

Fiscal Estimate Narratives

DATCP 6/7/01

LRB Number	01-0216/1	Introduction Number	AB-430	Estimate Type	Original
Subject					
Required recycled content of plastic containers					

Assumptions Used in Arriving at Fiscal Estimate

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

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

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

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

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

Long-Range Fiscal Implications

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

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-0216/1		Introduction Number AB-430	
Subject			
Required recycled content of plastic containers			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$7,600 GPR (work station, computer and telephone service).			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$23,800	
(FTE Position Changes)		(0.5 FTE)	
State Operations - Other Costs		4,000	
Local Assistance		0	
Aids to Individuals or Organizations		0	
TOTAL State Costs by Category		\$27,800	\$
B. State Costs by Source of Funds			
GPR		27,800	
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$27,800	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DATCP/ Jim Rabbitt (608) 224-4965		Barb Knapp (608) 224-4746	6/6/01