

Multiple Agency Fiscal Note Summary

Bill Number: 2722 E S HB AMS ENGR S7627.E	Title: Minimum recycled content
---	--

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	23,000	0	40,000	0	24,000
Total \$	0	23,000	0	40,000	0	24,000

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	No fiscal impact					
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	.1	0	23,000	.1	0	40,000	.1	0	24,000
Department of Ecology	.2	0	69,668	1.0	0	287,543	.8	0	219,496
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.3	0	92,668	1.1	0	327,543	0.9	0	243,496

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	No fiscal impact								
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 Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.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

--

Prepared by: Lisa Borkowski, OFM	Phone: (360) 902-0573	Date Published: Final 3/19/2020
---	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 2722 E S HB AMS ENGR S7627.E	Title: Minimum recycled content	Agency: 100-Office of Attorney General
--	--	--

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		23,000	23,000	40,000	24,000
Total \$		23,000	23,000	40,000	24,000

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.2	0.1	0.1	0.1
Account					
Legal Services Revolving Account-State 405-1	0	23,000	23,000	40,000	24,000
Total \$	0	23,000	23,000	40,000	24,000

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:	Phone:	Date: 03/10/2020
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 03/11/2020
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 03/11/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/19/2020

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.

Bill Summary:

Section 1: Intent section.

Section 2: Definitions section.

Section 3: Beginning January 1, 2022, beverage manufacturers must use containers that meet certain specifications. The Department of Ecology (DOE) may adopt rules to exempt beverages.

Section 4: Post-consumer recycled plastic content specifications timelines for those specifications. Also permits extensions, appeals and fees.

Section 5: Reporting requirements. DOE must post reports and may conduct audits and investigations.

Section 6: Annual fees for violations – what DOE must consider when assessing fees.

Section 7: Creates recycling enhancement account in the treasury. Monies in account require appropriation to be spent.

Section 8: Local laws limitations.

Section 9: Exempts trade secret information provided to DOE from disclosure.

Section 10: Amends RCW 43.21B.100 regarding what department decisions may be appealed.

Section 11: Amends RCW 43.21B.110 regarding what department decisions may be appealed.

Section 12: Section 10 expires June 30, 2021.

Section 13: Section 11 effective June 30, 2021.

Section 14: Sections 2-8 are a new title in chapter 70.

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 agencies’ 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.

Assumptions for the Attorney General's Office (AGO) Ecology Division’s (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. This bill is assumed effective 90 days after the end of the 2020 legislative session.
3. In FY 2021, DOE assumes Assistant Attorney General (AAG) advice and representation will be required to assist with the development of enforcement guidelines or rules, and with ongoing requests related to enforcement.
4. DOE assumes beverage manufacturers will have problems meeting the recycled content requirements and will petition for waivers and extensions. DOE will need to develop corrective action plans for individual manufacturers.
5. DOE requires AAG support to consider evidence offered in support of the beverage industry and individual companies’ requests for relief from the deadlines in meeting recycled content requirements, and relief from fees. DOE will require AAG support in developing compliance orders and making decisions on petitions. These decisions are appealable to the Pollution Control Hearings Board (PCHB).
6. In FY 2023, PCHB appeals are assumed. Appeals will decrease in the following FYs down to an ongoing need of 0.05 AAG beginning in FY 2024.
7. Total workload impact:
 FY 2021 and FY 2022: 0.10 AAG and 0.05 Legal Assistant (LA) at a cost of \$23,000.
 FY 2023: 0.07 AAG at a cost of \$17,000.
 FY 2024 and in each FY thereafter: 0.05 AAG at a cost of \$12,000.

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	23,000	23,000	40,000	24,000
Total \$			0	23,000	23,000	40,000	24,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.2	0.1	0.1	0.1
A-Salaries and Wages		15,000	15,000	26,000	16,000
B-Employee Benefits		5,000	5,000	9,000	6,000
E-Goods and Other Services		3,000	3,000	5,000	2,000
Total \$	0	23,000	23,000	40,000	24,000

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	0.1	0.1	0.1
Legal Assistant 3	54,108		0.1	0.0	0.0	
Total FTEs			0.2	0.1	0.1	0.1

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Ecology Division (ECY)		23,000	23,000	40,000	24,000
Total \$		23,000	23,000	40,000	24,000

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

Individual State Agency Fiscal Note

Bill Number: 2722 E S HB AMS ENGR S7627.E	Title: Minimum recycled content	Agency: 461-Department of Ecology
--	--	--

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	0.4	0.2	1.0	0.8
Account					
Model Toxics Control Operating Account-State 23P-1	0	69,668	69,668	287,543	219,496
Total \$	0	69,668	69,668	287,543	219,496

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:	Phone:	Date: 03/10/2020
Agency Preparation: My-Hanh Mai	Phone: 360-407-6996	Date: 03/11/2020
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 03/11/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/12/2020

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 2722 – S.E AMS ENET S6964.2, 2722 ESHB AMS ENGR S7627.E has the following substantive changes:

- Section 6 would revise the date for when beverage manufacturers could be subject to the fees from January 1, 2023, to January 1, 2022.
- Section 8 would preempt local laws and ordinances for plastic beverage container recycled content requirements inconsistent with this bill.

The change in section 6 would change the fiscal impact to Ecology in the 2021-23 and 2023-25 biennia.

This bill would set minimum recycled plastic content requirements for certain plastic beverage containers.

Section 3 would require beverage manufacturers to meet minimum postconsumer recycled plastic content requirements for plastic beverage containers that are sold, offered for sale, or distributed in the state as required under section 4 of this act for the beverages listed under this section beginning January 1, 2022. Ecology would be authorized to adopt rules to exempt beverages.

Section 4 (1) would require beverage manufacturers to meet minimum postconsumer recycled plastic content requirements for plastic beverage containers that are sold, offered for sale, or distributed in the state by the dates indicated:

- January 1, 2022 – December 31, 2024: ten percent postconsumer recycled plastic.
- January 1, 2025 – December 31, 2029: twenty-five percent postconsumer recycled plastic.
- January 1, 2030 – and thereafter: fifty percent postconsumer recycled plastic.

Sections 4 (2) and 4 (3) would require Ecology to assess whether the recycled content requirements should be waived or reduced every other year, beginning in 2021, or at the petition of the beverage manufacturing industry not more than annually. Ecology would be required to consider the petitions within 60 days of receipt. Ecology would be required to consider changes in market conditions, recycling rates, availability of recycled plastic, processing infrastructure capacity, progress by beverage manufacturers to meet the minimum recycled content and the carbon footprint of transporting recycled resin. Beverage manufacturers may appeal Ecology's decision to the Pollution Control Hearings Board.

Section 4 (4) would authorize Ecology to grant extensions from the minimum recycled content requirements in section 4 (1) to beverage companies that demonstrate substantial effort but due to extenuating circumstances fail to reach the required minimum recycled content.

Section 4 (5) would provide that a beverage manufacturer that does not meet the minimum postconsumer recycled plastic content requirements under this section would be subject to a fee established in section 6.

Section 5 (1) would require the beverage manufacturers to annually report to Ecology in pounds and by resin type the amount of virgin plastic and postconsumer recycled plastic used in plastic beverage containers sold or

distributed in Washington in the prior calendar year. The first reports would be due to Ecology by March 1, 2022, for beverage containers sold in 2021, and then annually thereafter. The information would be posted on Ecology's website.

Sections 5 (2) would authorize Ecology to conduct audits and investigations and take enforcement action for the purpose of ensuring compliance. Ecology would also be authorized to adopt rules to implement, administer and enforce the requirements under this bill.

Section 5 (3) would require Ecology to keep confidential business trade secrets and proprietary information about manufacturing processes and equipment gathered during audits or investigations.

Section 6 would provide for fees on beverage manufacturers not meeting the minimum recycled plastic content. The fee would be assessed on the beverage containers sold in calendar year 2022 (and reported in their March 1, 2023, annual report). The fee amount would vary, based upon their overall compliance rate. In lieu of or in addition to assessing a fee, Ecology could require corrective action plans. Ecology could also consider various equitability factors in determining whether to assess a fee. The fees could be appealed to the Pollution Control Hearings Board. Ecology would be required to consider granting a waiver, reduction, or extension of the fees to a beverage manufacturer that has demonstrated progress toward meeting the recycled content requirements in either of the following circumstances: 1) they failed to meet the minimum requirements; or 2) they anticipate they would not be able to meet the minimum requirements.

Section 7 would create the Recycling Enhancement Fee Account. All fees collected by Ecology under this bill would be deposited in this new account. Expenditures from the account may be used by Ecology only for providing funding to the Recycling Development Center for the purpose of furthering the development of recycling infrastructure in the state.

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 4 (5) and Section 6 would provide that a beverage manufacturer in violation of this chapter be subject to a fee. The fee amount would vary upon their overall compliance rate as described in section 6.

All fee revenue would be deposited in the Recycling Enhancement Fee Account created in section 7.

Ecology assumes that the purpose of the fees is to ensure compliance; therefore, Ecology assumes no revenue.

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 Fiscal Year (FY) 2021 and ongoing to implement the requirements of section 4.

Beginning January 1, 2022, section 4 would require beverage manufacturers to sell beverages in plastic bottles containing the minimum recycled content specified in this bill and submit annual reports to Ecology.

There are 493 manufacturers of plastic beverage containers in the US (Manta online search) and 26 soft drink and 14 bottled water businesses in Washington (Dept. of Revenue NAICS code 2018 list). Data from 56 plastic beverage container users and manufacturers ranged from zero to over 40 percent recycled content; 12 of those reports indicated recycled content above 10 percent (AB 2530: Plastic Beverage Container Virgin and Postconsumer Resin Reports).

Demand for plastics is strong and growing, but the current supply of recycled plastics meets just 6% of demand. In the U.S. and Canada, 2.5 million metric tons of post-use recycled plastics were available in 2018 (Accelerating Circular Supply Chains for Plastics). This represents 6% of the 38 million metric tons of demand for the most common plastics. Therefore, Ecology assumes compliance with the 10% post-consumer recycled content would not be attainable by January 1, 2022. For purposes of this fiscal note, Ecology assumes extensions to the deadlines provided for under section 4 would be requested by manufacturers.

Ecology assumes 50 beverage manufacturers would be required to comply with the recycled content and annual reporting requirements based on the California report and the number of beverage manufacturers operating in Washington. Ecology assumes over 40 of those manufacturers would need to request extensions due to the availability and affordability of recycled content postconsumer plastic resin.

Ecology assumes education and outreach to all 493 beverage manufacturers and their business associations to inform them of the recycled content requirements in this bill. This work would require annual technical assistance to manufacturers required to submit annual reports and review of extension requests (section 4(4) and section 6(8)). This would require establishing criteria to evaluate manufacturers' requests for extensions to the recycled content requirements, discussions with the manufacturers, and decisions to grant extensions.

Ecology assumes technical assistance to manufacturers to reach compliance with the required recycled content requirements would be necessary. Ecology would annually evaluate the availability of recycled plastics, continue to work with manufacturers and provide extensions as appropriate, conduct audits of reported data, and request additional information (section 5(2)). Ecology assumes audits would consist of follow-up emails, phone calls, and requests for additional information to confirm the reported annual data. Where appropriate, Ecology would hold data confidential as required in section 5(3).

Ecology assumes conducting education and outreach to beverage manufacturers to inform them of the new requirements would be required. These outreach efforts would include in and out of state beverage manufacturers, as well as international bottled water associations. Outreach materials would include but not limited to the following: an agency website, fact sheets, and flyers offered in multiple languages and culturally appropriate.

Ecology estimates 0.02 FTE Communications Consultant 5 (CC5) in FY21 to review outreach and education materials as well as the agency website, and 0.05 FTE Communications Consultant 3 (CC3) in FY21 to develop outreach and education materials as well as the agency website. Ecology would use in-house translation of the outreach and education materials for Chinese, Korean, Spanish, and Vietnamese at a cost of \$4,500 in FY22.

Starting in FY21 and every other year after, Ecology would be required to evaluate the minimum recycled plastic content requirements based on market conditions, supply and demand, recycling rates and availability of recycled plastic, capacity of recycling and processing infrastructure and progress of beverage manufacturers in achieving the minimum content requirements.

Section 3 would authorize Ecology to adopt rules to exempt beverages, and section 5(2) would authorize Ecology to adopt rules to implement and enforce the requirements under this bill. In consultation with the Attorney General's Office, Ecology assumes rules would not be necessary to exempt beverages, and that enforcement guidelines would be sufficient to implement, administer and enforce this chapter. Therefore, no rulemaking is assumed in this fiscal note.

Ecology assumes development of a program to establish and evaluate waivers, extensions and corrective actions plans would occur in FY21. Based on Ecology's experience implementing product laws, Ecology assumes developing enforcement guidelines would be required to implement the law. Enforcement guidelines would allow Ecology to gather manufacturer information that would be used to determine any waivers, extensions or corrective action plans. Ecology estimates 0.25 FTE Environmental Planner 3 (EP3) in FY 21 would be required to develop the program and write the guidelines. Ecology estimates 0.20 FTE EP3 in FY22 and ongoing would be required to request and review manufacturer information needed to evaluate and determine waivers, extensions, and corrective action plans (as outlined in the guidelines), and respond to beverage manufacturer petitions to evaluate the recycled content requirements.

Ecology would conduct education and outreach, review beverage manufacturer annual reports, and conduct compliance audits and investigations by email or phone with beverage manufacturers to provide information for waivers, extensions and corrective action plans. Ecology assumes the first annual report and request for waivers, extensions and corrective action plans would occur in FY22. Ecology estimates 0.75 FTE Environmental Specialist 4 (ES4) would be required in FY22, 0.60 FTE ES4 in FY23, and 0.50 FTE ES4 each year thereafter ongoing.

Based on the compliance rate in California, Ecology assumes manufacturers would have problems meeting the recycled content requirements and would therefore petition for waivers, extensions, and corrective action plans. Ecology would need to consider whether to grant individual companies' requests for relief from fees and issue compliance orders. Upon consultation with the Attorney General's Office (AGO), Ecology assumes AAG advice and representation would be required to assist with the development of the enforcement guidelines and ongoing requests. The AGO estimates 0.10 FTE AAG per year in FY21 and FY22 (\$23,000 each year), and tapering off to 0.07 FTE AAG in FY23 (\$17,000), 0.05 FTE AAG in FY24 (\$12,000) and ongoing.

Ecology assumes ongoing work would be required to evaluate plastic market conditions, supply and demand, recycling rates and availability of recycled plastic, capacity of recycling and processing infrastructure and progress of beverage manufacturers in achieving the minimum content requirements. The result of this work would be a determination to waive or reduce the minimum recycled plastic content requirement. This work would align with existing Recycling Development Center and plastics research work.

Beginning January 1, 2022, section 6 would set violation levels and fees for noncompliance that would apply to plastic bottles sold or distributed in calendar year 2022 and reported to Ecology in March 2023.

Ecology would be authorized to assess fees on noncompliant manufacturers. Ecology would be authorized to require a beverage manufacturer to submit a corrective action plan (in lieu of or in addition to a fee) and consider reasons to grant waivers, reductions or extensions to beverage manufacturers.

Ecology assumes manufacturers would come into compliance with the minimum recycled plastic content requirements, submit corrective action plans, or be provided waivers, reductions or extensions until they can

achieve compliance. Therefore, Ecology assumes no fees into the new Recycling Enhancement Fee Account. For purposes of this fiscal note, expenditures to implement the program are estimated in the Model Toxics Control Operating Account.

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

FY 2021: \$69,668 and 0.37 FTE; FY 2022: \$159,212 and 1.09 FTE; FY 2023: \$128,331 and 0.92 FTE; FY 2024 and FY 2025: \$109,748 and 0.81 FTE per year.

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.

Goods and Services are the agency average of \$5,724 per direct program FTE. In addition to in-house translation costs of \$4,500 in FY22, AAG support for compliance support is included at \$23,000 per year in FY21 and FY22, \$17,000 in FY23, and \$12,000 per year in FY24 and ongoing.

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	69,668	69,668	287,543	219,496
Total \$			0	69,668	69,668	287,543	219,496

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.4	0.2	1.0	0.8
A-Salaries and Wages		24,508	24,508	127,158	102,324
B-Employee Benefits		8,970	8,970	46,540	37,452
E-Goods and Other Services		24,831	24,831	54,517	32,014
G-Travel		892	892	4,876	3,902
J-Capital Outlays		524	524	2,864	2,292
9-Agency Administrative Overhead		9,943	9,943	51,588	41,512
Total \$	0	69,668	69,668	287,543	219,496

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
COMM CONSULTANT 3	64,334		0.1	0.0		
COMM CONSULTANT 5	84,394		0.0	0.0		
ENVIRONMENTAL PLANNER 3	78,412		0.3	0.1	0.2	0.2
ENVIRONMENTAL SPEC 4	70,959				0.7	0.5
FISCAL ANALYST 2			0.0	0.0	0.1	0.1
IT APP DEVELOP-JOURNEY			0.0	0.0	0.1	0.0
Total FTEs			0.4	0.2	1.0	0.8

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

Bill Number: 2722 E S HB AMS ENGR S7627.E	Title: Minimum recycled content	Agency: 468-Environmental and Land Use Hearings Office
--	--	--

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:	Phone:	Date: 03/10/2020
Agency Preparation: Kay Brown	Phone: (360) 664-9160	Date: 03/11/2020
Agency Approval: Nina Carter	Phone: 360 664-9171	Date: 03/11/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/11/2020

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.

Amendment S.E. AMS ENGR S7627.E moves up the date by one year when a beverage manufacturer must meet the minimum postconsumer recycled plastic content requirements. (Section 6). It also adds a provision restricting local governments from implementing local recycled content requirements for plastic beverage containers that are covered under sections 3 and 4 of this bill.

These changes will have no fiscal impact to the PCHB. Ecology's assumptions remain the same. Ecology assumes manufacturers would come into compliance with the minimum recycled plastic content requirements or be provided waivers, reductions or extensions until they can achieve compliance. Therefore, Ecology assumes no fees into the new Recycling Enhancement Fee Account. Because Ecology is assuming there will be no fees, there are unlikely to be appeals to the PCHB. Therefore, based on Ecology's assumption, the PCHB assumes there will be no fiscal impact.

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2722 E S HB AMS ENGR S7627.E	Title: Minimum recycled content
--	--

Part I: Jurisdiction

Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
 Counties:
 Special Districts:
 Specific jurisdictions only:
 Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
 Expenditures represent one-time costs:
 Legislation provides local option:
 Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Rebecca Duncan	Phone: 360-725-5040	Date: 03/16/2020
Leg. Committee Contact:	Phone:	Date: 03/10/2020
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/16/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/16/2020

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill establishes postconsumer recycled plastic content requirements for certain plastic beverage containers. In addition, the bill establishes civil penalties for manufacturers of beverage containers not meeting postconsumer recycled plastic content requirements, and authorizes the Department of Ecology to audit reports and implement and enforce penalties. Finally, the bill preempts local government laws and ordinances for beverage container minimum recycled content requirements.

Section 8 of this legislation provides that a city, town, county, or municipal corporation may not implement local recycled content requirements for plastic beverage containers that must meet minimum postconsumer recycled content as required under sections 3 and 4 of this act. Furthermore, local laws and ordinances that are inconsistent with, more restrictive than, or exceed the requirements of this act, may not be enacted and are preempted.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The legislation has no expenditure impacts for cities and counties.

Under the bill, the Department of Ecology has report auditing and enforcement authority for violations of the new rules concerning recycling of certain plastic beverage containers.

The bill preempts local government laws and ordinances for beverage container minimum recycled content requirements. A survey of online county and municipal codes revealed 3 cities (Seattle, Kent and Burien) with ordinances discussing minimum postconsumer recycled content of plastics, and 2 cities (Everett and Edmonds) with ordinances discussing recycling of plastic beverage containers. All of the ordinances do not address the minimum recycled content requirements for beverages explicitly, so these jurisdictions would likely not need to modify the provisions of their ordinances when the bill goes into effect.

There is no information available about jurisdictions that may be currently considering implementing an ordinance specifically addressing the minimum recycled content requirements for plastic beverage containers. For the purposes of this fiscal note, the Local Government Fiscal Note program assumes there are no cities or counties would be filing such ordinances before the bill's effective date.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The legislation has no impact on local government revenues.

SOURCES:

Washington State Association of Counties
Association of Washington Cities
Municipal Research and Services Center
Local Government Fiscal Note Program 2020 unit cost model