

Multiple Agency Fiscal Note Summary

Bill Number: 1900 HB	Title: Recycling rates
-----------------------------	-------------------------------

Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	11,000	0	0	42,000	0	0	23,000
Department of Ecology	0	0	0	0	0	3,314,410	0	0	1,532,968
Total \$	0	0	11,000	0	0	3,356,410	0	0	1,555,968

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.0	0	0	11,000	.1	0	0	42,000	.1	0	0	23,000
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.8	0	0	296,240	.0	0	0	0	.0	0	0	0
Department of Ecology	6.3	0	0	1,926,458	9.5	0	0	3,857,434	6.6	0	0	1,982,681
Environmental and Land Use Hearings Office	.1	23,513	23,513	23,513	.3	79,600	79,600	79,600	.4	140,098	140,098	140,098
Total \$	7.2	23,513	23,513	2,257,211	9.9	79,600	79,600	3,979,034	7.1	140,098	140,098	2,145,779

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.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	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

--

Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 1/17/2024
---	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 1900 HB	Title: Recycling rates	Agency: 100-Office of Attorney General
-----------------------------	-------------------------------	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1		11,000	11,000	42,000	23,000
Total \$		11,000	11,000	42,000	23,000

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.1	0.0	0.1	0.1
Legal Services Revolving Account-State 405-1	0	11,000	11,000	42,000	23,000
Total \$	0	11,000	11,000	42,000	23,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 01/05/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/05/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/08/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 101 - New Section. Intent

Section 201 - New Section. Definitions

Section 202 - New Section. Truth in Labeling – Starting 1/1/2028 producer may not make deceptive or misleading claims about recyclability of a product.

Section 203 - New Section. Material Characterization Study – By 1/1/2027. The Department of Ecology (Ecology) will produce a study to provide information to the public sufficient to evaluate whether a product or packaging is recyclable.

Section 204 - New Section. Recyclability Determination - Requirements for deeming a product recyclable.

Section 205 - New Section. Activities Ecology must do to support future increases in recovery rates

Section 206 - New Section. When appropriate Ecology must use and rely on its 2023 study

Section 207 - New Section. By 10/1/2025 Ecology must develop and publish lists of recyclable material suitable for curbside collection.

Section 208 - New Section. Requirements for Statewide Needs Assessment

Section 209 - New Section. Requires registration of producers who offer recyclable products in the state by 1/1/2025. Sets out requirement for registration and what must be reported.

Section 210 -New Section. Ecology is to provide oversight including rulemaking, audits and investigation. Also requires Ecology to publish lists and other data

Section 211 - New Section. Establishes Advisory Committee and who that committee consists of as well as what the committee can do.

Section 301 - New Section. How to determine if a producer is a de minimus producer and exceptions for those producers

Section 302 - New Section. Recycled content percentage requirements for beverage containers

Section 303 - New Section. Recycled content percentage requirements for cleaning products and personal care products.

Section 304 - New Section. Recycled content percentage requirements for plastic trash bags

Section 305 - New Section. Recycled content percentage requirements for Polypropylene tubes

Section 306 - New Section. Recycled content percentage requirements for single use plastic cups

Section 307 - New Section. Recycled content percentage requirements for polyethylene terephthalate thermoform plastic containers

Section 308 - New Section. Ecology's responsibilities as it pertains to rules and requirements

Section 401 - Amends RCW 70A.245.010. Definitions

Section 402 - Amends RCW 70A.245.020. Adds references to the new sections in this act

Section 403 - Amends RCW 70A.245.030. Adds requirement for the reports required by these sections. Adds obligations for the Ecology with respect to the report

Section 404 - Amends RCW 70A.245.040. Minor amendments

Section 405 - Amends RCW 70A.245.050. Adds reference to Code of Federal Regulations (CFR)

Section 406 - Amends RCW 70A.245.090. Adds references to the new sections in this act

Section 407 - Amends RCW 70A.245.110. Adds references to the new sections in this act

Section 408 - Amends RCW 70A.245.120. Adds references to the new sections in this act

Section 501 - New Section. Requires Utilities and Transportation Commission (UTC) to report to the Legislature – By 12/1/2024 UTC will submit a report as set forth in this section

Section 502 - Amends RCW 70A.245.100. Adds references to this act

Section 503 - Amends RCW 70A.245.110. Adds references to this act

Section 504 - Amends RCW 42.21B.110. Adds references to this act

Section 505 - Amends RCW 70A.65.260. Adds references to this act

Section 506 - New Section. Sections 201-211 are new chapter in Title 70A RCW
Section 507 - New Section. Sections 301-308 are added to chapter 70A.245 RCW
Section 508 - New Section. Severability clause

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

This bill is assumed effective 90 days after the end of the 2024 legislative session.

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

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

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

AGO AGENCY ASSUMPTIONS:

Ecology will be billed for non-King County rates:

FY 2025: \$11,000 for 0.04 Assistant Attorney General FTE (AAG) and 0.02 Paralegal 1 FTE (PL).

FY 2026: \$27,000 for 0.09 AAG and 0.05 PL.

FY 2027: \$15,000 for 0.05 AAG and 0.03 PL.

FY 2028: \$5,000 for 0.2 AAG and 0.01 PL.

FY 2029 and in each FY thereafter: \$18,000 for 0.06 AAG and 0.03 PL.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Expenditure Impact:

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2024 legislative session.

Location of staffing is assumed to be in a non-King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL) and 0.35 MA.

1. Assumptions for the AGO Ecology Division's (ECY) Legal Services for the Department of Ecology (Ecology):

The AGO will bill Ecology for legal services based on the enactment of this bill.

FY 2025: Enforcement of Section 402(2)(a) requires that producers of newly covered Post-Consumer Recycled Content (PCRC) products to register with Ecology by April 1, 2024. (In subsequent years, impact can be absorbed into enforcement of existing PCRC producer registrations.). The AGO estimates 15 AAG hours. To provide advice on rulemaking for Secs. 209 and 2010, the AGO estimates 40 AAG hours for half of the FY. To provide advice on rulemaking for amendments to RCW 70A.245, the AGO estimates 15 AAG hours.

FY 2026: Enforcement of Section 209 requirement that producers of covered products must register with Ecology will require 15 AAG hours. Enforcement of Sec. 210 requirement that producers must submit fee payments annually will require 15 AAG hours. Enforcement of Section 402(3)(c) requirement for producers of newly covered PCRC products to submit a fee payment annually. (In subsequent years, impact can be absorbed into enforcement of existing PCRC producer fee payments.) The AGO estimates 15 AAG hours. To provide advice on rulemaking for Secs. 209 and 2010, the AGO estimates 80 AAG hours for the entire FY. To provide advice on rulemaking for amendments to RCW 70A.245, the AGO estimates 30 AAG hours.

FY 2027: Enforcement of Section 209 requirement that producers of covered products must register with Ecology will require 15 AAG hours. Enforcement of Section 209 requirement that producers of covered products must submit annual reports to Ecology that include volume of products sold, offered for sale, or distributed in or into the state will require 15 AAG hours. Enforcement of Sec. 210 requirement that producers must submit fee payments annually will require 15 AAG hours. Advice on rulemaking for Secs. 209 and 2010, the AGO estimates 40 AAG hours for half of the FY.

FY 2028: Enforcement of Section 209 requirement that producers of covered products must register with Ecology will require 15 AAG hours. Enforcement of Sec. 210 requirement that producers must submit fee payments annually will require 15 AAG hours.

FY 2029 and in each FY thereafter: Enforcement of Sec. 202 prohibition on producers of packaging and paper products making false claims about their recyclability will require 60 AAG hours. Enforcement of Section 209 requirement that producers of covered products must register with Ecology will require 15 AAG hours. Enforcement of Sec. 210 requirement that producers must submit fee payments annually will require 15 AAG hours. Enforcement of new product categories for PCRC requirements will require 10 AAG hours.

ECY: Total non-King County workload impact:

FY 2025: \$11,000 for 0.04 AAG and 0.02 PL

FY 2026: \$27,000 for 0.09 AAG and 0.05 PL

FY 2027: \$15,000 for 0.05 AAG and 0.03 PL

FY 2028: \$5,000 for 0.2 AAG and 0.01 PL.

FY 2029 and in each FY thereafter: \$18,000 for 0.06 AAG and 0.03 PL

2. The AGO Licensing & Administrative Law Division (LAL) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Environmental Land Use and Hearings Office (ELUHO). This bill will likely increase appeals to the Pollution Control Hearings Board (PCHB). New legal services are nominal and costs are not included in this request.

3. The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not increase or decrease the division’s workload in representing the Department of Commerce (Commerce). Therefore, no costs are included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	0	11,000	11,000	42,000	23,000
Total \$			0	11,000	11,000	42,000	23,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.0	0.1	0.1
A-Salaries and Wages		8,000	8,000	28,000	15,000
B-Employee Benefits		2,000	2,000	9,000	5,000
E-Goods and Other Services		1,000	1,000	5,000	3,000
Total \$	0	11,000	11,000	42,000	23,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General	129,100		0.0	0.0	0.1	0.0
Management Analyst 5	95,184		0.0	0.0	0.0	0.0
Paralegal 1	69,072		0.0	0.0	0.0	0.0
Total FTEs			0.1	0.0	0.1	0.1

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Ecology Division (ECY)		11,000	11,000	42,000	23,000
Total \$		11,000	11,000	42,000	23,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1900 HB	Title: Recycling rates	Agency: 103-Department of Commerce
-----------------------------	-------------------------------	---

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: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Preparation: Chad Johnson	Phone: 360-725-5028	Date: 01/05/2024
Agency Approval: Chad Johnson	Phone: 360-725-5028	Date: 01/05/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/05/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The Department of Commerce Office of Economic Development and Competitiveness has a relationship with the Recycling Development Center mentioned in the bill but does not have a role in the implementation of this work. No fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The Department of Commerce Office of Economic Development and Competitiveness has a relationship with the Recycling Development Center mentioned in the bill but does not have a role in the implementation of this work. No fiscal impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1900 HB	Title: Recycling rates	Agency: 215-Utilities and Transportation Commission
-----------------------------	-------------------------------	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.8	0.8	0.8	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	148,120	148,120	296,240	0	0
Total \$	148,120	148,120	296,240	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: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 01/05/2024
Agency Approval: Kim Anderson	Phone: 360-664-1153	Date: 01/05/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/05/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Part II

Requires producers of certain types of packaging and paper products ("covered products") to register with the Department of Ecology, annually report on the covered products they introduce into Washington, and to pay for Ecology's implementation and oversight costs related to covered product registration, reporting, enforcement, and evaluations.

Establishes a state goal of a 60 percent recycling rate for covered products and requires Ecology to establish a methodology for tracking progress towards this goal.

Requires Ecology to carry out a recycling system needs assessment related to covered products collected from residents, relying on the 2023 performance rates study carried out by an independent consultant under a 2023 operating budget proviso.

Requires Ecology to publish and periodically update lists of recyclable materials suitable collection, either through curbside service or drop-off collection.

Requires Ecology to carry out a material characterization study to inform whether studied types of material are recyclable in Washington. Provides that a product or packaging is considered recyclable in Washington if certain statistical criteria are met for the product or packaging, based on Ecology's material characterization study. Prohibits producers from making deceptive or misleading claims about a covered product's recyclability, including the use of symbols or statements associated with recycling for products that do not meet the statistical criteria for being considered recyclable in Washington

Forms a stakeholder advisory committee to support the Department's implementation of its obligations under Part I.

Part III & IV

Expands the number of products subject to the state's minimum postconsumer recycled content requirements in a manner similar to the recommendations of the 2021 report to the Legislature completed under SB 5022 (2021) to include standards for certain plastic drink cups, plastic tubs, and thermoform plastic containers.

- Makes conforming and other amendments to existing postconsumer recycled content requirements, including to amend certain key definitions, to add the caps and lids of plastic beverage containers to the postconsumer recycled content requirements for plastic beverage containers, and to require a certificate of compliance by an independent third party to be included as part of annual postconsumer recycled content reports filed by producers.

Part V

Requires the Utilities and Transportation Commission to submit a report to the Legislature regarding to improvements for low-income solid waste collection company customer financial assistance mechanisms.

Makes conforming amendments allowing appeals under Part I of the bill to go to the Pollution Control Hearings Board, and allowing the use of Climate Commitment Account funds for implementation of Part I until funds are able to be collected from producers.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Sec. 501. (1) By December 1, 2024, the utilities and transportation commission, in consultation with counties, cities, and regulated solid waste collection companies, must submit a report to the appropriate committees of the legislature addressing how to improve processes, including increasing the number of customers served and improving the ease of administration, for providing discounts for low-income solid waste collection company customers.

(2) The utilities and transportation commission's recommendations may include proposed changes to the provisions of RCW 81.77.195. The commission's recommendations must consider how local governments or nonprofit partners should certify the eligibility of low-income customers for discounts, and the appropriate role of the commission in approving proposed rates, charges, and services and in setting standards for low-income solid waste collection rate discount eligibility.

FY2024: \$148,120 and FY2025: \$148,120

Work associated with the report is assumed to include the following positions:

Administrative Law Judge - 0.08 FTE; Commissioner - 0.04 FTE; Deputy Asst. Director | Regulatory Services - 0.08 FTE; Director, Administrative Law & Policy - 0.01 FTE; Paralegal 3 - 0.04 FTE; Policy Advisor - 0.42 FTE; Deputy Asst. Director | Regulatory Services - 0.47 FTE; Regulatory Analyst 2 - 0.30 FTE; Regulatory Analyst 3 - 0.13 FTE; Asst. Director, Policy - 0.10 FTE & AAG costs of \$50,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	148,120	148,120	296,240	0	0
Total \$			148,120	148,120	296,240	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.8	0.8	0.8		
A-Salaries and Wages	91,200	91,200	182,400		
B-Employee Benefits	31,920	31,920	63,840		
C-Professional Service Contracts					
E-Goods and Other Services	25,000	25,000	50,000		
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					
9-					
Total \$	148,120	148,120	296,240	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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	119,604	0.0	0.0	0.0		
Asst. Director, Policy	119,808	0.1	0.1	0.1		
Commissioner	174,732	0.0	0.0	0.0		
Deputy Asst. Director Regulatory Services	115,440	0.0	0.0	0.0		
Deputy Director Regulatory Services	122,724	0.2	0.2	0.2		
Director, Administrative Law & Policy	134,772	0.0	0.0	0.0		
Paralegal 3	84,192	0.0	0.0	0.0		
Policy Advisor	104,004	0.2	0.2	0.2		
Regulatory Analyst 2	86,208	0.2	0.2	0.2		
Regulatory Analyst 3	97,596	0.1	0.1	0.1		
Total FTEs		0.8	0.8	0.8		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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

None at this time.

Individual State Agency Fiscal Note

Bill Number: 1900 HB	Title: Recycling rates	Agency: 461-Department of Ecology
-----------------------------	-------------------------------	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Recycled Content Account-Non-Appropriated 25R-6				3,314,410	1,532,968
Total \$				3,314,410	1,532,968

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	12.5	6.3	9.5	6.6
Account					
Model Toxics Control Operating Account-State 23P-1	0	1,494,041	1,494,041	543,024	449,713
Recycled Content Account-Non-Appropriated 25R-6	0	0	0	3,314,410	1,532,968
Climate Commitment Account-State 26C-1	0	432,417	432,417	0	0
Total \$	0	1,926,458	1,926,458	3,857,434	1,982,681

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: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 01/16/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/16/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/17/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Under current law, there are no labeling requirements concerning the recyclability of a product or packaging. RCW 70A.220.020 requires plastic bottles and rigid plastic containers to be labeled with the resin code and resin type used to make the container. Prior to 2021, the law required the resin code and type to be placed within the “chasing arrows” recycling symbol.

Under current law, Chapter 70A.245 RCW, producers of specific plastic covered products, including plastic beverage containers, household cleaning products, personal care products, and plastic trash bags, are required to meet specific post-consumer recycled content (PCRC) requirements. Producers of covered products are required to report annually. The rule was adopted on October 31, 2023: Chapter 173-925 Washington Administrative Code (WAC). Under current law, there are no requirements for producers of paper products and packaging (PPP) to report to Ecology, except for PCRC.

This bill would:

- Require producers of PPP to register and report to the Department of Ecology (Ecology) regarding their sale and distribution in Washington. Producers would also be required to pay Ecology’s costs to oversee the registration and reporting program.
- Require Ecology to conduct a needs assessment to determine future investments needed to improve Washington’s recycling system.
- Require Ecology to publish and periodically update lists of recyclable materials suitable for curbside or drop-off collection, and to carry out a material characterization study to inform whether studied types of materials may be considered recyclable.
- Make changes to minimum PCRC requirements for certain plastic products, including requiring additional types of plastic products to meet PCRC requirements and amending existing PCRC requirements.
- Create an advisory committee to advise and make recommendations on the rest of the bill's requirements.

Section 202 would prohibit producers of packaging and paper products (PPP) from making deceptive or misleading claims about their recyclability, beginning January 1, 2028. In the event that a federal labeling requirement would be implemented, Ecology would be given 180 days to review the requirements and may adopt them in lieu of this law.

Section 203 would require Ecology to conduct a material characterization study by January 1, 2027. The study would evaluate materials collected from curbside programs that are sorted and sold by recycling facilities and identify materials that are recyclable and those that are contaminants. Ecology would be required to publish a draft online and conduct a public meeting at least 30 days later, present the findings, and receive public comment, then publish the final report within 90 days of the meeting. Ecology would update the study no less often than every five years, with the first update being in 2030

Section 204 would create collection and recycling thresholds for determining if a product is considered recyclable. It would authorize Ecology to adopt rules modifying the requirement to encompass processing facilities other than large volume facilities as deemed appropriate. After January 1, 2026, for products included in state or federal laws governing recyclability or disposal of that product, Ecology’s Director would be authorized to designate materials as recyclable if it is determined it will not increase contamination or deceive customers.

Section 205 would require Ecology to create a statewide curbside recycling list and statewide drop off recycling list by October 1, 2025, and complete a statewide needs assessment by October 1, 2026. Ecology would be required to oversee the registration and annual data reporting of producers of packaging. The section would establish a goal of a 60 percent recycling rate for covered products. Ecology would identify a methodology for calculating progress towards the goal and begin reporting out one year after producers begin reporting.

Section 206 would require Ecology to use and rely on the December 2023 Washington Recycling, Reuse, and Source Reduction Target Study and Community Input Process report when appropriate.

Section 207 would require Ecology to develop and publish a statewide recycling list for single and multifamily curbside collection and a separate statewide recycling list for residential drop off collection by October 1, 2025. Ecology would review and update the lists by October 1, 2030, and no less than every 5 years thereafter.

Section 208 would require Ecology to hire a third-party consultant to conduct a statewide needs assessment to evaluate the capacity, costs, gaps, and needs for the recycling system by October 1, 2026. This section includes specific requirements for the assessment.

Section 209 would require producers of covered products to register with Ecology beginning January 1, 2025, and submit annual reports beginning January 1, 2026. Ecology would be required to post the information on its website.

Section 210 would require Ecology to adopt rules to administer, implement, and enforce sections 209 and 210. Ecology would be authorized to conduct audits to ensure producer compliance. By January 31, 2025, and annually thereafter, Ecology would be required to prepare a workload analysis that identifies the projected annual costs of the agency for the next fiscal year to implement, administer, and enforce this section, sections 206 through 209, and 211. Ecology would determine an equitable fee paid by producers, and issue a general order until rulemaking is completed.

Producers would be required to submit payments by April 1, 2025, and annually thereafter. Payments would be deposited into the Recycled Content Account created in RCW 70A.245.110. Ecology would be required to apply any remaining funds to the upcoming year if payments exceed costs or increase payments the following year if costs exceed payments.

Ecology would be required to provide at least two notices to producers out of compliance with the registration, reporting, or labeling requirements in sections 202 and 209 before assessing a penalty. A producer in violation would be subject to a civil penalty up to \$1,000 per day. Penalties collected would be deposited into the Recycling Enhancement Account in RCW 70A.245.100.

Section 211 would establish an advisory committee with members appointed by the Ecology Director by January 1, 2025. The committee would advise and make recommendations on the statewide material lists and needs assessment scope and review and comment on the needs assessment draft, and registration and reporting requirements. The committee would provide input, review, and comment on any proposed rules. The committee members would be chosen to represent a prescriptive list of organizations and associations and should represent diversity in race, ethnicity, age, gender, urban and rural areas, and regions of the state. The committee would meet at least once every three months for the first three years. Ecology would be required to staff and facilitate the committee or select an impartial third party to convene and provide administrative support.

Section 301 would establish criteria for determining whether a producer is a de minimis producer and exempt from the postconsumer recycled content (PCRC) requirements. Ecology would be authorized to require information necessary to verify de minimis status.

Sections 302 through 307 would create PCRC requirements for plastic beverage containers, household cleaning and personal care products, trash bags, polypropylene tubs, single-use plastic cups, and polyethylene terephthalate thermoform plastic containers. Each product or packaging would be required to contain a minimum amount of PCRC by a set date, with the minimums increasing over time.

Section 308 would require Ecology to ensure that any rules adopted as a result of this bill consider guidelines and do not conflict with regulations issued by the US Food and Drug Administration, US Department of Agriculture, and other Washington state agencies.

Sections 401 through 408 would amend chapter 70A.245 RCW, Recycling, Waste, and Litter Reduction. The existing chapter would be restructured to incorporate the newly covered PCRC products including their effective dates and minimum content requirements. Producers would be required to include proof of certification in their annual reports. Ecology would review annual reports, post them publicly and allow public comment, make a determination of approval, notify producers of the determination, and post approved reports on its website. Ecology would also post a list of all resin suppliers meeting PCRC certification requirements.

Sections 501 would require the UTC to provide a report to the Legislature on improving processing, increasing customers served, providing discounts for low-income solid waste company customers.

Section 502 would specify section 210 of this act as an eligible use of the Recycling Enhancement Account.

Section 503 would specify that fees paid under section 210 shall be deposited in the Recycled Content Account, and that sections 209 and 210 are eligible uses of the account.

Section 504 would authorize civil penalties imposed pursuant to section 210 to be appealed to the Pollution Hearings Control Board.

Section 505 would specify Ecology's activities under sections 206 through 208 and 211 of this act as eligible uses of the Climate Commitment Account.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The cash receipts impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2026 and ongoing for revenue under sections 210 and 402.

Fees (Sections 210 and 402)

Recycled Content Account (RCA)

Section 210 would require Ecology to determine an annual fee (for the following year) to be paid by producers of packaging and paper products (PPP) to adequately cover Ecology's implementation, administration, and enforcement costs in sections 206 through 211, by April 1, 2025, and annually thereafter.

Producers or their third-party representatives would be required to submit an annual fee payment by April 1, 2025, and annually thereafter, to cover Ecology's costs for the coming year. For purposes of this fiscal note, we assume the first payment on April 1, 2025, would be for estimated costs for FY 2026, and cash receipts are shown to match expenditure by fiscal year.

Estimated RCA Revenue (from PPP producers):

FY 2026: \$1,497,387

FY 2027: \$966,176

FY 2028: \$454,186

FY 2029: \$465,386

Section 402 would require Ecology to determine an annual fee (for the following year) to be paid by producers of postconsumer recycled content (PCRC) products to adequately cover Ecology's implementation, administration, and enforcement costs in sections 302-307, 402, and 403, by April 1, 2025, and annually thereafter.

Producers or their third-party representatives would be required to submit an annual fee payment by April 1, 2025, and annually thereafter, to cover Ecology's costs in the next fiscal year. For purposes of this fiscal note, we assume the first payment on April 1, 2025, would be for estimated costs for FY 2026, and cash receipts are shown to match expenditure by fiscal year.

Estimated RCA Revenue (from new PCRC producers):

FY 2026: \$545,049

FY 2027: \$305,798

FY 2028: \$305,798

FY 2029: \$307,598

Penalties (Sections 210, 402, and 404)

Recycling Enhancement Account (REA)

Section 210: A producer out of compliance with the registration, reporting, or labeling requirements in sections 202 and 209 would be subject to a civil penalty up to \$1,000 per day. Penalties collected would be deposited into the Recycling Enhancement Account in RCW 70A.245.100.

Sections 402 and 404: A producer that does not achieve the PCRC requirements established under this chapter would be subject to penalties established in RCW 70A.245.040.

Ecology would work with the producers to bring them into compliance. Penalties are assumed to be limited, but unknown, and therefore are not estimated in this fiscal note.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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) 2025 and ongoing to implement the requirements of sections 202, 203, 207, 208, 209, 210, 211, 402, and 403.

Fund sources:

- Sections 202 and 203 – Model Toxics Control (MTCA) Operating Account based on eligible activities.
- Sections 207, 208, and 211 – Climate Commitment Account in FY 2025 prior to fee revenue based on allowed use in section 505; Recycled Content Account in FY 2026 and thereafter based on eligible activities based on allowed use in section 210(3)(a)(i).
- Sections 209, 210, 402, and 403 – MTCA Operating Account in FY 2025 prior to fee revenue; Recycled Content Account in FY 2026 and thereafter based on eligible activities.

TRUTH IN LABELING

Section 202

Beginning January 1, 2028, Ecology would oversee and enforce labeling requirements to ensure that producers are not making deceptive or misleading recyclability claims. Based on our experience overseeing the plastic bag ban, expanded polystyrene ban, and compostable labeling requirements, Ecology assumes staff would provide outreach and technical support to producers in advance of the enforcement date followed by ongoing support and enforcement as needed. Ecology assumes enforcement would involve a public reporting system that staff would publicize and monitor for compliance.

Ecology estimates 0.05 FTE Environmental Specialist 4 (ES-4) each year in FY 2025 and FY 2026, 0.20 FTE in FY 2027, 0.40 FTE in FY 2028, and 0.05 FTE in FY 2029 and ongoing to develop materials, inform producers of the requirements, collaborate with other states on labeling requirement efforts, provide technical assistance regarding compliance, notify the public of the requirements and system for filing complaints, and perform enforcement for non-compliance.

Ecology estimates 0.05 FTE Community Outreach & Environmental Education Specialist 4 (COEES-4) in FY 2025 and 0.10 FTE in FY 2028 to develop education and outreach materials about the requirements for distribution to producers and the public.

Ecology estimates 0.05 FTE Communications Consultant 5 (CC-5) in FY 2027 and 0.01 FTE CC-5 in FY 2028 to prepare a communications plan, news release, and public messaging on the requirements.

Ecology estimates 0.20 FTE Communications Consultant 3 (CC-3) in FY 2025 and 0.05 FTE in FY 2026 to develop a website and provide implementation updates.

Section 203

By January 1, 2027, Ecology would be required to conduct a recycling characterization study. The study would evaluate materials collected from curbside programs that are sorted and sold by recycling facilities and identify materials that are recyclable and those that are contaminants. Ecology would publish a draft online, conduct a public meeting at least 30 days later, present the findings, and receive public comment, then publish the final report within 90 days of the meeting. Ecology would update the study no less often than every five years, with the first update being in 2030.

Based on our experience conducting a recycling characterization study in 2022-23, Ecology assumes this work would require an 18-month contract beginning in FY 2026 and a second contract beginning in FY 2029.

Ecology estimates the first contract would cost \$300,000 in FY 2026 and \$100,000 in FY 2027. Ecology estimates the second contract would cost \$300,000 in FY 2029 and \$100,000 in FY 2030.

Ecology estimates 0.30 FTE Environmental Specialist 5 (ES-5) in FY 2026, 0.15 FTE ES-5 in FY 2027, 0.30 FTE ES-5 in FY 2029, and 0.15 FTE ES-5 in FY 2030 to manage the contract.

Ecology estimates 0.05 FTE Environmental Planner 4 (EP-4) in FY 2026 and 0.05 FTE EP-4 in 2029 to provide technical input and review during the contract development.

RECYCLING LISTS

Section 207

By October 1, 2025, Ecology would be required to create a statewide curbside recycling list and a drop off recycling list. The bill provides a list of materials that must be included on each respective list but would allow Ecology to add or remove materials after a number of factors had been considered. The lists would need to be reviewed and updated by October 1, 2030. Based on our experience creating guidance for recycling lists and the exhaustive list of factors to be considered in decision-making, Ecology assumes a contract would be needed to research each factor and provide recommendations for the initial list and each subsequent update. Ecology assumes the work on the statewide lists would begin in October 2024. Ecology estimates a contract cost of \$200,000 in FY 2025 and \$100,000 in FY 2026, shown in object C. Ecology estimates \$100,000 for a consultant contract, and 0.25 FTE EP-4 would be needed in FY 2030 and FY 2031 to update the statewide recycling lists.

Ecology estimates 0.50 FTE Environmental Planner 4 (EP-4) in FY 2025 and 0.15 FTE in FY 2026 to develop and manage the contracts, and present the findings, consult with the stakeholder advisory committee, synthesize the results, and publish

the statewide recycling lists.

STATEWIDE NEEDS ASSESSMENT

Section 208

By October 1, 2026, Ecology would be required to conduct a statewide needs assessment using a third-party consultant. Ecology would need to consider input from stakeholders, each local planning jurisdiction, and the advisory committee in developing the scope of work and provide them 90 days to review and comment on the draft report prior to its completion. The needs assessment would evaluate the capacity, gaps, and costs of each planning jurisdiction's recycling program to determine investments needed and inform the development of future strategies to improve the state's recycling system. Based on our experience managing similar contracts and the amount of local stakeholder input needed to inform the study, Ecology assumes the work would need to begin in January 2025. Ecology would seek input from stakeholders on the scope of work before hiring a consultant. Ecology assumes the consultant would be hired in July 2025. Ecology estimates a contract cost of \$500,000 in FY 2026 and \$300,000 in FY 2027.

Ecology estimates 0.35 FTE EP-5 in FY 2025, 0.50 FTE in FY 2026, and 0.20 FTE in FY 2027 to oversee the development of the scope of work, manage the contract, provide guidance to the consultant, and lead the public review and comment process.

PRODUCER REGISTRATION AND REPORTING ON PAPER PRODUCTS AND PACKAGING

Section 209

Beginning January 1, 2025, the bill would require producers of all covered products and packaging to register with Ecology. The bill would require producers to report annually their products sold, offered for sale, or distributed into the state beginning April 1, 2026. Ecology would be required to collect this information and post it publicly on our website. Based on our experience with the PCRC registration and reporting process required under Chapter 70A.245 RCW, Ecology assumes a significantly higher number of producers would need to be contacted, informed of the requirements, and offered technical support, because only a relatively small subset of materials is covered under the PCRC program. Work for this would begin in July 2024 with the development of outreach materials and generation of a comprehensive list of producers and producer organizations. Ecology assumes a database would be created for producers to register by January 1, 2025, and reporting by April 1, 2026. Ecology assumes the need for technical assistance and enforcement would be greatest in the first two years following implementation.

Ecology estimates 0.30 FTE EP-4 in FY 2025, 0.20 FTE in FY 2026, and 0.10 FTE in FY 2027 and ongoing to implement and oversee the program.

Ecology estimates 1.0 FTE Environmental Specialist 3 (ES-3) each year in FY 2025 and FY 2026, 0.90 FTE in FY 2027, and 0.80 FTE in FY 2028 and ongoing to implement the program, produce outreach materials, notify producers, provide technical assistance, and enforce the requirements.

Ecology estimates 0.10 FTE Community Outreach & Environmental Education Specialist 3 (COEES-3) in FY 2025 and 0.05 FTE in FY 2026 to develop education and outreach materials about the requirements for distribution to producers and the public.

Ecology estimates 0.05 FTE Communications Consultant 5 (CC-5) in FY 2025 to prepare a communications plan, news release, and public messaging on the requirements.

Ecology estimates 0.20 FTE Communications Consultant 3 (CC-3) in FY 2025 and 0.05 in FY 2026 to develop a website and provide implementation updates.

Ecology estimates 0.20 FTE IT Business Analyst – Journey in FY 2025 to coordinate with technical lead and IT developers to collect system requirements, coordinate user system testing, and provide user guidance for the annual registration, reporting form, and database.

Ecology estimates 0.40 FTE IT Application Developer – Journey in FY 2025, 0.20 FTE in FY 2026, and 0.05 FTE each year in FY 2027 and ongoing to develop a registration and reporting form and database to track the information, and database maintenance.

ECOLOGY OVERSIGHT

Section 210

Ecology would be required to adopt rules to administer, implement, and enforce the provisions of sections 209 and 210. The bill would give Ecology the authority to conduct audits and investigations for the purpose of ensuring compliance with section 209. Ecology would post producer registration information and compliance status on our website. By January 31, 2025, and annually thereafter, Ecology would prepare an annual workload analysis for public comment showing annual costs to implement the program, determine total fees for producers, equitably determine fee amounts, and send notice to producers of their fees. Ecology would issue a general order to collect fees until rulemaking is completed at which time, we would invoice covered product producers or their third-party representative. Producers would be required to submit payments to Ecology by April 1, 2025, and every April 1st thereafter.

Ecology estimates 0.10 FTE Budget Analyst 4 (BA-4) and 0.05 FTE EP-4 in FY 2025 to develop the initial workload analysis, establish the process, and create materials for public comments, and 0.05 FTE BA-4 and 0.02 FTE EP-4 in FY 2026 and ongoing to update the workload analysis and prepare it for public comments annually.

Based on our experience implementing the PCRC requirements in Chapter 70A.245 RCW which apply to only a subset of producers, Ecology assumes there would be significantly more producers being invoiced and submitting payments. Ecology estimates 2.0 FTE ES-3 in FY 2025 and ongoing to send invoices, collect payments, provide technical support, and pursue enforcement for noncompliance.

Ecology would be required to adopt new rules to clarify the registration and reporting requirements and enforcement procedures for producers of covered products and enforcement procedures for violations of the truth in labeling requirements. Ecology assumes rulemaking would be moderately complex and generate public interest and input. It would require twenty-four months, with a three-month active lead time to coordinate the rulemaking schedule with the agency rulemaking unit, prepare a website, and prepare the CR-101 for filing.

Rulemaking would begin January 1, 2025, with the filing of the CR-101, and end with rule adoption on December 31, 2026. This type of rulemaking would include two preproposal meetings to gather input from interested parties, and two public hearings to accept comments on the rule proposal. Ecology assumes we would develop an Environmental Justice Assessment in FY 2025 as required under the HEAL Act, Chapter 70A.02 RCW.

Rulemaking Administrative Coordinator: A Regulatory Analyst 3 (RA3) would oversee the rulemaking process to comply with the Administrative Procedures Act; coordinate with the rulemaking lead to prepare the rule development and communication plan; coordinate with the agency regulatory staff on the economic and regulatory impact analysis, and support filing the CR-101, CR-102, and the CR-103 for adoption. This would require an estimated workload of 0.08 FTE in FY 2025, 0.11 FTE in FY 2026, and 0.05 FTE in FY 2027.

Rulemaking Lead: An Environmental Planner 4 (EP-4) would provide policy expertise and lead the rulemaking effort, draft

and revise rule language, lead public meetings and hearings, and work with other program staff as needed to execute the rule development plan, with an estimated workload of 0.35 FTE in FY 2025, and 0.47 FTE in FY 2026, and 0.23 FTE in FY 2027.

Technical Support: An Environmental Specialist 4 (ES4) would collect data, support analysis of potential policy outcomes, provide support to the rulemaking lead and subject matter experts, and coordinate with communications staff to provide technical support for public outreach. This includes any needs for regional support. This would require 0.18 FTE in FY 2025, 0.24 FTE in FY 2026, and 0.12 FTE in FY 2027.

Communications and outreach support is included to ensure adequate public engagement in the rulemaking process. The following positions would support public engagement:

Communications Lead: A Communications Consultant 5 (CC5) would coordinate an outreach strategy and media engagement. This would require 0.06 FTE in FY 2025, 0.08 FTE in FY 2026, and 0.04 FTE in FY 2027.

Website Developer: A Communications Consultant 3 (CC3) would coordinate with the rulemaking lead on a public website for the rulemaking process. This would require 0.06 FTE in FY 2025, 0.08 FTE in FY 2026, and 0.04 FTE in FY 2027.

Outreach Coordinator: A Community Outreach and Environmental Education Specialist 3 (COEES3) would facilitate the pre-proposal and other meetings, manage the rule comments platform, and help with e-mail, website, and public engagement. The estimated workload is 0.07 FTE in FY 2025, 0.09 FTE in FY 2026, and 0.04 FTE in FY 2027.

The following positions would complete an economic and regulatory analysis of the rule: Economic Analyst 3, 0.20 FTE in FY 2027; Regulatory Analyst 2, 0.05 FTE in FY 2027.

Ecology would hold two meetings in FY 2025, and two hearings in FY 2027. Goods and services estimates include facility rental costs estimated at \$1,000 per meeting for a total cost of \$2,000 each year in FY 2025 and FY 2027.

ADVISORY COMMITTEE

Section 211

The bill would establish an advisory committee with members appointed by the Ecology Director by January 1, 2025. The committee would meet at least once every three months for the first three years and membership would be chosen to represent a prescriptive list of organizations and associations and a diversity in race, ethnicity, age, gender, urban and rural areas, and regions of the state. Based on our experience leading and participating in advisory groups, Ecology assumes the committee would meet every two months for the first year, and Ecology would staff and facilitate the committee meetings. Ecology assumes work to begin assembling the committee and planning meetings would begin in July 2024.

Ecology estimates 0.25 FTE EP-5 in FY 2025, 0.15 FTE in FY 2026, 0.10 FTE in FY 2027, and 0.05 FTE in FY 2028 and ongoing to solicit input on committee membership, coordinate committee agendas, and provide staff support to the committee chair.

Ecology estimates 0.10 FTE COEES-3 each year in FY 2025 and FY 2026, 0.05 FTE in FY 2027, and 0.03 FTE in FY 2028 and ongoing to schedule and facilitate meetings.

Ecology estimates 0.10 FTE Administrative Assistant 3 (AA-3) each year in FY 2025 and FY 2026, 0.05 FTE in FY 2027, and 0.03 FTE in FY 2028 and ongoing to take meeting notes, provide support to committee members, and process travel reimbursements.

Ecology assumes that there would be five members of the advisory committee who would receive reimbursement for

travel. Ecology estimates that private vehicle mileage plus per diem would be \$350 per person per meeting, for a total estimate of \$1,750 per meeting. Reimbursements would be based on documents submitted per the RCWs, in a form prescribed by Ecology. Costs are estimated to be \$5,250 for three meetings in FY 2025, \$8,750 for five meetings each year in FY 2026, \$7,000 for four meetings in FY 2027 \$3,500 for two meetings in FY 2028 and ongoing, in Object G.

AAG Support – PPP and PCRC requirements

The 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, and advice and representation in support of Ecology’s enforcement of sections 202, 209, 210, and 402 in FY 2025 through FY 2029. In addition, ATG advice and representation would be needed in support of Ecology’s enforcement of program implementation.

Estimated workload and costs are 0.04 FTE AAG and 0.02 Paralegal (PL) for a total of \$11,000 in FY 2025, 0.09 FTE AAG and 0.05 FTE PL for \$27,000 in FY 2026, and 0.05 FTE AAG and 0.03 FTE PL for a total of \$15,000 each year in FY 2027, and 0.02 FTE AAG and 0.01 FTE PL for \$5,000 in FY 2028 and 0.06 FTE AAG and 0.03 FTE PL for \$18,000 each year in FY 2029 and ongoing. Costs are included in Object E.

POSTCONSUMER RECYCLED CONTENT (PCRC)

Sections 402 and 403

By April 1, 2024, producers of newly added covered products would be required to register with Ecology. Ecology assumes this date would be amended to April 1, 2025. Producers would be required to report annually to Ecology for each category of covered product. The bill would require producers of previously and newly covered products to include a certificate of compliance. Ecology would be required to make all annual reports available to the public for comment for 30 days after submittal. Ecology would make a determination of approval of the annual report or notify the producer with reasons for not approving. Producers would have 60 days to submit a revised report. Ecology would post approved annual reports and a list of resin suppliers meeting PCRC certification requirements on our website.

Based on our experience implementing the PCRC requirements under Chapter 70A.245 RCW, Ecology assumes staff resources would be required to identify producers of newly covered products required to comply with this bill. Ecology would provide technical assistance to producers regarding the requirements of the bill, including the registration requirements and penalties for unregistered producers. Ecology assumes some enforcement work would be required, including sending warning letters to unregistered producers. This work would require creating and maintaining an updated list of producers, providing technical assistance regarding annual registration, payments, and recycled content requirements. Ecology assumes the proof of certification, public review, and report approval requirements would significantly increase the workload for previously covered products in addition to the work needed to oversee the newly covered products.

Ecology estimates 0.30 FTE EP-4 in FY 2025 and 0.10 FTE in FY 2026 and ongoing to act as project manager for the PCRC program, lead Ecology’s PCRC implementation team, oversee the incorporation of new materials and reporting requirements into the existing PCRC program, create and update guidance documents, and serve as the PCRC subject matter expert responding to technical questions from producers and other interested stakeholders.

Ecology estimates 2.0 FTE Environmental Specialist 3 (ES-3) in FY 2025 and ongoing to identify and provide registration information to producers of newly covered materials, provide outreach and technical assistance on the new reporting requirements to producers of previously and newly covered products, post reports online for public comment, review and make a determination of approval for annual report submittals, and post approved reports and a list of resin suppliers meeting PCRC certification requirements.

Ecology estimates 0.20 FTE IT Business Analyst – Journey in FY 2025 to coordinate with technical lead and IT developers

to collect system requirements, coordinate user system testing, and provide user guidance for the reporting form and database.

Ecology estimates 0.40 FTE IT Application Developer – Journey in FY 2025 and 0.05 FTE each year in FY 2026 and ongoing to develop an updated reporting form and database to track the information provided by producers and ongoing database maintenance.

Sections 301-308, 401-408 would require Ecology to modify WAC 173-925. Ecology assumes rulemaking would be moderately complex and generate public interest and input. It would require eighteen months, with a three-month active lead time to coordinate the rulemaking schedule with the agency rulemaking unit, prepare a website, and prepare the CR-101 for filing. Ecology assumes we would develop an Environmental Justice Assessment in FY 2025 as required under the HEAL Act, Chapter 70A.02 RCW.

Rulemaking would begin October 1, 2024, with the filing of the CR-101, and end with rule adoption on March 31, 2026. This type of rulemaking would include two preproposal meetings to gather input from interested parties, and two public hearings to accept comments on the rule proposal.

Rulemaking Administrative Coordinator: A Regulatory Analyst 3 (RA3) would oversee the rulemaking process to comply with the Administrative Procedures Act; coordinate with the rulemaking lead to prepare the rule development and communication plan; coordinate with the agency regulatory staff on the economic and regulatory impact analysis, and support filing the CR-101, CR-102, and the CR-103 for adoption. This would require an estimated workload of 0.11 FTE in FY 2025 and 0.08 FTE in FY 2026.

Rulemaking Lead: An Environmental Planner 4 (EP4) would provide policy expertise and lead the rulemaking effort, draft and revise rule language, lead public meetings and hearings, and work with other program staff as needed to execute the rule development plan, with an estimated workload of 0.50 FTE in FY 2025 and 0.50 FTE in FY 2026.

Technical Support: An Environmental Specialist 4 (ES4) would collect data, support analysis of potential policy outcomes, provide support to the rulemaking lead and subject matter experts, and coordinate with communications staff to provide technical support for public outreach. This includes any needs for regional support. This would require 0.25 FTE in FY 2025 and 0.25 FTE in FY 2026.

Communications and outreach support is included to ensure adequate public engagement in the rulemaking process. The following positions would support public engagement:

Communications Lead: A Communications Consultant 5 (CC5) would coordinate an outreach strategy and media engagement. This would require 0.10 FTE in FY 2025 and 0.10 FTE in FY 2026.

Website Developer: A Communications Consultant 3 (CC3) would coordinate with the rulemaking lead on a public website for the rulemaking process. This would require 0.12 FTE in FY 2025 and 0.10 FTE in FY 2026.

Outreach Coordinator: A Community Outreach and Environmental Education Specialist 3 (COEES3) would facilitate the pre-proposal and other meetings, manage the rule comments platform, and help with e-mail, website, and public engagement. The estimated workload is 0.10 FTE in FY 2025 and 0.10 FTE in FY 2026.

The following positions would complete an economic and regulatory analysis of the rule: Economic Analyst 3, 0.20 FTE in FY 2026; Regulatory Analyst 2, 0.05 FTE in FY 2026.

Ecology would hold two meetings in FY 2025, and two hearings in FY 2026. Goods and services estimates include facility rental costs estimated at \$1,000 per meeting for \$2,000 each year in FY 2025 and FY 2026.

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

Part 2: Truth in labeling, rates study, materials list, and needs assessment, is estimated to require:

FY 2025: \$1,283,416 and 7.8 FTEs
 FY 2026: \$1,883,355 and 7.0 FTEs
 FY 2027: \$1,133,071 and 5.4 FTEs
 FY 2028: \$534,438 and 4.2 FTEs
 FY 2029: \$836,647 and 4.1 FTEs

Part 3: Postconsumer recycled content requirements, is estimated to require:

FY 2025: \$643,042 and 4.7 FTEs
 FY 2026: \$535,210 and 4.1 FTEs
 FY 2027: \$305,798 and 2.5 FTEs
 FY 2028: \$305,798 and 2.5 FTEs
 FY 2029: \$305,798 and 2.5 FTEs

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

FY 2025: \$1,926,458 and 12.5 FTEs
 FY 2026: \$2,418,565 and 11.1 FTEs
 FY 2027: \$1,438,869 and 7.9 FTEs
 FY 2028: \$840,236 and 6.7 FTEs
 FY 2029: \$1,142,445 and 6.5 FTEs.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 34.1% of salaries.

Professional Services includes costs for contracts to support studies and assessments, are estimated to be \$200,000 in FY 2025, \$900,000 in FY 2026, \$400,000 in FY 2027, \$300,000 in FY 2029.

Goods and Services are the agency average of \$6,048 per direct program FTE and includes estimated AGO costs of \$11,000 in FY 2025, \$27,000 in FY 2026, \$15,000 in FY 2027, \$5,000 in FY 2028, and \$18,000 each year in FY 2029 and ongoing. Object E also includes rulemaking facilities costs of \$4,000 each year in FY 2025, \$2,000 each year in FY 2026 and FY 2027.

Travel is the agency average of \$2,205 per direct program FTE and includes advisory committee travel reimbursements of \$8,250 in FY 2025, \$8,750 in FY 2026, \$7,000 in FY 2027, and \$3,500 per year in FY 2028 and ongoing.

Equipment is the agency average of \$1,286 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% 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 2024	FY 2025	2023-25	2025-27	2027-29
23P-1	Model Toxics Control Operating Account	State	0	1,494,041	1,494,041	543,024	449,713
25R-6	Recycled Content Account	Non-Appropriated	0	0	0	3,314,410	1,532,968
26C-1	Climate Commitment Account	State	0	432,417	432,417	0	0
Total \$			0	1,926,458	1,926,458	3,857,434	1,982,681

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		12.5	6.3	9.5	6.6
A-Salaries and Wages		920,609	920,609	1,343,586	886,624
B-Employee Benefits		313,922	313,922	458,160	302,338
C-Professional Service Contracts		200,000	200,000	1,300,000	300,000
E-Goods and Other Services		80,803	80,803	145,548	92,364
G-Travel		29,244	29,244	52,045	32,291
J-Capital Outlays		13,991	13,991	21,165	14,752
9-Agency Administrative Overhead		367,889	367,889	536,930	354,312
Total \$	0	1,926,458	1,926,458	3,857,434	1,982,681

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 2024	FY 2025	2023-25	2025-27	2027-29
ADMINISTRATIVE ASSISTANT 3	54,194		0.1	0.1	0.1	0.0
BUDGET ANALYST 4	91,073		0.1	0.1	0.1	0.1
COM OTRCH & ENV ED SP 3	67,717		0.4	0.2	0.2	0.0
COM OTRCH & ENV ED SP 4	78,476		0.1	0.0		0.1
COMM CONSULTANT 3	71,149		0.6	0.3	0.2	
COMM CONSULTANT 5	93,349		0.2	0.1	0.1	0.0
ECONOMIC ANALYST 3	95,627				0.2	
ENVIRONMENTAL PLANNER 4	95,650		2.0	1.0	1.0	0.3
ENVIRONMENTAL PLANNER 5	105,612		0.6	0.3	0.5	0.1
ENVIRONMENTAL SPEC 3	74,489		5.0	2.5	5.0	4.8
ENVIRONMENTAL SPEC 4	86,324		0.5	0.2	0.4	0.2
ENVIRONMENTAL SPEC 5	95,387				0.2	0.2
FISCAL ANALYST 2			1.1	0.6	0.8	0.6
IT APP DEVELOPMENT-JOURNE'	107,154		0.8	0.4	0.2	0.1
IT APP DEV-JOURNEY			0.5	0.3	0.4	0.3
IT BUSINESS ANALYST-JOURNE'	107,154		0.4	0.2		
REGULATORY ANALYST 2	88,798				0.1	
REGULATORY ANALYST 3	100,521		0.2	0.1	0.1	
Total FTEs			12.5	6.3	9.5	6.6

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 204(1)(b) would authorize Ecology to adopt rules modifying the requirement to encompass transfer or processing facilities other than large volume transfer or processing facilities as the department deems appropriate for achieving the purposes of this section. Ecology assumes rulemaking would not be necessary.

Section 210(1) would require Ecology to adopt rules as necessary to administer, implement, and enforce this section and section 209 of this act.

Section 210(3)(i)(iii) Until rules are adopted under (a)(iv) of this subsection, issue a general order to all entities falling within the definition of producer. The department must equitably determine fee amounts.

Section 210(3)(i)(iv) would require Ecology to adopt rules to equitably determine annual fee payments by producers or their third-party representatives. Once such rules are adopted, the general order issued under (a)(iii) of this subsection is no longer effective.

Individual State Agency Fiscal Note

Bill Number: 1900 HB	Title: Recycling rates	Agency: 468-Environmental and Land Use Hearings Office
-----------------------------	-------------------------------	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.1	0.1	0.3	0.4
Account					
General Fund-State 001-1	0	23,513	23,513	79,600	140,098
Total \$	0	23,513	23,513	79,600	140,098

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: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/04/2024
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/04/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/13/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill relates to recyclable identification on packaging and paper products, and registration of companies that provide them.

Sec. 210 – Gives new authority to the Pollution Control Hearings Board (PCHB) to review appeals of penalties issued for violation of labeling requirements (202) or reporting requirements (209).

Sec. 202 – By Jan. 1, 2028, a producer cannot sell/distribute a covered product with a symbol that misleads whether the product is recyclable.

Sec. 209 – Beginning Jan. 1, 2025, the producer must register with Ecology if it sells/distributes a covered product in WA.

Sec. 210(5) – Ecology can assess penalties for violations of 202/209.

Sec. 210(7) – PCHB has authority over penalties assessed.

Sec. 504 – Amends PCHB authority statute, consistent with above.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

FISCAL IMPACT to the Pollution Control Hearings Board: YES

ELUHO estimates 6 low complexity appeals per year resulting from this bill beginning in January 2025, then increasing to 10 low complexity appeals beginning in January 2028, ongoing.

ELUHO's work on these appeals is expected to begin following the registration requirements in January 2025. ELUHO anticipates appeals shortly thereafter, with an increase in Jan. 2028.

ELUHO estimates each appeal resulting from this bill will require approximately 150 hours of Administrative Appeals Judge (AAJ) work to complete (50 pre-hearing hours + 100 hearing and post-hearing hours) x 6 appeals from January 2025-January 2028. ELUHO anticipates an increase to 10 low complexity appeals (150 AAJ hours x 10 appeals) beginning in January 2028, ongoing. This estimate is based on a current analysis of AAJ work.

150 hours/appeal x 6 appeals = 900 AAJ hours from January 2025-January 2028. Then 150 hours/appeal x 10 appeals = 1500 AAJ hours from January 2028, ongoing.

Assume New AAJ FTE: The PCHB will need approximately 0.25 FTE from January 2025 to January 2028, then 0.5 AAJ FTE from January 2028, ongoing. The AAJ will have knowledge of environmental law to assist with these new cases, based on the estimated number of AAJ hours per year. RCW 43.21B.005(2) authorizes the ELUHO director to appoint such AAJs to assist the PCHB. The AAJ 0.25/0.5 FTE will not serve as a member of the Boards, but will conduct legal research and writing, preside over cases, mediate cases, draft Board materials, and perform other legal duties to assist the Board.

Beginning in FY25 an AAJ will make \$117,840 per year, plus related benefits estimated at \$34,945 per year, at projected benefits rates. The agency needs 0.25 FTE AAJs from January 2025-January 2028, so the salary would be \$117,840 x .25 FTE = \$29,460, per FY, from Jan 2025-Jan 2028. Related benefits would total \$8,736, per FY for that time period.

The agency needs 0.5 FTE AAJs from January 2028, ongoing, so the salary would be \$117,840 x 0.5 FTE = \$58,920, per FY, from Jan 2028, ongoing. Related benefits would total \$17,472, ongoing.

Goods and services for the total 0.25 FTE are estimated at \$1,240 per year, from Jan. 2025-Jan 2028. They are estimated at \$2,480 per year from Jan 2028, ongoing. Goods and services include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$364 per year through January 2028 and \$729 per year, ongoing. Also included is one time equipment costs for furniture and computers totaling \$2,793 in FY 2:

Assume no capital budget impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	23,513	23,513	79,600	140,098
Total \$			0	23,513	23,513	79,600	140,098

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.1	0.3	0.4
A-Salaries and Wages		15,319	15,319	58,920	103,699
B-Employee Benefits		4,505	4,505	17,472	30,751
C-Professional Service Contracts					
E-Goods and Other Services		707	707	2,480	4,365
G-Travel		189	189	728	1,283
J-Capital Outlays		2,793	2,793		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	23,513	23,513	79,600	140,098

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Appeals Judge	117,840		0.1	0.1	0.3	0.4
Total FTEs			0.1	0.1	0.3	0.4

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1900 HB

Title: Recycling rates

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: travel and staff related costs for those cities participating on the advisory committee
- Counties: travel and staff related costs for those counties participating on the advisory committee
- Special Districts: travel and staff related costs for the special purpose district participating on the advisory committee
- 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: which jurisdictions would participate on the advisory committee or the costs associated with participation

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/09/2024
Leg. Committee Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/09/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/10/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill:

- prohibits a person from offering for sale, selling, distributing, or importing into the state any product or packaging for which a deceptive or misleading claim about the recyclability of the product or packaging is made
- directs the Department of Ecology to produce a material characterization study to provide information to the public for evaluating whether a product or packaging is recyclable in the state and are of material types and forms that routinely become feedstock used for new products or packaging
- establishes minimum postconsumer recycled content requirements for producers of single-use plastic cups, plastic tubs, and thermoform plastic containers
- directs the Department of Ecology to conduct a state wide needs assessment
- creates an advisory committee to advise and make recommendations to the Department of Ecology on the state wide needs assessment

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

The bill specifies that local government representation on the advisory committee must include two representatives of counties and two representatives of cities, each with one representative of urban communities and one representative of rural communities. Also, there must be one representative of special purpose districts involved in activities related to the end-of-life management of solid waste. It is unknown which local governments would be chosen to participate on the advisory council or the level of participation required. There would be staff time and travel related costs for those participating.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This bill would not impact local government revenues.

Sources:

Association of Washington Cities

Washington State Association of Counties



Multiple Agency Ten-Year Analysis Summary

Bill Number 1900 HB	Title Recycling rates
-------------------------------	---------------------------------

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Department of Commerce	0	0	0	0	0	0	0	0	0	0	0
Utilities and Transportation Commission	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology	0	0	2,042,436	1,271,974	759,984	772,984	866,160	866,160	771,991	771,991	8,123,680
Environmental and Land Use Hearings Office	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	2,042,436	1,271,974	759,984	772,984	866,160	866,160	771,991	771,991	8,123,680



Ten-Year Analysis

Bill Number 1900 HB	Title Recycling rates	Agency 100 Office of Attorney General
-------------------------------	---------------------------------	---

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 1/5/2024 8:46:09 pm
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 1/5/2024 8:46:09 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1900 HB	Title Recycling rates	Agency 103 Department of Commerce
-------------------------------	---------------------------------	---

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Chad Johnson	Phone: 360-725-5028	Date: 1/5/2024 8:51:58 am
Agency Approval: Chad Johnson	Phone: 360-725-5028	Date: 1/5/2024 8:51:58 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1900 HB	Title Recycling rates	Agency 215 Utilities and Transportation Commission
-------------------------------	---------------------------------	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts **Partially Indeterminate Cash Receipts** **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 1/5/2024 9:27:18 am
Agency Approval: Kim Anderson	Phone: 360-664-1153	Date: 1/5/2024 9:27:18 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1900 HB	Title Recycling rates	Agency 461 Department of Ecology
-------------------------------	---------------------------------	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
PCRC Producer Fee	25R			545,049	305,798	305,798	307,598	307,939	307,939	307,939	307,939	2,695,999
PPP Producer Fee	25R			1,497,387	966,176	454,186	465,386	558,221	558,221	464,052	464,052	5,427,681
Total				2,042,436	1,271,974	759,984	772,984	866,160	866,160	771,991	771,991	8,123,680
Biennial Totals				3,314,410	1,532,968	1,732,320	1,543,982	8,123,680				

Narrative Explanation (Required for Indeterminate Cash Receipts)

Recycled Content Account (RCA)

Section 210 would require Ecology to determine an annual fee (for the following year) to be paid by producers of packaging and paper products (PPP) to adequately cover Ecology's implementation, administration, and enforcement costs in sections 206 through 211, by April 1, 2025, and annually thereafter.

Producers or their third-party representatives would be required to submit an annual fee payment by April 1, 2025, and annually thereafter, to cover Ecology's costs. For purposes of this analysis, we assume the first payment on April 1, 2025, would be for estimated costs for FY 2026, and cash receipts are shown to match expenditure by fiscal year.

Estimated RCA Revenue (from PPP producers):
 FY 2026: \$1,497,387
 FY 2027: \$966,176
 FY 2028: \$454,186
 FY 2029: \$465,386
 FY 2030: \$558,221



Ten-Year Analysis

Bill Number	Title	Agency
1900 HB	Recycling rates	461 Department of Ecology

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

FY 2031: \$558,221
 FY 2032: \$464,052
 FY 2033: \$464,052

Section 402 would require Ecology to determine an annual fee (for the following year) to be paid by producers of postconsumer recycled content (PCRC) products to adequately cover Ecology's implementation, administration, and enforcement costs in sections 302-307, 402, and 403, by April 1, 2025, and annually thereafter.

Producers or their third-party representatives would be required to submit an annual fee payment by April 1, 2025, and annually thereafter, to cover Ecology's costs. For purposes of this analysis, we assume the first payment on April 1, 2025, would be for estimated costs for FY 2026, and cash receipts are shown to match expenditure by fiscal year.

Estimated RCA Revenue (from new PCRC producers):

FY 2026: \$545,049
 FY 2027: \$305,798
 FY 2028: \$305,798
 FY 2029: \$307,598
 FY 2030: \$307,939 each year and ongoing

Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 1/16/2024 4:24:09 pm
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 1/16/2024 4:24:09 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1900 HB	Title Recycling rates	Agency 468 Environmental and Land Use Hearings Office
-------------------------------	---------------------------------	---

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 1/4/2024 4:37:58 pm
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 1/4/2024 4:37:58 pm
OFM Review:	Phone:	Date: