



## Fiscal Estimate Narratives

DNR 4/10/2024

LRB Number	23-6008/1	Introduction Number	AB-1194	Estimate Type	Original
<b>Description</b> banning products containing intentionally added PFAS and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

The bill includes several provisions related to perfluoroalkyl and polyfluoroalkyl substances (PFAS):

1. It prohibits the sale or distribution of certain products that contain intentionally added PFAS, including food packaging, cleaning products, cosmetics, and textile furnishings.
2. It prohibits the sale or distribution of all products containing intentionally added PFAS beginning January 1, 2034.
3. It provides certain exemptions to this ban, including by allowing the Department of Natural Resources to identify, by rule, products in which the use of PFAS is an unavoidable use.
4. It allows DNR to require manufacturers to test certain products for PFAS. A person that violates the prohibition on sales and distribution is subject to a civil forfeiture of \$100 for each violating product, for each day that the violation continues.

#### I. Assumptions

1. As of January 2024, ten states have implemented product bans, including Minnesota. It is assumed more states will continue to implement consumer product bans.
2. Most consumer products affected by this ban will be working to come into compliance with similar product bans already in place in other states.
3. Several recent federal actions require greater reporting and record keeping by manufacturers and importers. These actions include the inclusion of PFAS in the Toxic Substances Control Act (TSCA), the Toxic Release Inventory (TRI) designation of PFAS as "chemicals of special concern" and the removal of the De Minimis Exemption for all chemicals on the chemicals of special concern list (e.g., PFAS).
4. Industry has worked with the federal government to voluntarily phase out use of PFAS. Most recently in February 2024, the federal Food and Drug Administration announced that grease-proofing materials containing PFAS are no longer being sold for use in food packaging in the U.S.

#### II. State Fiscal Effect

##### A. Costs

No fiscal effect.

##### B. Revenues

The amount of revenue that the state would collect from civil forfeitures is difficult to estimate. Most states that have passed PFAS bans are only now beginning to implement bans; therefore, information about revenue generated from violations is not yet available. In addition, as more states implement and expand bans and industry continues to voluntarily reduce or eliminate the use of PFAS in products, it is difficult to estimate how many manufacturers may choose to violate a product ban. Therefore, the revenue impact of the bill is indeterminate.

### Long-Range Fiscal Implications