service ware may not sell or provide plastic food service products, or plastic catering trays and produce bags beginning January 1, 2022.

Beginning on a date to be determined by Ecology, retail establishments would be restricted from selling or providing clear plastic food wrap and shrink-wrap, plastic containers for uniquely shaped foods such as deviled eggs, flexible plastic packaging used to preserve moisture and freshness, such as for cookies, or plastic containers, such as for rotisserie chicken.

Section 5 would require Ecology to review the availability of compostable alternatives to the categories of food service products by July 1, 2022, and determine if at least two suitable and readily available alternatives exist and at least two vendors make a suitable alternative for a category of food service product commercially available.

Section 6 would authorize Ecology to grant a waiver of up to one year for specific categories of food service products. Ecology would be required to adopt rules to establish waiver guidelines, submission requirements, and renewal procedures.

Section 7 would restrict retail establishments from selling or providing food for consumption on or off the premises in or with a plastic food service product beginning January 1, 2030.

Section 8 would require Ecology to establish a single-use food service product fee per item sold by a producer to a customer for final sale in Washington beginning January 1, 2022. Ecology would be authorized to adopt rules to implement the fees. Producers would be required to remit the fee assessed to the Department of Revenue (DOR) for deposit into the Plastic Waste Reduction Account. Ecology would be required to adjust the fee annually for inflation beginning January 1, 2030.

Section 9 would provide that retail establishments in violation of this chapter would be subject to a fine of up to five thousand dollars per violation, and small business retail establishments up to one hundred dollars per violation. Ecology would be required to provide education and carry out outreach activities to inform retail establishments, consumers, and other interested individuals about the requirements of this chapter. Rulemaking authority would be provided to Ecology to implement, administer, and enforce this chapter.

Section 10 would restrict a city, town, county, or municipal corporation from enacting an ordinance to reduce pollution from single use plastic food service products by requiring a request of plastic food service products by the customer of the food service business or other retail establishment beginning July 1, 2020. Ordinances passed prior to July 1, 2020, would not be preempted or repealed.

Section 11 would create the Plastic Waste Reduction Account. Receipts from fees and penalties collected under this chapter would be deposited in the account. Expenditures from this account would be used for administering, implementing, and enforcing the requirements of this chapter as well as for the state and local programs authorized in the Model Toxics Control Operating Account RCW 70.105D.190(2) (b) and (e) supporting local solid waste planning and composting infrastructure.

Section 13 would require Ecology to submit a report to the legislature that addresses the status of composting infrastructure available in the state in preparation for the 2030 statewide restriction on plastic food service products, and whether there is a need to update the definition of “compostable” by November 1st of every even-numbered year beginning in 2022.

## **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.*

There is no cash receipts impact estimated for Ecology under this bill.

Section 8 would require Ecology to establish a single-use food service product fee beginning January 1, 2022. The fee would be set at one cent per item for items that are not recyclable or compostable, and up to one cent for single use items that are recyclable. Producers would be required to remit the fee to the Department of Revenue (DOR) for deposit into the Plastic Waste Reduction Account.

Section 9 would provide that retail establishments in violation of this chapter be subject to a fine of up to \$5,000 per violation, and small business retail establishments of up to \$100 per violation. Any penalty revenue would be deposited in the Plastic Waste Reduction Account. Ecology assumes that the purpose of the penalties is to ensure compliance; therefore, Ecology assumes no revenue associated with infractions.

## **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.*

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in FY 2021 and ongoing to implement the requirements of sections 4, 5, 6, 8 and 9.

Retail establishments are defined in the bill to include food service businesses, grocery stores, department stores, hardware stores, home delivery services, pharmacies, liquor stores, restaurants, catering trucks, convenience stores, or other retail stores or vendors, including temporary stores or vendors at farmers markets, street fairs, and festivals. There are 22,000 restaurants and grocery stores in Washington state that fall into the business categories defined as 'retail establishments,' and about 60% of those businesses are in the food service category (restaurants, convenience stores, catering) (data from Department of Revenue business statistics for 2018).

### **Section 4 Education/Outreach**

Section 4 (1) would require Ecology to determine which counties and cities preparing independent solid waste management plans are serviced by solid waste facilities that provide for the composting of compostable food service products beginning October 1, 2021 and each October 1 through 2029. Ecology would be required to post the results of this determination on its website.

Currently there are 13 public access compost facilities in Washington and four of these take compostable food service packaging. Ecology staff regularly work with the 40 local governments with solid waste management plans and with all compost facilities in the state. The effort to annually determine where compostable food service ware would be accepted would be minimal and could be done with existing resources.

Section 4 (2) concerns retail establishments serviced by solid waste facilities that provide for the composting of compostable food service products. Section 4 (2) (a) would ban the sale of food in or with plastic food service products beginning January 1, 2022. Section 4 (2) (b), would ban the sale of food in or with plastic catering trays and produce bags beginning July 1, 2022. Beginning on a date to be determined by Ecology, these establishments may not sell or provide clear plastic food wrap and shrink wrap, and certain plastic containers or

packaging.

Ecology assumes alternative products to single-use plastic food service ware would increase over time, but the availability of compost services will not expand significantly due to challenges with siting new facilities. Therefore, the ban would not necessarily be increasing to more jurisdictions. Ecology estimates 0.125 FTE Environmental Planner 3 (EP3) in FY22, and 0.25 FTE in FY23 would be required to reach out to retail establishments, cities and counties and the public about the prohibition on plastic products in the areas with suitable compost facilities.

## Section 5 Research Alternatives

Section 5 would require Ecology to review the availability of compostable alternatives to the categories of food service products and determine if at least two suitable and readily available alternatives exist and at least two vendors make a suitable alternative for a category of food service product commercially available.

Ecology estimates that 0.25 FTE EP3 in FY22 would be required to research and identify plastic food service products currently used by Washington retail establishments. This outreach would include food service business associations, manufacturers, and vendors of food service ware products. This work includes researching non-plastic alternatives and identifying vendors. Ecology assumes non-plastic alternatives would not be available for all food service products in FY23, requiring research and outreach to continue annually through FY30 but at a lower level of 0.1 FTE EP3 in FY23 to FY30 assuming as alternatives become available, we would have fewer product categories to consider.

## Section 6 Waivers

Section 6 would require Ecology to grant up to one-year waivers for specific categories of food service products as established in rule. The waivers would apply to applicants, statewide or under specific circumstances. Ecology assumes rulemaking required under the bill would take two years starting in FY21 (section 9), thus, the waiver program would not begin until FY 23.

Ecology assumes compost service accepting compostable food service ware will remain the same across the state due to many compost facilities resistance to taking these materials. Currently, the only facilities that accept compostable foodware are in King and Snohomish counties. Ecology assumes about 9,000 retail establishments (based on King and Snohomish counties' percentage of statewide population) across the state currently have compost service available for compostable food service ware. Ecology assumes 10 percent or 900 retail establishments would request waivers starting in FY23 and ongoing as more jurisdictions and retail establishments would be required to comply with the restrictions. The rule establishing waiver guidelines is estimated to be complete at the end of FY22.

Ecology estimates 0.20 FTE EP3 in FY21 would be required to develop the criteria to be met for a waiver request. Ecology estimates 0.1 FTE EP3 in FY23 and ongoing to receive and review waiver requests. This effort would require calls and emails to the waiver requesters to gather and confirm that the request meets the criteria for approval.

## Section 7 Waivers after statewide ban

Section 7 would establish a statewide ban on plastic food service products beginning January 1, 2030. Ecology assumes we would continue to receive waiver requests after the ban based on the lack of alternatives in some product categories and that the number of waiver requests will remain constant. The fiscal impact of this section is beyond the timeframe of the fiscal note, and is therefore not included. Ecology assumes additional staff time, beginning in FY30, and ongoing, would be required to review waiver requests when the statewide ban would take effect in January 1, 2030.

## Section 8 Fee Assessment and Outreach

Ecology would be required to establish a single-use food service product fee per item sold by a producer to a customer for final sale in Washington beginning January 1, 2022. Producers would remit the fee established in this section to the Department of Revenue (DOR).

The fee would be set at one cent per item for items that are not recyclable or compostable, and up to one cent for single use items that are recyclable. There would be no fee on compostable items. Ecology does not find it possible to determine the average net cost of recycling each material type and form or to determine what types of material are being used at retail establishments and therefore assumes the fee would be set at one cent per item.

As part of this effort, Ecology would have to create and provide outreach information to all retail establishments about the fee. Ecology would coordinate with DOR to collect the fee.

Based on past experience with setting up the E-Cycle and Light Recycle programs and the working number of producers in the state, Ecology estimates 0.3 FTE Environmental Specialist 3 (ES3) in FY21 and FY 22 to do initial education about the fee, and coordinate with DOR. Outreach would include development and distribution of this material, as well as development of a webpage for both businesses and the general public (efforts included in section 9). Ecology assumes ongoing education would be reduced to 0.1 ES3 FTE in FY 23, and on-going.

## Section 8 Rulemaking

Section 8(4) would authorize Ecology to adopt rules to implement the fees. Ecology assumes this would be a separate rulemaking process from the rulemaking required under sections 6 and 9 for waiver and fines. This is due to the nature of the rule and the timeline that requires the rule for the fee in section 8 to be in place by the time the fee is effective January 1, 2022. Based on previous experiences implementing product stewardship programs and consultations with the agency rules unit and the Attorney General Office (AGO), Ecology assumes a moderate complexity rule-making process would be required. Ecology assumes rule-making would begin July 1, 2020 and be adopted by November 30, 2021 for the fee to be effective January 1, 2022 as required in this section. AAG support for establishing the fee is included in section 9.

Developing rules is estimated to require:

A rule coordinator to oversee the rulemaking process to comply with the Administrative Procedures Act; prepare the rule development and communication plan; prepare and file the CR-101; coordinate and conduct four stakeholder meetings and other public outreach; file the CR-102 and hold one public hearing with webinar

access; work with an economist on economic analysis; work with technical staff to finalize rule language; and file the CR-103 for adoption. This is estimated to require 0.15 FTE of an Environmental Planner 5 (EP5) in FY21 and FY22.

A technical expert and research specialist to provide technical support to the rule coordinator; would support the rulemaking, assist technical experts, assist with rule language drafting, attend internal and external rule meetings, and manage the rule file. This is estimated to require 0.75 FTE of an EP3 in FY21 and FY22.

Economic research staff to complete economic and regulatory analysis in support of the rule as required by law. This is estimated to require 0.20 FTE of an Economic Analyst 3 and 0.05 FTE of a Regulatory Analyst 2 in FY22.

## Section 9 Outreach

Section 9 would establish fines for retail establishments in violation of this chapter of up to \$5,000 per violation, and for small business retail establishments of up to \$100 per violation. Ecology would be required to provide education and outreach to inform retail establishments, consumers, producers, and other interested individuals about the requirements of this chapter. Ecology would be required to prioritize outreach over enforcement, and would be authorized to adopt rules for the purpose of implementing, administering, and enforcing this chapter.

Based on Ecology's experience implementing product laws, we assume penalties would not be issued for noncompliance. Ecology assumes we would issue notice of violations and provide education and outreach to bring violators into compliance.

Ecology would provide education and outreach to notify food service businesses that they could only provide single-use food service products (utensils, straws, tippy cup lids and condiment packaging) upon the request of the consumer or allow the consumer access to single-use food service products in bulk for on-site consumption, beginning January 1, 2021. The single-use food products could not be bundled or packaged in plastic with other products (section 3).

Ecology would also provide education and outreach to retail establishments in jurisdictions impacted by the ban as defined in Section 4.

Ecology would educate stakeholders about the bans by creating brochures and website information about the ban and fee in multiple languages. Brochures would be made available to local health departments to distribute to eating establishments when they do health inspections. Ecology would also put out public notices about the ban and fee, and contact all producers of single use items and all appropriate retail establishment by letter. Ecology also assumes we would issue notice of violations to an average of 900 retail establishments per year, but would not pursue penalties, focusing instead on bringing establishments into compliance, as per the intent of the bill (Section 9(2)(b)).

Ecology estimates 0.70 FTE EP3 in FY21 and each year through FY30 would be required to reach out to 22,000 retail establishments, including food service businesses, regarding the various prohibitions on single use plastic food service products for use on or off the premises. This work would require outreach to retail establishments, local governments, and the general public. The priority would be to provide education about these requirements

rather than enforcement actions.

Ecology estimates 0.25 FTE Community Outreach & Environmental Education Specialist 3 (COEES3) in FY21 would be required to develop information and assist with outreach and education of producers, manufacturers, distributors, food service establishments, local health jurisdictions, and the general public. These outreach materials would be developed with culturally appropriate materials and in multiple languages.

Ecology estimates 0.08 FTE Communications Consultant 5 would be required in FY21 to support the development of education and outreach materials, and website regarding violations.

Ecology estimates 0.10 FTE Communications Consultant 3 would be required in FY21 to develop a website for both businesses and the general public.

Ecology would use in-house translation for Chinese, Korean, Spanish, and Vietnamese at a cost of \$3,600 in FY22. Ecology assumes translation of outreach documents into other languages would be contracted out through the state's Department of Enterprise master contract at a cost of \$100 per document. The City of Seattle plastic bag ban document is offered in 18 languages (including English). Ecology would contract out for translation of 13 additional languages. For the purposes of this estimate, Ecology assumes four documents would be translated into 13 languages at a cost of \$5,200 in FY22.

Based on previous experience implementing the E-Cycle program, Ecology assumes printing of education materials would cost an estimated \$10,000 in FY22.

## Sections 6 and 9 Rulemaking

Ecology assumes rule adoption could combine efforts as authorized in sections 6 and 9 in one rulemaking starting in FY21 and completed by FY23. Ecology assumes this would be a separate rulemaking process from the rulemaking required under section 8 due to the nature of the rule and the timeline that requires the rule for the fee in section 8 to be in place by the time the fee is effective January 1, 2022. Ecology assumes the rule for sections 6 and 9 would require a significant legislative rule for purposes of RCW 34.05.328 due to the complex and controversial nature of regulating retail entities, establishing a waiver program, and collecting penalties.

Developing rules is estimated to require:

A rule coordinator to oversee the rulemaking process to comply with the Administrative Procedures Act; prepare the rule development and communication plan; prepare and file the CR-101; coordinate and conduct four stakeholder meetings and other public outreach; file the CR-102 and hold public hearings with webinar access; work with an economist on economic analysis; work with technical staff to finalize rule language; and file the CR-103 for adoption. This is estimated to require 0.25 FTE of an Environmental Planner 5 (EP5) in FY21 and FY22.

A technical expert to provide technical support to the rule coordinator; would support the rulemaking, assist technical experts, assist with rule language drafting, and attend internal and external rule meetings. This is estimated to require 0.75 FTE EP3 in FY21 and FY22.

A research specialist to provide research during the rulemaking, participate in rule writing, coordinate internal



and external meetings and notes, and manage the rule file. This work would require 0.75 FTE ES4 in FY21 and FY22.

Economic research staff to complete economic and regulatory analysis in support of the rule as required by law. This is estimated to require 0.25 FTE of an Economic Analyst 3 and 0.10 FTE of a Regulatory Analyst 2 in FY22.

The AGO assumes the rule would be fairly complex and likely controversial. It would include general “gap filling” of relevant statutory provisions prohibiting particular types of plastic food service in particular contexts, establishing a process and set of standards for waivers, and establishing a fee to be imposed on producers of non-compostable single use food service items. Upon consultation with the AGO, Ecology assumes 0.07 FTE Assistant Attorney General (AAG) support would be required for rulemaking in FY 21 and FY22 (\$17,000).

Further, the AGO estimates 0.07 FTE AAG in FY23 and FY24 (\$17,000), and 0.05 FTE AAG in FY25 (\$12,000) and in each fiscal year thereafter for enforcement advice, and advice on waiver requests, concerning the ban on plastic food service items.

Ecology assumes three public meetings and three public hearings likely at off-site public venues for this level of rulemaking and controversial nature at an estimated cost of \$3,000 per year in FY21 and FY22.

## Section 11 Uses of Plastic Waste Reduction Account

Section 11 would authorize expenditures from the Plastic Waste Reduction Account to be used for administering, implementing, and enforcing the requirements of this chapter. Ecology assumes expenditures related to this bill would be from this account beginning January 2022 after fee revenue collections begin. Expenditures prior to that date are assumed from the Model Toxics Control Operating Account.

In addition, the Plastic Waste Reduction Account would be authorized for state and local programs authorized in the Model Toxics Control Operating Account RCW 70.105D.190(2) (b) and (e) supporting local solid waste planning and composting infrastructure. Ecology assumes that available revenue in the account from fee collections beginning January 2022 would be authorized to implement these programs in Ecology, if appropriated. This bill does not assign new duties to Ecology to implement these programs, therefore expenditures are not displayed.

## Section 13 Legislative Report

Section 13 would require Ecology to submit a report to the Legislature by November 1, 2022, and every two years afterwards. The report would address the status of composting infrastructure available to serve local jurisdictions in preparation for the 2030 statewide restriction on plastic food service products, based on information in local government solid waste plans. The report would also assess whether it is appropriate to update the definition of products that are considered compostable for purposes of food service product requirements.

Ecology assumes this effort would require technical support from the following Ecology staff:

Environmental Planner 3: 0.25 FTE in FY23 and every two years thereafter, to serve as agency lead for the report, to coordinate with regional planning staff and local governments in order to gather the applicable information from the local solid waste plans, and to write the report to the legislature.

Environmental Planner 5: 0.08 FTE in FY23 and every two years thereafter to provide policy support to the agency lead in submitting the report to the legislature.

SUMMARY: The expenditure impact to Ecology under this bill is as follows:

SECTION 4 EDUCATION/OUTREACH is estimated to require  
FY 2022: \$18,636 and 0.15 FTE; FY 2023: \$37,268 and 0.29 FTE

SECTION 5 RESEARCH ALTERNATIVES is estimated to require  
FY 2022: \$37,268 and 0.29 FTE; FY 2023 and each year through FY 2030: \$14,908 and 0.12 FTE.

SECTION 6 WAIVERS is estimated to require  
FY 2021: \$29,813 and 0.23 FTE; FY 2023 and ongoing: \$14,908 and 0.12 FTE.

SECTION 8 FEE OUTREACH is estimated to require  
FY 2021 and FY 2022: \$35,583 and 0.35 FTE; FY 2023 and ongoing: \$11,861 and 0.12 FTE.

SECTION 8 RULEMAKING is estimated to require  
FY 2021: \$138,701 and 1.04 FTE; FY 2022: \$177,526 and 1.32 FTE.

SECTION 9 OUTREACH is estimated to require  
FY 2021: \$159,187 and 1.3 FTE; FY 2022: \$123,149 and 0.81 FTE; FY 2023 and each year through FY 2030: \$104,349 and 0.81 FTE.

SECTION 6 AND 9 RULEMAKING is estimated to require  
FY 2021: \$278,529 and 2.01 FTE; FY 2022: \$332,796 and 2.42 FTE; FY 2023 and FY 2024 for AGO: \$17,000; FY 2025 and ongoing for AGO: \$12,000.

SECTION 13 LEGISLATIVE REPORT is estimated to require  
FY 2023 and every two years thereafter: \$51,613 and 0.38 FTE.

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:  
FY 2021: \$641,813 and 4.9 FTE; FY 2022: \$724,958 and 5.3 FTE; FY 2023: \$251,907 and 1.8 FTE; FY 2024: \$163,026 and 1.2 FTE; \$209,639 and 1.5 FTE.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Professional Service Contracts includes \$5,200 for language translation of the education and outreach documents in FY22.

Goods and Services are the agency average of \$5,724 per direct program FTE. Also included are printing costs for education and outreach materials of \$10,000 in FY22; in-house translation costs of \$3,600 in FY22; AAG support for rulemaking and enforcement at a cost of \$17,000 per year in FY21 and FY22, \$17,000 per year in FY23 and FY24, and \$12,000 in FY25 and annually thereafter; and facility costs for public meetings/hearings of \$3,000 per year in FY21 and FY22.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
23P-1	Model Toxics Control Operating Account	State	0	641,813	641,813	362,479	0
NEW-1	Plastic Waste Reduction Account	State	0	0	0	614,386	372,665
<b>Total \$</b>			0	641,813	641,813	976,865	372,665

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

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		4.9	2.5	3.6	1.3
A-Salaries and Wages		326,455	326,455	484,326	180,625
B-Employee Benefits		119,482	119,482	177,266	66,111
C-Professional Service Contracts				5,200	
E-Goods and Other Services		44,499	44,499	86,121	42,335
G-Travel		11,928	11,928	17,291	6,496
J-Capital Outlays		7,007	7,007	10,163	3,816
9-Agency Administrative Overhead		132,442	132,442	196,498	73,282
<b>Total \$</b>	0	641,813	641,813	976,865	372,665

### 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
COM OUTREACH & ENV ED SP 3	61,219		0.3	0.1		
COMM CONSULTANT 3	64,334		0.1	0.1		
COMM CONSULTANT 5	84,394		0.1	0.0		
ECONOMIC ANALYST 3	82,342				0.2	
ENVIRONMENTAL PLANNER 3	78,412		2.4	1.2	2.0	1.0
ENVIRONMENTAL PLANNER 5	95,481		0.4	0.2	0.2	0.0
ENVIRONMENTAL SPEC 3	61,219		0.3	0.2	0.2	0.1
ENVIRONMENTAL SPEC 4	70,959		0.8	0.4	0.4	
FISCAL ANALYST 2			0.4	0.2	0.3	0.1
IT APP DEVELOP-JOURNEY			0.2	0.1	0.2	0.1
REGULATORY ANALYST 2	80,291				0.1	
<b>Total FTEs</b>			4.9	2.5	3.6	1.4

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

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

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

NONE

### IV. C - Capital Budget Breakout

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

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.*

Sections 6, 8, and 9 would authorize Ecology to adopt rules for the purposes of: 1) establishing the waiver guidelines, submission requirements, and renewal procedures, 2) implementing the fees, and 3) implementing, administering, and enforcing this chapter. Ecology assumes rules would be required for implementation and enforcement.

## SHB 2656 - Single-Use Food Service: Department of Ecology Fiscal Note Expenditure Overview

OPERATING BUDGET	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Section 4 Education/Outreach</b>	<b>0</b>	<b>0</b>	<b>18,636</b>	<b>37,268</b>	<b>0</b>	<b>0</b>
Total FTEs			0.15	0.29		
Staff costs			18,636	37,268		
<b>Section 5 Research Alternatives</b>	<b>0</b>	<b>0</b>	<b>37,268</b>	<b>14,908</b>	<b>14,908</b>	<b>14,908</b>
Total FTEs			0.29	0.12	0.12	0.12
Staff costs			37,268	14,908	14,908	14,908
<b>Section 6 Waivers</b>	<b>0</b>	<b>29,813</b>	<b>0</b>	<b>14,908</b>	<b>14,908</b>	<b>14,908</b>
Total FTEs		0.23	0.00	0.12	0.12	0.12
Staff costs		29,813	0	14,908	14,908	14,908
<b>Section 8 Fee Outreach</b>	<b>0</b>	<b>35,583</b>	<b>35,583</b>	<b>11,861</b>	<b>11,861</b>	<b>11,861</b>
Total FTEs		0.35	0.35	0.12	0.12	0.12
Staff costs		35,583	35,583	11,861	11,861	11,861
<b>Section 8 Rulemaking</b>	<b>0</b>	<b>138,701</b>	<b>177,526</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total FTEs		1.04	1.32			
Staff costs		138,701	177,526			
<b>Section 9 Outreach</b>	<b>0</b>	<b>159,187</b>	<b>123,149</b>	<b>104,349</b>	<b>104,349</b>	<b>104,349</b>
Total FTEs		1.30	0.81	0.81	0.81	0.81
Staff costs		159,187	104,349	104,349	104,349	104,349
Translation/Printing			18,800			
<b>Section 6 and 9 Rulemaking</b>	<b>0</b>	<b>278,529</b>	<b>332,796</b>	<b>17,000</b>	<b>17,000</b>	<b>12,000</b>
Total FTEs		2.01	2.42			
Staff costs		258,529	312,796			
AGO support		17,000	17,000	17,000	17,000	12,000
Meeting costs		3,000	3,000			
<b>Section 13 Legislative Report</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51,613</b>	<b>0</b>	<b>51,613</b>
Total FTEs				0.38		0.38
Staff costs				51,613		51,613
<b>ECOLOGY TOTAL OPERATING FTEs</b>	<b>0.0</b>	<b>4.9</b>	<b>5.3</b>	<b>1.8</b>	<b>1.2</b>	<b>1.5</b>
<b>ECOLOGY TOTAL OPERATING EXPENDITURES</b>	<b>0</b>	<b>641,813</b>	<b>724,958</b>	<b>251,907</b>	<b>163,026</b>	<b>209,639</b>

\*Total FTEs include 0.15 FTE administrative overhead. Staff costs include salary and benefits, travel, equipment, goods and services, and administrative overhead.