

FISCAL ESTIMATE

DOA-2048 N(R 10/98)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

List both LRB No. and Bill/Adm. Rule No.

LRB-3075/1 AB 372

Amendment No. (If Applicable)

Subject

Relating to revising minimum recycled content requirements for plastic containers

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget
 Yes No

Decrease Costs

Local : No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Unit Affected:

- Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Source Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations s: 20.115(1)(a)

Assumptions Used in Arriving at Fiscal Estimate

Key elements of this bill (1) increase minimum recycled content requirements for plastic containers under s. 100.297, Stats., from the current 10% level to 25% in 2005, phased in over four years, and (2) limit allowable recycled material to postconsumer waste.

Fiscal impacts associated with this bill will vary according to industry compliance levels and compliance monitoring and enforcement efforts by the Department. Currently, only two additional states - California and Oregon - have some sort of minimum recycled content requirements for plastic containers. However, little can be derived from their compliance and enforcement experiences to date.

Minimally, the Department estimates the need for a 0.5 FTE regulatory specialist position to coordinate and implement a compliance monitoring and enforcement program. Costs associated with this position are estimated at \$23,800 in salary and fringe benefits, \$4,000 in supplies and services, and one-time costs of \$7,600.

In 1996, the Department conducted a survey of industry groups and manufacturers to gauge compliance with the current 10% minimum recycled content law. Letters were sent to 12 national industry groups and 100 product manufacturers requesting information on successes and obstacles for meeting the current plastic container recycled content requirement. This comprised only a small fraction of product and container manufacturers marketing and distributing inventory in the state. Compliance rates for surveyed products ranged from 20% for personal care items to 93% for household cleaners. Most product manufacturers in compliance were able to meet the current 10% standard due to allowances for regrind and other remanufactured material. Compliance obstacles were also identified for some product categories. Estimated costs for this survey were \$3,500 in LTE salaries, and \$1,500 in supplies and services. Costs were paid from Recycling Fund monies which cease at the end of the current fiscal year.

The Department projects both higher and ongoing compliance monitoring costs associated with the changes proposed in this bill. Not included in this fiscal estimate are any costs associated with possible administrative rulemaking to develop standards for substantiation by container manufacturers to demonstrate compliance with the law.

The Department estimates few if any enforcement actions resulting in prosecutorial referral under the bill. Current law only prohibits the sale or offer for sale at retail of any product in a plastic container not meeting minimum recycled content requirements. However, evidence of compliance with minimum recycled content requirements must be obtained at the manufacturing level.

Long - Range Fiscal Implications
None projected

Agency/prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
DATCP Tom Stoebig 608-224-4944	 Barbara Knapp (608) 224-4746	6-21-99

FISCAL ESTIMATE WORKSHEET

1999 SESSION

Detailed Estimate of Annual
Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

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Bill/Adm.Rule No., No.

Amendment No.

LRB 3075/1 AB 372

Subject

Relating to revising minimum recycled content requirements for plastic containers

I. One-time Cost or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$7,600 GPR (work station, computer and telephone service)

II. Annualized Cost:

Annualized Fiscal Impact on State funds from:

A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$ 23,800	\$ - 0
(FTE Position Changes)	(0.50 FTE)	(-0—— FTE)
State Operations - Other Costs	4,000	- 0
Local Assistance	0	- 0
Aids to Individuals or Organizations	0	- 0
TOTAL State Costs by Category	\$ 27,800	\$ - 0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 27,800	\$ - 0
FED	0	- 0
PRO/PRS	0	- 0
SEG/SEG-S	0	- 0
III. State Revenues -	Increased Rev.	Decreased Rev.
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes	\$ 0	\$ - 0
GPR Earned	0	- 0
FED	0	- 0
PRO/PRS	0	- 0
SEG/SEG-S	0	- 0
TOTAL State Revenues	\$ 0	\$ - 0

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 27,800	\$ 0
NET CHANGE IN REVENUES	\$ -0	\$ 0

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