

# Vermont Legislative Joint Fiscal Office

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## *FISCAL NOTE*

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### **H.560 An act relating to household products containing hazardous substances – House Natural Resources, Fish, And Wildlife Recommendation Of Amendment – Draft 3.4**

<https://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Ways%20and%20Means/Bills/H.560/H.560~Mary%20Sullivan~Draft%20No.%203.4,%203-2-2018~3-13-2018.pdf>

#### **Bill Summary**

The bill would establish new regulations for the sale and disposal of items that are considered household hazardous waste (HHW). The bill would place the regulatory authority into the hands of the Agency of Natural Resources (ANR) and would require ANR to convene a working group to make recommendations on how to implement the provisions of this bill and how to fund and manage the disposal of household hazardous waste in the state. The bill would authorize the creation of stewardship organizations, in which manufacturers of HHW would need to participate in order to be able to make products available for sale (either directly or through a retailer) in Vermont beginning on January 1, 2021. Stewardship organizations would be created to deal with the collection, processing, and end-of-life management of HHW, the costs for which would be share by manufacturers that participate in the organizations. Stewardship organizations would be required to register annually with the State (starting Jan. 1, 2020) and to also file a collection plan with the State (prior to July 1, 2020). ANR would review registrations and collection plans. ANR would also be charged with recommending a fee to the General Assembly on or before Jan. 15, 2021 that would be charged to stewardship organizations annually in order to cover the costs of ANR's responsibilities. ANR would also be tasked with drafting rules for the implementation of this legislation. This is not a comprehensive summary of H.560.

#### **Fiscal Summary**

##### *Revenues*

The bill would not directly impact state revenues; however it does require that ANR report to the General Assembly on or before January 15, 2021 a recommendation for a registration fee that would be levied on stewardship organizations in future years. Additionally, the stewardship organizations would bill costs for the collection, processing and end-of-life management of HHW to manufacturers who would ultimately pass the costs to consumers, which could alter buying patterns and impact sales tax revenue (likely a minimal impact).

##### *Costs*

Because the restriction on sales and disposal of HHW would not go into effect until January 1, 2021, many of the costs associated with implementing the regulatory apparatus at the State level would be felt beyond state FY2019. The implementation of this bill by ANR would likely be impacted by the recommendations made to the General Assembly by the working group in 2019

and any subsequent actions taken by the General Assembly. Therefore, it is reasonable to expect that most implementation activity would take place starting in FY2020 (assuming no changes to this new law are made by further legislation in the 2019 legislative session). The potential costs and years costs would likely be incurred are below:

- |   |              |
|---|--------------|
| 1. ANR HHW working group (report due Jan. 15, 2019)     | FY19         |
| 2. Rulemaking   | FY19-20      |
| 3. Review of stewardship org. registrations by ANR      | FY20 ongoing |
| 4. Review of stewardship org. collection plan by ANR    | FY21 ongoing |
| 5. Review of potential fees for stewardship org. by ANR | FY20-21      |

ANR could likely absorb the costs stemming from the working group and from potential rulemaking in FY19, but in future years would need additional funds to perform its responsibilities unless an attached revenue source is implemented.