

Multiple Agency Fiscal Note Summary

Bill Number: 5022 E 2S SB	Title: Recycling, waste, & litter
----------------------------------	------------------------------------------

Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Ecology	0	0	345,735	0	0	810,115	0	0	1,070,492
Total \$	0	0	345,735	0	0	810,115	0	0	1,070,492

Agency Name	2021-23		2023-25		2025-27	
	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	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	Fiscal note not available											
Department of Commerce	.4	243,609	243,609	243,609	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Ecology	3.4	0	0	892,140	3.4	0	0	888,775	4.1	0	0	1,070,492
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	3.8	243,609	243,609	1,135,749	3.4	0	0	888,775	4.1	0	0	1,070,492

Agency Name	2021-23			2023-25			2025-27		
	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	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	Fiscal note not available								
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.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

Agency Name	2021-23			2023-25			2025-27		
	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 Breakout

--

Prepared by: Lisa Borkowski, OFM	Phone: (360) 902-0573	Date Published: Final 3/11/2021
----------------------------------	--------------------------	------------------------------------

Individual State Agency Fiscal Note

Bill Number: 5022 E 2S SB	Title: Recycling, waste, & litter	Agency: 090-Office of State Treasurer
----------------------------------	------------------------------------------	----------------------------------------------

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: Greg Vogel	Phone: 360-786-7413	Date: 03/03/2021
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 03/04/2021
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 03/04/2021
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 03/04/2021

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.

E2SSB 5022 creates the recycling enhancement account and the recycled content account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.79A.040(4).

II. B - Cash receipts Impact

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

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Revised

Bill Number: 5022 E 2S SB	Title: Recycling, waste, & litter	Agency: 103-Department of Commerce
----------------------------------	------------------------------------------	-------------------------------------------

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.7	0.0	0.4	0.0	0.0
Account					
General Fund-State 001-1	243,609	0	243,609	0	0
Total \$	243,609	0	243,609	0	0

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: Greg Vogel	Phone: 360-786-7413	Date: 03/03/2021
Agency Preparation: Karen McArthur	Phone: 360-725-4027	Date: 03/11/2021
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 03/11/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/11/2021

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 adds a new section directing the Department of Commerce (department) to convene a stakeholder advisory committee by May 1, 2021 to make recommendations on the development of mandatory postconsumer recycled content requirements for plastics packaging. The department is required to submit a report containing recommendations to the legislature by November 15, 2021.

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.

Agency Assumptions:

Section 15 will require the following:

The department lacks the resources necessary to absorb this work in fiscal year 2021 and assumes work will begin July 1, 2021. The department will coordinate a procurement process for a Washington-based nonprofit contractor with significant experience working in the clean technology recycling sector.

The department assumes the following will be needed in fiscal year 2021 to start work May 1, 2021:

0.10 FTE Commerce Specialist 5 (310 hours) in FY21 to coordinate the request for proposal process to secure a non-profit organization to lead the work group.

0.10 FTE Commerce Specialist 3 (250 hours) in FY21 to assist with stakeholder identification, contract with the successful bidder, develop deliverable schedule, and manage the contract and deliverables.

Salaries and Benefits

FY21: \$21,890

Goods and Services

FY21: \$2,507

Intra-agency Reimbursements

FY21: \$7,443

Total FY21: \$31,840

The department assumes the following will be needed in fiscal year 2022 to start work July 1, 2021:

0.10 FTE Commerce Specialist 5 (310 hours) in FY22 to coordinate the request for proposal process to secure a

nonprofit organization to lead the work group.

0.50 FTE Commerce Specialist 3 (1,044 hours) in FY22 to assist with stakeholder identification, contract with the successful bidder, develop deliverable schedule, and manage the contract and deliverables.

Salaries and Benefits

FY22: \$64,248

Professional Service Contracts

FY22: \$150,000

The successful bidder will be awarded a contract by the department to convene the advisory committee and draft the report of recommendations due to the legislature by November 15, 2021.

Goods and Other Services

FY22: \$7,517

Intra-agency Reimbursements:

FY22: \$21,670

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, and central services charges. Intra-agency Reimbursement-Agency administration costs (e.g., payroll, HR, IT,) are funded under a federally approved cost allocation plan.

=====

Total Costs

FY22: \$243,609

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	243,609	0	243,609	0	0
Total \$			243,609	0	243,609	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.7		0.4		
A-Salaries and Wages	47,072		47,072		
B-Employee Benefits	17,176		17,176		
C-Professional Service Contracts	150,000		150,000		
E-Goods and Other Services	7,517		7,517		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	21,844		21,844		
9-					
Total \$	243,609	0	243,609	0	0

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 2022	FY 2023	2021-23	2023-25	2025-27
Administrative Services - Indirect	69,552	0.1		0.1		
Commerce Specialist 3	76,416	0.5		0.3		
Commerce Specialist 5	88,644	0.1		0.1		
Total FTEs		0.7		0.4		0.0

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

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5022 E 2S SB	Title: Recycling, waste, & litter	Agency: 300-Department of Social and Health Services
----------------------------------	------------------------------------------	-------------------------------------------------------------

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: Greg Vogel	Phone: 360-786-7413	Date: 03/03/2021
Agency Preparation: Bill Jordan	Phone: 360-902-8183	Date: 03/10/2021
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 03/10/2021
OFM Review: Bryan Way	Phone: (360) 522-3976	Date: 03/10/2021

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 bill relates to managing solid waste by expanding certain polystyrene (foam) container prohibitions, optional services ware at certain food services businesses, and the use of post-consumer recycled content for certain plastic beverage containers.

Section 2 (8) – the definition for “Food Service Business” means a business selling or providing food for consumption on or off the premises and includes institutional cafeterias.

There might be a fiscal impact for the Department of Social and Health Services to implement this bill. However, the amount of the fiscal impact is indeterminate because it is not known what the increased costs might be for the following provisions in the bill:

- Individually wrapped single use service ware versus the current purchase of service ware in large quantities that are unwrapped:
 - o The state hospitals must use single serve plastic service ware for safety purposes.
- Increased costs for food containers, plates, hot/cold beverage cups etc. that meet the new requirements rather than polystyrene (foam) containers for use in the Group Homes, Residential Habilitation Centers and other Developmental Disabilities Administration facilities.

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

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5022 E 2S SB	Title: Recycling, waste, & litter	Agency: 310-Department of Corrections
----------------------------------	------------------------------------------	----------------------------------------------

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: Greg Vogel	Phone: 360-786-7413	Date: 03/03/2021
Agency Preparation: Seth Nickerson	Phone: 360-725-8346	Date: 03/08/2021
Agency Approval: Michael Steenhout	Phone: 360-725-8270	Date: 03/08/2021
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 03/09/2021

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 engrossed second substitute version changes the title to an act relating to managing solid waste through prohibitions of sale and distribution of expanded polystyrene, establishing minimum recycled content requirements for beverage containers, plastic household cleaning and personal care product containers, plastic bags, and optional single use food service requirements for food service businesses.

Section 16 is a new section that states effective June 1, 2023 the sale and distribution of expanded polystyrene products is prohibited. It also addresses potential fines if in violation of this section. This includes, portable containers, food service containers, plates, clam shell-style containers, and hot and cold beverage cups.

The changes in the engrossed second substitute version do not create or change any of the fiscal impacts to Department of Corrections (DOC) or Correctional Industries (CI) food service program.

Effective date is assumed 90 days after adjournment of session in which this bill is passed.

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.

None.

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 fiscal impact of this bill is indeterminate, assumed to be greater than \$50,000 per Fiscal Year (FY).

The CI food service programs will be impacted as a result of this bill. CI anticipates an increased cost in switching from the \$0.11 Styrofoam trays, to a \$0.49 Compostable tray. CI provides two trays per meal to each incarcerated individual – one for hot food items and the other for cold food items. For illustrative purposes, if DOC must switch to the compostable tray and a facility with 2,500 incarcerated individuals were to go into lockdown for one week due to a disturbance, it would cost an additional \$40,000 for food service trays during that one-week period. If all DOC facilities are forced to go into a movement lockdown and incarcerated individuals must be fed in their living units due to a statewide medical emergency, such as COVID-19, it is estimated that switching to a compostable tray would increase costs by over \$1,000,000 per month of the lockdown.

CI will also experience increased costs in switching from single plastic condiment packaging to bulk products which would also create indeterminate labor costs. It is estimated that the current cost of plastic condiment packaging per incarcerated individual is \$20.67 annually. Under the bulk product model, CI is anticipating an annual cost per incarcerated individual of \$39.91 which results in an annual increase of nearly \$289,000 which does not include the indeterminate labor costs of filling each portioned compostable cup.

Another cost CI is anticipating is the transition from disposable spoons to compostable spoons. It is estimated the

change will be an increase of \$0.0252 per spoon. For illustrative purposes, if a facility is locked down for one week, it would increase costs by nearly \$1,500. If all DOC facilities were forced to go into a movement lockdown due to a statewide medical emergency, such as COVID-19, it is estimated that switching to a compostable spoon would increase costs by \$34,000 per month of the lockdown.

Assumptions:

1) The DOC assumes additional impacts may result from this bill and additional resources may be necessary. The DOC will “true up” our fiscal impact in subsequent budget submittals should the legislation be enacted into session law.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

None.

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5022 E 2S SB	Title: Recycling, waste, & litter	Agency: 461-Department of Ecology
----------------------------------	------------------------------------------	------------------------------------------

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Recycled Content Account-Non-Appropriated NEW-6		345,735	345,735	810,115	1,070,492
Total \$		345,735	345,735	810,115	1,070,492

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	3.3	3.6	3.4	3.4	4.1
Account					
Model Toxics Control Operating Account-State 23P-1	436,666	109,739	546,405	78,660	0
Recycled Content Account-Non-Appropriated NEW-6	0	345,735	345,735	810,115	1,070,492
Total \$	436,666	455,474	892,140	888,775	1,070,492

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: Greg Vogel	Phone: 360-786-7413	Date: 03/03/2021
Agency Preparation: My-Hanh Mai	Phone: 360-407-6996	Date: 03/09/2021
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 03/09/2021
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/09/2021

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 2SSB 5022, E2SSB 5022 has the following substantive changes:

- Section 1: Changes the intent to focus on minimum recycled content for plastic trash bags and plastic household cleaning and personal care product containers, in addition to beverage containers.
- Changes the “administrative fee” to a “penalty” for failure to meet postconsumer recycled content (PCR) requirements throughout.
- Sections 6 and 10: Establishes PCR content targets in plastic household cleaning and personal care product containers and plastic trash bags.
- Sections 7 and 11: Establishes reporting requirements for plastic household cleaning and personal care product containers and plastic trash bags.
- Sections 8 and 12: Establishes penalties for noncompliant plastic household cleaning and personal care product containers and plastic trash bags.
- Sections 9 and 13: Details Ecology’s duties related to PCR in plastic household cleaning and personal care product containers and plastic trash bags.
- Section 14: Requires state agencies to purchase trash bags from manufacturers in compliance with the requirements.
- Section 15: Requires the Department of Commerce to convene a stakeholder process by May 1, 2021, and prepare a report to the legislature with recommendations by November 15, 2021.
- Section 24: Amends RCW 70A.220.020 to remove the requirement for three arrows to be used on plastic bottles or rigid containers.

The changes under this bill would change the fiscal impact to Ecology.

Under current law, Ecology does not regulate recycled content in plastic containers (beverage, household cleaners, or personal care products) or plastic trash bags, use of expanded polystyrene containers, or food serviceware at food service establishments.

This bill would establish postconsumer recycled content targets for plastic beverage containers, plastic household cleaner containers, plastic personal care product containers, and plastic trash bags that are sold, offered for sale or distributed in Washington. For purposes of this fiscal note, these products (plastic beverage containers, plastic household cleaner containers, plastic personal care product containers, and plastic trash bags) are collectively referred to as “covered products.” The term covered product is not used in the bill. The bill would establish a stakeholder process to consider and make recommendations on nine topics related to post-consumer recycled content in covered products addressed in the bill. The bill would also ban certain polystyrene products from sale in or into Washington and establish optional service ware requirements for single-use food service products; require state agencies to only purchase compliant trash bags, and remove the requirement for plastic resin codes to include three triangulated arrows.

Postconsumer recycled content for covered products (sections 3, 6, and 10)

Beginning January 1, 2023, beverage manufacturers, except for dairy milk, that offer for sale, sell, or distribute plastic beverage containers in Washington would be required to meet the minimum post-consumer recycled content below (section 3).

- January 1, 2023, through December 31, 2025: No less than 15 percent postconsumer recycled plastic by

weight;

- January 1, 2026, through December 31, 2030: No less than 25 percent postconsumer recycled plastic by weight; and
- On and after January 1, 2031: No less than 50 percent postconsumer recycled plastic by weight.

Plastic beverage containers for dairy milk would be required to meet minimum post-consumer recycled content beginning January 1, 2028. Beverage manufacturers of dairy milk that offer for sale, sell, or distribute plastic beverage containers in Washington would be required to meet the minimum post-consumer recycled content below (section 3).

- January 1, 2028, through December 31, 2030: No less than 15 percent postconsumer recycled plastic by weight;
- January 1, 2031, through December 31, 2035: No less than 25 percent postconsumer recycled plastic by weight; and
- On and after January 1, 2036: No less than 50 percent postconsumer recycled content plastic by weight.

Beginning January 1, 2025, household cleaners and personal care product producers that offer for sale, sell, or distribute plastic household cleaners and personal care product containers in Washington would be required to meet the minimum post-consumer recycled content below (section 6).

- January 1, 2025, through December 31, 2027: No less than 15 percent postconsumer recycled plastic by weight;
- January 1, 2028, through December 31, 2030: No less than 25 percent postconsumer recycled plastic by weight; and
- On and after January 1, 2031: No less than 50 percent postconsumer recycled plastic by weight.

Beginning January 1, 2023, plastic trash bag producers that offer for sale, sell, or distribute plastic beverage containers in Washington would be required to meet the minimum post-consumer recycled content below. Producers would be required to label each container of plastic trash bags with their manufacturer identifying information (section 10).

- January 1, 2023, through December 31, 2024: No less than 10 percent postconsumer recycled plastic by weight;
- January 1, 2025, through December 31, 2026: No less than 15 percent postconsumer recycled plastic by weight; and
- On and after January 1, 2027: No less than 20 percent postconsumer recycled plastic by weight.

Registration and sales ban (sections 3, 6, and 10)

An individual manufacturer or third-party representative of a beverage manufacturer, household cleaning and personal care product or plastic trash bag producer that offers for sale, sells, or distributes these covered products in Washington would be required to register with Ecology. Producers of covered products not registered after the required date would be banned from the sale of the covered products in or into Washington.

- Beverage containers and plastic trash bags would begin April 1, 2022 and annually thereafter. Sales ban would begin January 1, 2023. (Sections 3 and 10)
- Household cleaners and personal care products would begin April 1, 2024 and annually thereafter. Sales ban would begin January 1, 2025. (Section 6)
- The dates for dairy milk are not specified in the bill. For purposes of this fiscal note, Ecology assumes registration would begin April 1, 2027 and annually thereafter, and sales ban on unregistered dairy milk beverages in plastic bottles would begin January 1, 2028. (Section 3)

Ecology cost determination and manufacturer/producer payment (sections 3, 6, and 10)

Ecology would be required to determine the annual costs adequate to cover, but not exceed, Ecology's full costs to implement, administer, and enforce all work, including rulemaking, related to recycled content in beverage containers, household cleaners and personal care products, and trash bags (sections 3 through 14 and 18) and invoice the manufacturers and producers for these costs.

- Beverage containers and trash bags: Ecology would determine costs beginning January 31, 2022 with payment due on April 1, 2022 and annually thereafter. (Section 3 and 10)
- Household cleaners and personal care products: Ecology would determine costs beginning January 31, 2024 with payment due on April 1, 2024 and annually thereafter. (Section 6)
- The dates for determining costs and invoicing dairy milk are not specified in the bill, and are assumed to begin January 31, 2027 with payment due on April 1, 2027 and annually thereafter. (Section 3)

Postconsumer recycled content adjustments (sections 3, 6, and 10)

Ecology would be authorized to adjust the postconsumer recycled content requirements annually, or at the petition of the covered product industry but not more than annually. When considering adjustments to the requirements, Ecology would be required to factor in changes in market conditions, recycling rates, availability of recycled plastic, capacity of recycling infrastructure, and progress made by manufacturers in meeting the requirements. For household cleaner and personal care products, Ecology would also be required to consider technical feasibility of meeting the requirement for product containers required to meet federal standards. A covered product manufacturer or producer that does not meet the postconsumer recycled content requirements would be subject to a penalty established in sections 5, 8, and 12. Dates for reviewing and adjusting minimum post-consumer recycled content would be as follows:

- Beverage containers: beginning January 1, 2025 and annually thereafter. (Section 3)
- Trash bags: beginning January 1, 2024 and annually thereafter. (Section 10)
- Household cleaners and personal care products: beginning January 1, 2025 and annually thereafter. (Section 6)
- The dates for reviewing and adjusting minimum post-consumer recycled content dairy milk are not specified in the bill, and are assumed to begin January 1, 2030 and annually thereafter. (Section 3)

Reporting requirements (sections 4, 7, and 11)

Covered product manufacturers or producers, individually or through a third party representative, would be required to provide annual reports to Ecology reporting the amount of virgin plastic and postconsumer recycled content by resin type used in the covered products. Ecology would be required to post the information from these reports on its website. Covered product manufacturers or producers would be allowed to petition Ecology for this information to remain confidential. A manufacturer or producer would be authorized to submit national data allocated on a per capita basis for Washington if they could demonstrate that state level data would not be available or feasible to generate.

- Beverage containers and trash bags: beginning April 1, 2024 and annually thereafter. (Sections 4 and 10)
- Household cleaners and personal care products: beginning April 1, 2026 and annually thereafter. (Section 7)
- The dates for dairy milk are not specified in the bill, assumed for this fiscal note: begin April 1, 2029 and annually thereafter.

Penalties (sections 5, 8, and 12)

Covered product manufacturers or producers that do not meet the postconsumer recycled content requirements

would be subject to a penalty. Ecology would be required to calculate, invoice, and collect the penalty annually, based on the reports of previous calendar year rates.

- Beverage containers and trash bags: beginning January 1, 2023, to assess penalties and June 2024 to invoice for the previous year, and annually thereafter. (Sections 5 and 11)
- Household cleaners and personal care products: beginning January 1, 2025, to assess penalties and June 2026 to invoice for the previous year, and annually thereafter. (Section 8)
- The dates for dairy milk are not specified in the bill, and are assumed to be January 1, 2028, for assessing penalties and June 2029 to invoice, and annually thereafter.

Section 14 PCR content in trash bags – purchasing priority

Beginning January 1, 2023, all state agencies would be required to purchase plastic trash bags that are in compliance with the postconsumer recycled content requirements in section 10. By June 1, 2022, and annually thereafter, Ecology would provide a list of compliant plastic trash bag producers to the Department of Enterprise Services (DES).

Section 15 Stakeholder process

By May 1, 2021, the Department of Commerce (Commerce) would convene a stakeholder advisory committee to make recommendations on mandatory PCR content requirements for plastic packaging. The committee would include more than 30 representatives, including Ecology. The committee would discuss nine factors related to post-consumer recycled content. By November 15, 2021, Commerce would submit a report to the legislature containing the recommendations of the committee.

Section 16 Expanded polystyrene (EPS) prohibitions

Beginning June 1, 2023, the sale or distribution of certain EPS products would be prohibited. Ecology would be required to provide technical assistance and outreach to inform manufacturers of EPS products of the prohibition. Ecology would be required to create a website to provide information related to this prohibition (Section 18). Ecology would work with manufacturers, importers and distributors of the prohibited products to comply with the prohibition. Ecology would be authorized to enforce this section and issue civil penalties.

Section 17 Optional serviceware

Beginning January 1, 2022, food service businesses with on-site dining may only provide utensils, straws, condiment packaging and beverage cup lids upon request. Food service businesses with drive-through or off-site dining would be required to ask first before they distribute these items. Ecology would be authorized to enforce this section and could issue civil penalties after at least two notices of violations. Ecology would be required to create a website to provide information related to the requirement (Section 18).

Department Duties (sections 9, 13, and 18)

Ecology would be authorized to conduct audits and investigations for the purpose of ensuring beverage manufacturer, household cleaner and personal care producer, and trash bag producer compliance with the requirements in sections 3, 6, and 10. These audits and investigations would be based on the annual reports submitted under sections 4, 7, and 11. Ecology would be required to post compliance information for trash bags and household cleaner and personal care products on the website. Ecology would also be required to post information about the EPS ban (Section 16) and optional serviceware (Section 17) information on the website. Ecology would be allowed to adopt rules to implement, administer, and enforce this chapter.

Section 19 Recycling Enhancement Account

This section would create the Recycling Enhancement Account. All penalties collected by Ecology under sections 5, 8, and 12 would be deposited in this account for providing grants to local governments for the purpose supporting local solid waste and financial assistance programs.

Section 20 Recycled Content Account

This section would create the Recycled Content Account. All receipts collected by Ecology under sections 3, 6, and 10 would be deposited in this account for Ecology's costs for implementation, administration, and enforcement of sections 3 through 13.

Section 21 Market Study

This section would require Ecology to contract for a study of polyethylene terephthalate and high-density polyethylene markets, if funding is provided before January 1, 2028. If funded, the study would be required to be completed by May 1, 2029.

Section 24 would amend RCW 70A.220.020 to remove the requirement that plastic resin codes include three triangulated arrows.

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.

The cash receipts impact to Ecology under this bill is greater than \$50,000 beginning in FY 2023 and ongoing for the new fee established in section 3. Ecology assumes no penalty collections for the penalty established in section 5. Penalty revenue is unknown and therefore not estimated in this fiscal note for sections 16 and 17.

Recycled Content Account: Annual Payments (Section 3)

Sections 3, 6 and 10 would require Ecology to determine an annual payment by beverage manufacturers, household cleaner and personal care producers, and trash bag producers or their third-party representatives to cover the agency's full costs to implement sections 3 through 13, including rulemaking (section 18), beginning January 31, 2022, for beverage containers and trash bag producers, and January 31, 2024, for household cleaner and personal care producers, and continuing annually thereafter for the following fiscal year.

Ecology assumes the first receipt collections would be for FY 2023 (billed in FY 2022), and that it would be based on registrations of plastic beverage container manufacturers and plastic trash bag producers. Until the rule is adopted, Ecology would calculate the annual payment using the estimated agency total cost and divide it by the number of registered beverage and trash bag producers, using market sales data requested by Ecology. Based on the BC Return-It program for beverage containers, Ecology assumes 250 beverage manufacturers would be subject to this annual payment. Based on data from CalRecycle, Ecology assumes 100 trash bag producers would be subject to this payment. Beginning in April 1, 2024, household cleaner and personal care product producers would also be required to submit an annual payment to cover agency costs. Based on information from an industry representative, Ecology assumes 1,000 household cleaner and personal care product producers would be subject to this payment.

Cash receipts would be due five months in advance of the fiscal year, but for purposes of this fiscal note, cash receipts are shown to match expenditures by fiscal year consistent with the bill's intent. The average fee amount is estimated based on current information for the number of manufacturers and agency costs, using the interim methodology of calculating the payment using the estimated agency cost divided by the number of estimated

registered manufacturers. The average fee amount per manufacturer could vary based on the final methodology determined by rule and based on the number of manufacturers each year.

Cash receipt estimates:

FY 2023 = \$345,735 (avg. fee from 350 manufacturers = \$988)

FY 2024 = \$383,789 (avg. fee from 350 manufacturers = \$1,097)

FY 2025 = \$426,326 (avg. fee from 1,350 manufacturers = \$316)

FY 2026 = \$535,246 (avg. fee from 1,350 manufacturers = \$396)

FY 2027 = \$535,246 (avg. fee from 1,350 manufacturers = \$396)

Section 20 would require that all receipts be deposited into the new Recycled Content Account.

Recycling Enhancement Account: covered products penalties for non-compliance (Section 5)

Sections 5, 8, and 12 would require Ecology to assess penalties on beverage manufacturers, household cleaner and personal care producers, and trash bag producers using plastic containers or creating plastic trash bags that do not meet the postconsumer recycled content requirements. This would begin January 1, 2023 for beverage containers and trash bags, and January 1, 2025, for household cleaners and personal care products, and is assumed to begin on January 1, 2028, for milk beverages. Ecology would be required to calculate, invoice, and collect the penalty annually beginning March 1, 2024, for beverage containers and trash bags, and May 1, 2026, for household cleaners and personal care products, and assumed March 1, 2029, for milk beverages, unless there is a reduction in the postconsumer recycled content requirement pursuant to Sections 3, 6 and 10. The calculation of the penalty would be based upon the pounds of plastic used by the manufacturer or producer for the covered products sold or offered for sale in the state annually reported to Ecology pursuant to Sections 4, 7, and 11.

Ecology assumes no penalties would be collected due to adjustments in postconsumer recycled content pursuant to Sections 3, 6, and 10, as well as reductions in penalties as determined based on anomalous market conditions, disruption or lack of supply or other factors, or requests from covered product manufacturers and producers to submit corrective action plans in lieu of penalties, as stipulated in Sections 5, 8 and 12. Therefore, cash receipts from penalties for non-compliance are not estimated in this fiscal note.

Section 19 would require that all penalties collected by Ecology under sections 5, 8, and 12 be deposited into the new Recycling Enhancement Account.

Penalties – EPS and Serviceware (Sections 16 and 17)

Section 16 would authorize Ecology to impose penalties up to \$1,000 against a manufacturer of covered products violating the EPS ban. Any penalty revenue would be deposited in the Model Toxics Control Operating Account.

Section 17 would authorize Ecology to impose penalties up to \$2,000 per day to the owner or operator of a food service business for each day their products are provide in violation of the optional serviceware restriction. Any penalty revenue would be deposited in the Model Toxics Control Operating Account.

Penalties are assumed to be limited, but unknown, and therefore are not estimated in this fiscal note.

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) 2022 and on-going to implement the requirements of sections 3 through 21.

Section 20 would establish a Recycled Content Account, into which receipts for the covered product manufacturer and producer annual payment authorized in sections 3, 6, and 10 would be deposited. Expenditures from the account may be used by the department only for implementing, administering, and enforcing the requirements in sections 3 through 13. The costs estimated below for implementing the postconsumer recycled (PCR) content program, including rule making costs starting in FY 2023, would be authorized in the new account.

The program startup costs in FY 2022 and rulemaking in FY 2022 (first fee collection in FY 2023), and implementation costs for the EPS ban (section 16) in FY 2023 and FY 2024 (section 21), and for the serviceware restriction (section 17) in FY 2022 through FY 2024 are estimated in the Model Toxics Control Operating Account (MTCA – Operating). MTCA is an appropriate account because it supports the state’s responsibility for solid waste management, regulation, enforcement, technical assistance, and public education under chapter 70A.205 RCW.

Section 19 would establish a Recycling Enhancement Account, into which penalty receipts for non-compliance of required post-consumer recycled content rates authorized in sections 5, 8 and 12 would be deposited. Expenditures from this account would be authorized for grants to local governments. Ecology assumes no penalties would be collected due to adjustments in postconsumer recycled content pursuant to Sections 3, 6, and 10, as well as reductions determined based on anomalous market conditions, disruption or lack of supply or other factors, or requests from covered product manufacturers to submit corrective action plans in lieu of penalties pursuant to Sections 5, 8, and 12. Therefore, for fiscal note purposes, Ecology assumes no expenditures for pass-through grants to the local governments from this new account.

Plastic beverage containers: Based on the BC Return-It program for beverage containers, Ecology assumes 250 beverage manufacturers would be required to comply with the recycled content (Section 3) and annual report requirements (Section 4). According to the Ellen MacArthur Foundation, the 118 businesses that have made voluntary pledges to increase their use of recycled content in plastic packaging collectively reached 6.2% recycled content in 2019. Ecology assumes the businesses that have not signed on to this pledge would have comparatively lower rates of recycled content usage on average. While companies have made progress in increasing their recycled content use over the last few years, Ecology assumes that most plastic beverage manufacturers will not meet the 15% postconsumer content minimum required beginning in 2023. Ecology assumes similar rates of non-compliance will continue as the minimum requirements would be increased to 25% in 2026 and 50% in 2031.

Plastic household cleaners and personal care containers: Based on information from AMERIPEN (the American Institute for Packaging and the Environment) Ecology assumes 1,000 household cleaner and personal care product producers would be required to comply with the recycled content (Section 6) and annual report requirements (Section 7). Ecology assumes the challenges with meeting recycled content goals expressed for beverage containers will be similar for plastic household cleaners and personal care containers, given challenges with recycled content feedstock. Ecology assumes that many household cleaners and personal care manufacturers will not meet the 15% postconsumer content minimum required beginning in 2025. Ecology assumes similar rates of non-compliance will continue as the minimum requirements would be increased to 25% in 2028 and 50% in 2031.

Plastic trash bags: Based on CalRecycle, Ecology assumes 100 trash bag manufacturers would be required to comply with the recycled content (Section 10) and annual report requirements (Section 11). CalRecycle's report also shows that twenty percent of trash bag manufacturers were in compliance with their recycled content requirements. Ecology assumes similar rates of compliance for the 10% postconsumer content minimum that would be required beginning in 2023, as well as similar rates of non-compliance as the minimum requirements would be increased to 15% in 2026 and 20% in 2027.

Ecology assumes rulemaking would be required to implement, administer, and enforce the requirements of this chapter. Those costs are estimated separately in the summary on Rulemaking.

Postconsumer Recycled Content Requirements (Sections 3, 6, and 10)

Covered product manufacturers and producers would be required to meet the first dates for activities and compliance as specified in the bill (see Part II. A – Brief description of the sections with fiscal impacts).

Ecology would be required to determine the agency's full annual costs adequate to implement, administer, and enforce this chapter in the next fiscal year beginning January 31, 2022, and annually thereafter.

Ecology assumes staff resources would be required to identify beverage manufacturers, milk beverage manufacturers, household cleaning product producers, personal care product producers, and trash bag producers required to comply with this bill. Ecology would provide technical assistance to manufacturers and producers regarding the requirements of the bill, including the ban on sales for unregistered manufacturers and producers. Ecology assumes some enforcement work would be required, including sending warning letters to unregistered manufacturers or producers. This work would require creating and maintaining an updated list of manufacturers and producers, providing technical assistance regarding annual registration, payments, and recycled content requirements. Ecology would be required to estimate the annual agency costs to implement sections 3 through 13 and invoice covered product manufacturers and producers or their third-party representative. Based on past experience setting up the E-Cycle and Light Recycle programs, Ecology estimates 0.75 FTE Environmental Specialist 3 (ES-3) in FY 2022 and FY 2023, and would increase to 1.5 FTEs ES-3 beginning in FY 2024 and ongoing to address the significant increase of household and personal care product producers.

PCR rate adjustment (Sections 3, 6, and 10)

Ecology assumes evaluations to adjust the postconsumer recycled content requirements would occur annually beginning in FY 2024 for trash bags, and in FY 2025 for beverage containers and household cleaners and personal care products as manufacturers and producers of covered products would likely petition for reduced requirements in order to avoid being out of compliance. Based on experience with recent major market disruptions resulting in sudden and unforeseen changes to the plastic recycling industry, Ecology assumes annual review of these elements would be warranted. Ecology would conduct research on market conditions, recycling rates, availability of recycled plastic, infrastructure capacity, and covered product manufacturers' and producers' progress to achieving the goals, and determine if the minimum standards for the product containers should be adjusted. Ecology would evaluate manufacturer and producer submitted data in the process of determining recycled content adjustments. Ecology assumes data about the availability of multiple types of recycled content plastics resins would be purchased from an independent third-party organization at an estimated cost of \$30,000 per year starting FY 2024 annually thereafter. Ecology estimates 0.25 FTE Environmental Planner 4 (EP-4) in FY 2024 and 0.50 FTE in FY 2025 and ongoing.

Reporting Requirements (Sections 4, 7, and 11)

Beverage manufacturers and trash bag producers would be required to provide annual reports to Ecology

beginning April 1, 2024. Household cleaners and personal care product producers would be required to provide annual reports to Ecology beginning April 1, 2026. There is no date in the bill for milk beverage manufacturers, but Ecology assumes they would be required to provide annual reports to Ecology beginning April 1, 2029. Ecology would be required to post the information from these reports on its website.

Ecology assumes the following manufacturers or producers would submit annual reports, whether individually or through a third-party representative: 250 beverage manufacturers and 100 trash bag producers beginning in FY 2024, 1,000 producers of household cleaners and personal care products beginning in FY 2026, and 35 milk beverage manufacturers beginning in FY 2029.

Ecology would establish a website where the covered products manufacturers' and producers' reported data would be shared publicly. Ecology would conduct audits and investigations of manufacturer or producer information in the process of evaluating reported data. This work would include annually creating and updating a table of manufacturers and producers and their reported data, processing requests for confidentiality, and posting and updating the information online. Ecology estimates 0.35 FTE ES-3 in FY 2024 and FY 2025, and increase to 0.75 FTE ES-3 beginning FY 2026, and ongoing to assemble and update the reported data for posting.

Based on our experience building a database and online reporting system, Ecology estimates 0.15 FTE IT APP Developer – Journey (IT) in FY 2023 to build a database and online reporting system to collect, store and post annual reports on the website, and 0.05 FTE IT in FY 2024 and ongoing to maintain these systems.

Penalties (Section 5, 8, and 12)

Beginning January 1, 2023 (FY 2023), beverage manufacturers using plastic bottles and plastic trash bag producers that do not meet the postconsumer recycled content requirements would be subject to an annual penalty for noncompliance. Household cleaners and personal care products manufacturers would be subject to this requirement beginning January 1, 2025 (FY 2025). Ecology would be required to calculate, invoice, and collect the penalty annually beginning March 1, 2024 (FY 2024) for manufacturers using plastic bottles and plastic trash bags, and beginning May 1, 2026 (FY 2026) for household cleaners and personal care products manufacturers, unless there is a reduction in the postconsumer recycled content requirement pursuant to Sections 3, 6, and 10.

Ecology would be required to work with manufacturers and producers to determine compliance and assess penalties or reduce penalties or work on corrective action plans. Ecology assumes up to 80 percent of manufacturers and producers would be unable to comply with the PCR rates established in Sections 3, 6, and 10. Ecology assumes we would work with 200 beverage manufacturers and 80 trash bag producers beginning in FY 2024, 800 producers of household cleaners and personal care products beginning in FY 2026, and 28 milk beverage manufacturers beginning in FY 2029.

Reports from the Ellen MacArthur Foundation, the Association of Plastic Recyclers, and AMERIPEN, among others, indicate a limited supply of recyclable plastic available to meet current demand. Therefore, Ecology assumes no penalties would be collected for non-compliance, as there is insufficient supply. Ecology would work with manufacturers and producers to reduce penalties based on market conditions and lack of supply. Also, Ecology would develop corrective action plans in lieu of penalties for those non-compliant manufacturers and producers opting for the plan.

Ecology would review individual manufacturer and producer annual reports, determine those not in compliance with the minimum postconsumer recycled content pursuant to sections 3, 6, and 10, notify covered product

manufacturers and producers of non-compliance, calculate the penalty as prescribed in sections 5, 8, and 12, and consider PCR rate adjustments, penalty reductions, or corrective action plans in lieu of penalty. This work would include conducting audits and investigations of manufacturer or producer reported information. Ecology estimates 0.40 FTE EP-4 in FY 2024 and FY 2025 and increase to 0.80 FTE EP-4 beginning FY 2026 and ongoing.

Section 14 State purchasing of trash bags

Beginning June 1, 2022, and annually thereafter, Ecology would provide list of compliant plastic trash bag producers registered with Ecology to DES. Ecology assumes a current list of producers would be available as part of the program administration. Thus, this would have no new cost to Ecology.

Beginning January 1, 2023, all state agencies would be required to purchase plastic trash bags that are in compliance with the PCR requirements in section 10. Ecology assumes no new fiscal impact associated with this requirement.

Section 15 Stakeholder process

By May 1, 2021, Commerce would be required to convene a stakeholder advisory committee and report recommendations to the legislature on mandatory postconsumer recycled content requirements for plastic packaging by November 15, 2021. Ecology would participate in the stakeholder advisory committee.

Based on Commerce's assumptions, work would begin July 1, 2021 with a procurement process for a Washington-based nonprofit contractor with significant experience working in the clean technology recycling sector. The successful contractor would convene the advisory committee and draft the legislative report by November 15, 2021. Ecology assumes the committee would meet twice a month from July through October 2021 (FY 2022) in either full advisory committee meetings or subcommittee meetings virtually. Ecology would attend meetings, conduct research into the topics identified in Section 15, provide recommendations at advisory committee meetings, and draft and comment on committee recommendations. Ecology estimates 0.5 EP-4 FTE in FY 2022 would be required to accomplish this task.

Section 16 Expanded Polystyrene Prohibitions

Beginning June 1, 2023, the sale or distribution of certain expanded polystyrene products would be prohibited.

Ecology assumes technical assistance and outreach would be required to inform manufacturers, importers, and distributors, of polystyrene products of the prohibition on specific expanded polystyrene products. Ecology would work with Washington industry associations for the businesses purchasing those prohibited products to inform their members of these restrictions. Ecology would work with manufacturers, importers and distributors of the prohibited products to comply with the sales ban.

Section 18(2) would require Ecology to create a website explaining these requirements and would allow, the creation of culturally appropriate educational materials. Ecology would create a website and educational materials to provide information to businesses and the public related to this prohibition. Educational materials would be translated into 17 languages in order to inform businesses in Washington of the banned products at a total cost of \$8,000 in object E in FY 2022.

Ecology would be authorized to enforce the prohibition on the sale or distribution of the banned products and could issue civil penalties after at least two notices of violations. Ecology assumes enforcement would be complaint based, and that we would issue notices of violations as needed, if technical assistance would not be

sufficient to bring manufacturers into compliance.

The cost of implementing this section is based on Ecology's experience enforcing several product bans, such as the plastic bags ban, RCW 70A.530.020 (ESSB 5323, Laws of 2020). Ecology estimates an Environmental Specialist 4 (ES-4 0.50 FTE in FY 2023, 0.35 FTE in FY 2024) would be required. Ecology estimates 0.10 FTE Community Outreach & Environmental Education Specialist 3 (COEES-3) in FY 2023 would be required to develop an agency website and help with outreach and education materials development.

In enforcement of the Children's Safe Products Act, all compliance actions were successfully resolved with no penalties required. Therefore, all non-compliant entities for this bill would be assumed to successfully comply with the requirements and no civil penalties would be required.

Note: While section 18 would provide rulemaking authority to Ecology to implement, administer, and enforce this chapter, Ecology assumes no rulemaking would be necessary for this section.

Section 17 Optional Serviceware

Beginning January 1, 2022, food service businesses with on-site dining may only provide utensils, straws, condiment packaging and beverage cup lids upon request. Food service businesses with drive-through or off-site dining are required to ask first before they distribute these items.

Section 18(2) would require Ecology to create a website explaining these requirements and would allow, the creation of culturally appropriate educational materials. Ecology assumes we would provide information to restaurant and food service associations so that they would notify their members. Educational materials would be translated into 17 languages to provide clear information to all food service businesses across Washington.

The implementation of the plastic bag ban included outreach to similar stakeholders. The cost of implementing this section is based on Ecology's experience enforcing the ban on plastic bags. Ecology estimates an ES-4 0.4 FTE in FY 2022, 0.25 FTE in FY 2023 and FY 2024 would be required. Ecology estimates 0.10 FTE COEES-3 in FY 2022 would be required to develop an agency website and help with outreach and education materials development. The language translation cost would be \$8,000 in Object E in FY 2022.

Ecology would be required to issue at least two notices of violation before issuing any penalties. Ecology assumes enforcement will be complaint based, and we would provide outreach materials to businesses that we've received complaints about. We assume there would likely be many complaints from concerned residents.

Department Duties (sections 9, 13, and 18)

Audits and Investigations:

Ecology would be authorized to conduct audits and investigations for the purpose of ensuring compliance with section 3, 6, and 10 based on information reported under section 4, 7, and 11.

Ecology would review beverage manufacturer, household cleaner and personal care producer, and trash bag producer annual reports, and conduct compliance audits and investigations by email or phone with the manufacturers and producers to assess reported recycled content rates and to provide information, technical assistance and corrective action plans. This work would start in April of 2024 for beverage containers and trash bags; and April 2026 for household cleaners and personal care products and be ongoing.

Ecology would reach out to manufacturers and producers of covered products as well as others in the plastics and packaging industries for the purposes of auditing and investigating the information included in the annual reports. That work is detailed in this fiscal note under summary sections called: PCR Rate Adjustment (Sections 3, 6, and 10), Reporting Requirements (Sections 4, 7 and 11), and Penalties (Sections 5, 8, and 12).

Posting Covered Product Recycle Content Information:

Sections 9 and 13 would also require Ecology to annually publish a list of registered household cleaner and personal care product and plastics trash bag producers, and their compliance status. While this is not specifically required for beverage containers, Section 4 would require Ecology to post annual report data online and we assume we will also report compliance, to be consistent.

Ecology's work to post the list of manufacturers and producers, their covered product brand names and compliance status would be included in the activities conducted under Sections 3, 6, and 10.

Outreach Requirements for Section 16 and 17:

Section 18 would also require Ecology to prepare and post information on our website regarding the ban on EPS products and the Optional Serviceware (Sections 16 and 17). Ecology's work to post the information about EPS product prohibitions and optional food serviceware would be included in the activities conducted under Sections 16 and 17.

Our Assistant Attorney General (AAG) has estimated that the following staff time in the Office of the Attorney General (ATG) would be needed to provide legal support for rulemaking in FY 2022 and FY 2023 and for advice on enforcement, industry petitions, payment of registration fees appealable to the PCHB, etc. beginning in FY 2024 and ongoing. 0.08 FTE AAG for a total of \$19,000 in FY 2022 and 0.10 FTE AAG and 0.05 Legal Assistant (LA) for a total of \$23,000 in FY 2023, 0.13 FTE AAG and 0.07 LA for a total of \$31,000 in FY 2024, and 0.15 FTE AAG and 0.08 FTE LA for a total of \$34,000 each year beginning in FY 2025 and ongoing. Costs are included in Object E.

RULEMAKING

Section 18 (3) would authorize Ecology would develop rules to administer, implement, and enforce this bill. Based on earlier input from the AAG, rules would be needed to determine the process to establish annual payment amounts and enforce the guidelines and requirements in the bill.

Ecology assumes one rulemaking would be required for this bill that would cover rulemaking required for sections 3 through 13. The scope of this rulemaking includes processes to equitably determine payment amounts for an individual covered product manufacturers, producers, and third-party representatives (sections 3, 6 and 10), process for reducing PCR requirements (sections 3, 6 and 10), manufacturer and producer reporting requirements (sections 4, 7, and 11), and enforcement process (sections 5, 8, and 12).

Ecology assumes the rules would incorporate recommendations from the stakeholder committee (Section 15) regarding clarification of terms, determining responsible parties, verifying recycled content rates, producer registration, program administration, enforcement, and potential exceptions and exemptions. Those recommendations would be completed by November 15, 2021 (FY 2022).

Ecology assumes two public meetings when developing proposed rule language and two public hearings for the draft rule language. Based on the requirements in this bill and prior rulemaking experience, Ecology assumes this rulemaking would take 2 years to complete, beginning July 1, 2021 (FY 2022) and the rule would be adopted by

June 30, 2023 (FY 2023).

The following would be required:

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 two public meetings; file the CR-102 and hold two public hearings with webinar access; work with an economist on economic impact analysis; work with technical staff to finalize rule language; and file the CR-103 for adoption. This would require 0.10 FTE EP-5 in FY 2022, and 0.10 FTE EP5 in FY 2023 to complete the rule in the 24-month time frame.

A rulemaking/policy lead to oversee rule timeline management, lead rule development, and provide technical support on recycled content and enforcement. This would require 0.90 FTE EP-4 in FY 2022 and 0.90 FTE EP-4 in FY 2023.

An outreach coordinator would organize public meetings, prepare informational materials, and respond to stakeholder questions throughout the rulemaking process. The estimated time needed would be 0.10 FTE COEES-3 in FY 2022 and 0.10 FTE FY 2023.

Rule economic and regulatory analysis would require 0.20 FTE of an Economic Analyst 3 (EA-3) and 0.05 FTE of a Regulatory Analyst 2 (RA-2) in FY 2023.

Two public meetings would be held in FY 2022 and two public hearings would be held in FY 2023. Cost estimates include facility rental costs, estimated at \$1,000 per meeting in Object E.

Section 21 Market Study

If funding is appropriated prior to January 1, 2028, Ecology would be required to contract for a study on polyethylene terephthalate (PET) and high-density polyethylene (HDPE) markets. The study must be completed by May 1, 2029. Ecology assumes a comprehensive analysis of PET and HDPE markets to support the 2031 postconsumer recycled content minimum of fifty-percent, the analysis would need to be robust and based on available peer-reviewed data.

Based on a recent experience with a comprehensive study on plastic packaging for the state of Washington (Chapter 70A.520 RCW, E2SSB 5397 Laws of 2020), Ecology estimates 0.2 FTE EP-4 in FY 2028 to develop a contract proposal, review applications, manage the contract, review the contract's findings, and provide recommendation on the state's recycling industry and ability to meet the minimum requirements in sections 3 and 4. Ecology currently estimates this contract would cost \$150,000 in FY 2028.

Costs in FY 2028 are not included in this fiscal note (beyond current 6-year range of this fiscal note).

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

PROGRAM IMPLEMENTATION is estimated to require:

FY 2022 : \$244,541 and 2.0 FTEs

FY 2023 : \$221,794 and 2.0 FTEs

FY 2024 : \$462,449 and 3.6 FTEs

FY 2025 : \$426,326 and 3.2 FTEs

FY 2026 : \$535,246 and 4.1 FTEs

FY 2027 : \$535,246 and 4.1 FTEs

RULEMAKING is estimated to require:

FY 2022 : \$192,125 and 1.3 FTEs

FY 2023 : \$233,680 and 1.6 FTEs

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:

FY 2022 : \$436,666 and 3.3 FTEs

FY 2023 : \$455,474 and 3.6 FTEs

FY 2024 : \$462,449 and 3.6 FTEs

FY 2025 : \$426,326 and 3.2 FTEs

FY 2026 : \$535,246 and 4.1 FTEs

FY 2027 : \$535,246 and 4.1 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.7% of salaries.

Goods and Services are the agency average of \$4,144 per direct program FTE. Goods and Services also includes,

1) estimated AGO costs of \$19,000 in FY 2022 and \$23,000 in FY 2023 for enforcement and rulemaking

support, and \$31,000 in FY 2024 and \$34,000 in FY 2025 and ongoing for ongoing enforcement support,

2) facilities costs for public meetings, estimated to be \$2,000 in FY 2022, \$2,000 in FY 2023,

3) language translation costs of \$16,000 in FY 2022 for translations of the education and outreach documents for the EPS ban and serveware restriction, and

4) \$30,000 each year beginning FY 2024 and ongoing for data purchase of availability of types of recycled content plastics resins in covered products.

Travel is the agency average of \$2,182 per direct program FTE. Equipment is the agency average of \$1,201 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% 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 2022	FY 2023	2021-23	2023-25	2025-27
23P-1	Model Toxics Control Operating Account	State	436,666	109,739	546,405	78,660	0
NEW-6	Recycled Content Account	Non-Appropriated	0	345,735	345,735	810,115	1,070,492
Total \$			436,666	455,474	892,140	888,775	1,070,492

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	3.3	3.6	3.4	3.4	4.1
A-Salaries and Wages	217,170	233,780	450,950	412,841	510,054
B-Employee Benefits	79,702	85,798	165,500	151,513	187,192
E-Goods and Other Services	48,810	37,846	86,656	149,656	157,836
G-Travel	6,219	6,764	12,983	12,985	15,712
J-Capital Outlays	3,423	3,723	7,146	7,145	8,650
9-Agency Administrative Overhead	81,342	87,563	168,905	154,635	191,048
Total \$	436,666	455,474	892,140	888,775	1,070,492

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 2022	FY 2023	2021-23	2023-25	2025-27
COM OUTREACH & ENV ED SP 3	61,224	0.2	0.2	0.2		
ECONOMIC ANALYST 3	82,344		0.2	0.1		
ENVIRONMENTAL PLANNER 4	86,484	1.4	0.9	1.2	0.8	1.3
ENVIRONMENTAL PLANNER 5	95,484	0.1	0.1	0.1		
ENVIRONMENTAL SPEC 3	61,224	0.8	0.8	0.8	1.9	2.3
ENVIRONMENTAL SPEC 4	70,956	0.4	0.8	0.6	0.3	
FISCAL ANALYST 2		0.3	0.3	0.3	0.3	0.4
IT APP DEVELOP-JOURNEY		0.2	0.2	0.2	0.2	0.2
IT APP DEV-JOURNEY (SWM)	96,888		0.2	0.1	0.1	0.1
REGULATORY ANALYST 2	80,292		0.1	0.0		
Total FTEs		3.3	3.6	3.5	3.4	4.1

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

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.

Section 18 (3) would authorize Ecology to adopt rules for the purpose of implementing, administering, and enforcing this chapter. Ecology assumes this rulemaking would take 2 years to complete, beginning July 1, 2021, and adopted by June 30, 2023.

Individual State Agency Fiscal Note

Bill Number: 5022 E 2S SB	Title: Recycling, waste, & litter	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: Greg Vogel	Phone: 360-786-7413	Date: 03/03/2021
Agency Preparation: Nina Carter	Phone: 360 664-9171	Date: 03/03/2021
Agency Approval: Nina Carter	Phone: 360 664-9171	Date: 03/03/2021
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/04/2021

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.

Summary of Engrossed Second Substitute Bill 5022:

Establishes minimum recycled content requirements for plastic beverage containers, plastic household cleaning and personal care product containers, and plastic trash bags.
Prohibits the sale and distribution of certain expanded polystyrene products.
Establishes optional single-use food service requirements for food service businesses.

Specific impacts of E2SB 5022 to the Pollution Control Hearings Board (PCHB):

Sec. 3 allows the beverage manufacturing industry or a beverage manufacturer to appeal Ecology's decisions on minimum postconsumer recycled content percentage to the PCHB within 30 days of the department's determination.

Sec. 5 allows a beverage manufacturer to appeal the penalty assessed by Ecology to the PCHB within 30 days of assessment.

Sec. 6 allows household cleaning and personal care product manufacturing industry or a household cleaning and personal care product producer may appeal Ecology's decision to the PCHB within 30 days of the department's determination.

Sec. 10 allows plastic trash bag manufacturing industry or a plastic trash bag producer to appeal Ecology's decisions to the PCHB.

Sec. 16 allows penalties imposed by Ecology to be appealed to the PCHB.

Sec. 22 authorizes the PCHB to hear appeals of civil penalties or orders issued under E2SB 5022.

FISCAL IMPACT: None.

E2SB 5022 may generate appeals to the PCHB, but at this time the PCHB assumes no fiscal impacts and will absorb the workload from these appeals.

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.

FISCAL IMPACT: None.

E2SB 5022 may generate appeals to the PCHB, but at this time the PCHB assumes no fiscal impacts and will absorb the workload from these appeals.

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5022 E 2S SB	Title: Recycling, waste, & litter
----------------------------------	------------------------------------------

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: Tammi Alexander	Phone: 360-725-5038	Date: 03/09/2021
Leg. Committee Contact: Greg Vogel	Phone: 360-786-7413	Date: 03/03/2021
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/09/2021
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/09/2021

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES FROM SECOND SUBSTITUTE BILL VERSION:

This engrossed second substitute version adds sections to address postconsumer recycled content in plastic household cleaning and personal care product container requirements and reporting responsibilities for the producers. It also adds sections to address postconsumer recycled content in plastic trash bags and reporting responsibilities for the producers. It also addresses the penalties for the producers of plastic household cleaning, personal care product containers, and plastic trash bags for not meeting the requirements outlined in this bill.

The changes in the engrossed second substitute version do not create any new fiscal impacts to local governments.

CHANGES FROM SUBSTITUTE BILL VERSION:

This second substitute version changes the title to an act relating to managing solid waste through prohibitions on expanded polystyrene, providing for food service ware upon customer request, and requiring recycled content in plastic beverage containers. It changes the definition of plastic beverage container to exclude liners, caps, corks, closures, labels, and other items added externally or internally but otherwise separate from the structure of the bottle or container. It also specifies that only beverage manufacturers that offer for sale, sell, or distribute in Washington beverages in plastic beverage containers must register with the department.

The changes in the second substitute version do not create any new fiscal impacts to local governments.

CHANGES FROM ORIGINAL BILL VERSION:

The first substitute version removes paper and paper product manufacturers from the extended producer responsibility requirements established by the bill. It also establishes minimum recycled content requirements for plastic beverage containers, prohibits the sale or distribution of certain expanded polystyrene products, and adds optional single-use food service requirements for food service businesses.

SUMMARY OF ORIGINAL BILL:

This bill would establish an Extended Producer Responsibility policy to create a coordinated, funded, state-wide recycling system. Producers of plastic beverage containers, except for dairy milk, would be required to coordinate and fund the system through non-profit Producer Responsibility Organizations, PRO. Each of these Producers and PROs must register with the Department of Ecology in order to sell or distribute products after January 1, 2023. Producers not registered or that have not joined a PRO may not sell or supply covered products in or into Washington.

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 changes in the engrossed second substitute version do not create any new fiscal impacts to local governments and would not impact local government expenditures. All costs associated with this program would be the responsibility of the Producer/PRO.

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 changes in the engrossed second substitute version do not create any new fiscal impacts and the bill would not impact local government revenues.

Sources:

Office of the Attorney General fiscal note, 5022 E 2S SB (2021)

Senate Bill Report, E2SSB 5022, Environment, Energy, and Technology Committee (03/02/2021)