

SF188 - 0 - Ortho-Phthalate Testing for Packed Food Required

Chief Author: **Heather Gustafson**
 Committee: **Agriculture, Veterans, Broadband, And Rural Development**
 Date Completed: **3/5/2025 8:34:24 AM**
 Agency: **Agriculture Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028
General Fund	-	829	3,905	3,705	3,580
Total	-	829	3,905	3,705	3,580
Biennial Total			4,734		7,285

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	.55	28.5	28.5	28.5
Total	-	.55	28.5	28.5	28.5

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 3/5/2025 8:34:24 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	829	3,905	3,705	3,580
Total	-	829	3,905	3,705	3,580
Biennial Total			4,734		7,285
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	829	3,905	3,705	3,705
Total	-	829	3,905	3,705	3,705
Biennial Total			4,734		7,410
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	125
Total	-	-	-	-	125
Biennial Total			-		125

Bill Description

This bill relates to agriculture, requiring food manufacturers and brand owners to report ortho-phthalate testing results of packaged food products to the commissioner of agriculture; amending Minnesota Statutes 2024, section 34A.01, by adding subdivisions with definitions; and proposing coding for new law in Minnesota Statutes, chapter 34A requiring notifications to the commissioner and enforcement by the commissioner.

Assumptions

It is assumed that the passage of this bill will require the development and administration of a new program in the Department of Agriculture for handling product notifications to the commissioner and enforcing provisions of the new law.

Notification to the Commissioner

The number of products requiring notification to the commissioner is assumed to be at least 1,000,000 for thousands of food manufacturers, as defined in the bill. It is assumed an online products system will be required for completing the notification to the commissioner.

Development of a new program product notification system will require establishing (1) internal administrative business processes, (2) a new database and related IT system applications, and (3) food industry outreach and resource development.

The data base and IT system applications would be required for online submission of notices and management of core data related to food manufacturers, brand owners, and products as well as required submission details to allow for compliance checks and enforcement actions to be conducted.

It is assumed that the program creation and online IT system creation will occur in FY 26, and the program will be operational at the beginning of FY 27. It is assumed that it will take at least 2 years for all current UPC offered for sale in Minnesota to be tested, notifications to be submitted to the commissioner, and for notifications to be processed. Updated testing and subsequent notifications are then assumed to begin in FY 29.

It is assumed that each notice to the commissioner will require approximately 2 minutes for manual administrative processing review for completeness and data cataloging, totaling approximately 33,350 staff hours.

Enforcement by the Commissioner

Development of a new program enforcement system will require establishing (1) compliance check processes compliance processes, (2) administrative enforcement processes for Minnesota, US, and international food manufacturers, as defined in the bill.

It is assumed that enforcement activities would be educational in approach FY 27 FY 28, and penalty issuance would begin in FY29. All penalties collected under Minnesota Statute 2024 section 34A.07 authority would be returned to the general fund.

A compliance check rate of 1% (10,000 products) annually is assumed, with an average of 2.5 hours required to complete compliance case totaling 25,000 staff hours. A compliance case violation rate of 5% (500 products) is assumed, with \$500 penalty issued per violation and a 50% collection rate totaling \$125,000. Penalty assumption of \$500 is based on current enforcement policy for label violations falling under the enforcement in Minnesota Statutes 2024 section 34A.07.

It is assumed that verification of product testing results through additional laboratory analysis will not be part of the enforcement of this program.

Expenditure and/or Revenue Formula

Expenditure (Actual Dollars)	Description	Amount		FY 26	FY 27	FY 28	FY 29
Development							
Salary & Fringe:			FTE:				
SPAM Prin	Program Interpretation and policy, internal and external planning	193,000	0.04	7,720			
SPA Director	Enforcement Interpretation and policy, Internal and extenal planning	156,000	0.06	9,360			
Food Standards Compliance Officer	Enforcement Internal planning and implementation	139,000	0.06	8,340			
SPA Princ	Program Coordination for internal planning, and industry outreach and material development	139,000	0.19	26,410			

SPA Sup. Prin.	Produce Notice Internal planning and implementation	143,000	0.10	14,300			
SPA Sr	Produce Notice External implemenation and MNITcoordination	124,000	0.10	12,400			
Other:							
MNIT Services - contracted	Produce Notice Database on online application system development \$750,000 in FY26			750,000			
Development Section subtotal			0.55	828,530	-	-	-
On-going							
Salary & Fringe:							
SPA Director	Enforcement program oversight and implementation	156,000	0.25		39,000	39,000	39,000
Food Standards Compliance Officer	Enforcement implementation	139,000	12.00		1,668,000	1,668,000	1,668,000
SPA Sup. Prin.	Product notice administration, oversight and implementation	143,000	0.25		35,750	35,750	35,750

SPA Senior	Product notice administration	124,000	8.00		992,000	992,000	992,000
SPA Inter.	Product notice administration	115,000	8.00		920,000	920,000	920,000
Other:							
MNIT Services (contracted, then MNIT)	Maintenance of data system and online applications \$250,000 in FY27 and \$50,000 in FY28 & FY29				250,000	50,000	50,000
Ongoing Section subtotal			28.50	-	3,904,750	3,704,750	3,704,750
Total Costs				828,530	3,904,750	3,704,750	3,704,750
ADMIN PENALTY REVENUE	goes back to general fund (no dedicated account for 34A)						125,000

Long-Term Fiscal Considerations

Local Fiscal Impact

The MDA delegates retail food licensing, inspection, and enforcement authority to 7 local Boards of Health under Minnesota Statute 28A.075 and 28A.0752. The passage of this bill will require additional training to delegated agencies as part of Minnesota Statutes 2024 sections 28A.075 and 28A.0752

References/Sources

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