

1.1 **Senator Klein from the Committee on Commerce and Consumer Protection, to**
1.2 **which was re-referred**

1.3 **S.F. No. 3561:** A bill for an act relating to solid waste; establishing Packaging Waste
1.4 and Cost Reduction Act; authorizing rulemaking; proposing coding for new law in Minnesota
1.5 Statutes, chapter 115A.

1.6 Reports the same back with the recommendation that the bill be amended as follows:

1.7 Page 2, line 23, after "material" insert ", such as paper, plastic, metal, or glass,"

1.8 Page 2, after line 30, insert:

1.9 "Subd. 12. **Drop-off collection site.** "Drop-off collection site" means a physical location
1.10 where covered materials are accepted from the public that is open a minimum of 12 hours
1.11 weekly throughout the year."

1.12 Renumber the subdivisions in sequence

1.13 Page 3, line 23, delete "or"

1.14 Page 3, line 30, after the period, insert "; or"

1.15 Page 3, after line 30, insert:

1.16 "(8) are paper products used for a print publication that primarily includes content derived
1.17 from primary sources related to news and current events."

1.18 Page 4, line 6, after "funds" insert "or reimburses service providers for"

1.19 Page 4, line 25, after "packaging" insert "and only includes those materials that are
1.20 supplied to a residential consumer"

1.21 Page 9, line 27, after "(b)" insert "Following the approval of the initial producer
1.22 responsibility organization and the initial stewardship plan,"

1.23 Page 14, after line 18, insert:

1.24 "(7) provide producer responsibility organizations with information regarding Minnesota
1.25 and federal laws that prohibit toxic substances in covered materials;"

1.26 Page 14, line 19, delete "(7)" and insert "(8)"

1.27 Page 14, line 21, delete "(8)" and insert "(9)"

1.28 Page 16, after line 20, insert:

1.29 "(d) A producer responsibility organization may petition the commissioner for a two-year
1.30 extension on the requirements of paragraph (c) if market or technical issues prevent a covered
1.31 material from being considered recyclable, reusable, or compostable as included in the lists

2.1 established under section 115A.1453. This extension may be renewed in annual increments
2.2 until January 1, 2040, if market or technical issues persist."

2.3 Page 16, delete lines 26 to 30 and insert:

2.4 "A service provider receiving reimbursement or funding under an approved stewardship
2.5 plan must:

2.6 (1) ensure the collection, transportation, and management of covered materials generated
2.7 in the state pursuant to the lists established under section 115A.1453 and covered materials
2.8 that are capable of refill or reuse;

2.9 (2) provide that covered materials are sent to responsible markets; and

2.10 (3) provide documentation to the producer responsibility organization on the amounts,
2.11 covered materials types, and volumes of covered materials collected, transported, and
2.12 managed for recycling, composting, or reuse."

2.13 Page 17, delete lines 1 to 3

2.14 Page 17, line 7, after the period, insert "Upon request from the producer responsibility
2.15 organization, the commissioner may adjust what is required to be included in a specific
2.16 needs assessment to reduce the scope to best inform the next stewardship plan."

2.17 Page 17, line 28, after "content" insert ", by the best estimate," and after "is" insert "or
2.18 could be"

2.19 Page 18, line 11, after "content" insert ", if applicable"

2.20 Page 18, line 12, delete "described in clause (3)" and insert "established in section
2.21 115A.1451, subdivision 7"

2.22 Page 18, delete lines 26 to 29 and insert:

2.23 "(5) an evaluation of following factors for each covered material collected for recycling
2.24 or composting:

2.25 (i) availability of recycling and composting collection services;

2.26 (ii) recycling and composting processing infrastructure;

2.27 (iii) capacity and technology for sorting covered materials;

2.28 (iv) availability of responsible end markets;

2.29 (v) the presence and amount of processing residuals, contamination, and toxic substances;

2.30 (vi) quantity of material estimated to be available and recoverable;

- 3.1 (vii) projected future conditions for items (i) to (vi); and
- 3.2 (viii) other criteria or factors determined by the commissioner;
- 3.3 (6) recommended collection methods by covered materials type to maximize collection
- 3.4 efficiency and feedstock quality;"
- 3.5 Page 18, line 30, delete "(6)" and insert "(7)"
- 3.6 Page 19, line 1, delete "(7)" and insert "(8)"
- 3.7 Page 19, line 3, delete "(8)" and insert "(9)"
- 3.8 Page 19, line 8, delete "commercial"
- 3.9 Page 19, line 9, delete everything before "and" and after "and" insert "in" and after
- 3.10 "places" insert "where political subdivisions arrange for collection of recyclable or
- 3.11 compostable materials"
- 3.12 Page 19, line 12, delete "(9)" and insert "(10)"
- 3.13 Page 19, line 22, delete "(10)" and insert "(11)"
- 3.14 Page 19, line 24, delete "(11)" and insert "(12)"
- 3.15 Page 19, delete lines 27 to 29 and insert:
- 3.16 "(13) an assessment of what toxic substances that might be intentionally added to covered
- 3.17 materials and best practices to eliminate or mitigate their use or presence in covered
- 3.18 materials;"
- 3.19 Page 19, line 30, delete "(13)" and insert "(14)"
- 3.20 Page 20, line 10, delete "(14)" and insert "(15)"
- 3.21 Page 20, line 12, delete "(15)" and insert "(16)"
- 3.22 Page 20, line 28, after "information" insert ", excluding location data necessary to assess
- 3.23 needs,"
- 3.24 Page 21, delete lines 18 to 21 and insert:
- 3.25 "(2) a description of the anticipated method of collection and management to be used
- 3.26 for each covered materials type for covered materials capable of refill, reusable covered
- 3.27 materials, and materials included on lists established in section 115A.1453;"
- 3.28 Page 22, line 1, delete "a plan" and insert "set goals"
- 3.29 Page 22, line 3, delete the second "the" and insert "potential"

4.1 Page 22, line 5, delete "fully" and after "any" insert "consumer-facing"

4.2 Page 22, lines 6 and 9, after the second comma, insert "or" and delete ", or other cost"

4.3 Page 22, delete lines 19 to 23 and insert:

4.4 "(iv) provide for reasonable reimbursement rates for statewide coverage of recycling
4.5 services for covered materials on the lists established in section 115A.1453 to single-family
4.6 residences, multifamily residences, and political subdivisions arranging for collection,
4.7 transportation, and processing of recyclable materials in a comparable level of convenience
4.8 as services for mixed municipal solid waste; and"

4.9 Page 22, delete lines 25 to 31 and insert:

4.10 "(9) a description of how the program shall reimburse service providers via differentiated
4.11 rates developed to address factors under section 115A.1455, subdivision 4, for managing
4.12 covered materials, exclusive of exempt materials, as follows:

4.13 (i) a fixed amount for each ton of covered material collected and recycled by a service
4.14 provider in the prior calendar year based upon the average costs associated with the
4.15 collection, transportation, and processing, from a central location within a political
4.16 subdivision, of collected covered material from the political subdivision to a recycling or
4.17 composting facility; the processing of and removal of contamination from covered material
4.18 by a recycling or composting facility; and the recycling or composting of covered materials
4.19 in the state or in another jurisdiction less the average fair market value in the state for that
4.20 covered material. In determining costs under this clause, a producer responsibility
4.21 organization may not include costs associated with the disposal of covered material, except
4.22 for costs associated with the disposal of contaminated materials removed from collected
4.23 covered material;

4.24 (ii) an additional fixed amount, in excess of the rate provided under item (i), for each
4.25 ton for covered material that is not included on the lists established according to section
4.26 115A.1453, subdivision 1, that are recycled, composted, or otherwise diverted from disposal
4.27 by a service provider in the prior calendar year less the average fair market value for that
4.28 covered material; and

4.29 (iii) if mixed tons are managed through a process that include percentages of covered
4.30 materials included on the lists established according to section 115A.1453 and additional
4.31 covered materials, the per ton fixed amount shall be prorated for the values in items (i) and
4.32 (ii), based upon the most recent waste characterization for mixed recycling ton averages;"

5.1 Page 23, line 4, delete "service agreements, including" and insert "the program and
5.2 service provider participating in the program shall include the following"

5.3 Page 23, line 5, delete "an agreement"

5.4 Page 23, line 7, delete "a requirement" and after "providers" insert "must" and delete
5.5 "recyclable"

5.6 Page 23, line 8, delete "or compostable materials" and before the semicolon, insert ",
5.7 subdivision 1"

5.8 Page 23, line 10, after "providers" insert ", developed by the producer responsibility
5.9 organization and approved by the commissioner in the program plan,"

5.10 Page 23, line 18, delete "proof of"

5.11 Page 23, line 19, delete everything before the semicolon and insert "certificates of
5.12 compliance, upon request"

5.13 Page 25, line 12, before the period, insert "if such certifications are readily available,
5.14 applicable, and of equitable cost"

5.15 Page 26, delete subdivision 7 and insert:

5.16 "Subd. 7. **Statewide requirements.** (a) The commissioner must establish or approve
5.17 statewide requirements and the date the statewide requirements must be met for the following
5.18 categories:

5.19 (1) recycling rate;

5.20 (2) composting rate;

5.21 (3) reuse rate;

5.22 (4) return rate;

5.23 (5) the percentage of weight of covered materials introduced that must be waste reduced;
5.24 and

5.25 (6) the percentage of postconsumer recycled content that covered materials introduced
5.26 must contain, including an overall percentage for all covered materials, as applicable,
5.27 excluding compostable materials that cannot include postconsumer recycled content because
5.28 unique chemical or physical properties or health and safety requirements that prohibit
5.29 introduction of postconsumer recycled content.

5.30 (b) The commissioner may use the following information and criteria when establishing
5.31 statewide requirements under paragraph (a):

- 6.1 (1) needs assessment under section 115A.1450;
- 6.2 (2) goals and requirements of the waste management act under this chapter;
- 6.3 (3) statewide goals for greenhouse gas emission reductions under section 216H.02;
- 6.4 (4) need for continuous progress toward generating less waste from covered materials
6.5 and the complete reuse, recycling, or composting of the covered materials that are generated,
6.6 in doing so reducing impacts to human health and the environment;
- 6.7 (5) a preference for statewide requirements that accomplish and further the goals and
6.8 requirements in clauses (2) to (4) as soon as practicable and to the maximum extent
6.9 achievable; and
- 6.10 (6) information from packaging and paper producer responsibility programs operating
6.11 in other jurisdictions.
- 6.12 (c) The commissioner must consult with the product stewardship organization on the
6.13 proposed statewide requirements, and must submit proposed statewide requirements under
6.14 paragraph (a) to the advisory board and consider the board's recommendations before
6.15 finalizing the statewide requirements.
- 6.16 (d) Every five years, the commissioner must review the statewide requirements established
6.17 under paragraph (a). If the commissioner decides an update is not warranted at that time,
6.18 the commissioner must submit the reasoning to the advisory board and consider the board's
6.19 recommendations before making a final decision. If the commissioner decides an update is
6.20 warranted, the process in paragraphs (b) and (c) must be utilized.
- 6.21 (e) The producer responsibility organization must ensure the statewide requirements are
6.22 met."
- 6.23 Page 27, line 12, delete "at least every three years thereafter" and insert "upon request
6.24 from the producer responsibility organization or advisory board"
- 6.25 Page 27, line 15, after the period, insert "These covered materials must be collected at
6.26 the equivalent level of service and convenience as collection services for mixed municipal
6.27 solid waste."
- 6.28 Page 27, after line 15, insert:
- 6.29 "Subd. 2. **Alternative collection list required.** By March 1, 2027, the commissioner
6.30 must complete a list of covered materials determined to be recyclable or compostable and
6.31 collected statewide through systems other than the system required for covered materials
6.32 on the list established in subdivision 1."

7.1 Page 27, line 18, after "develop" insert "or amend"

7.2 Page 27, line 19, before the period, insert "and shall review any petitions by interested
7.3 parties for addition or removal of covered materials from the lists created under this section"

7.4 Page 27, after line 19, insert:

7.5 "Subd. 4. **Criteria.** In developing the lists specified in subdivisions 1 and 2, the
7.6 commissioner may consider the following criteria:

7.7 (1) current availability of recycling collection services;

7.8 (2) recycling collection and processing infrastructure;

7.9 (3) capacity and technology for sorting covered materials;

7.10 (4) availability of responsible end markets;

7.11 (5) the presence and amount of processing residuals and contamination;

7.12 (6) quantity of material estimated to be available and recoverable;

7.13 (7) projected future conditions for clauses (1) to (6);

7.14 (8) if collected for recycling, the covered material type and form must be one that is
7.15 regularly sorted and aggregated into defined streams for recycling processes, or the packaging
7.16 format must be specified in a relevant Institution of Scrap Recycling Industries specification;
7.17 and

7.18 (9) other criteria or factors determined by the commissioner."

7.19 Page 27, delete subdivision 3 and insert:

7.20 "Subd. 5. **Collection requirements.** (a) A producer responsibility organization must
7.21 collect covered materials included in a list established under subdivision 1 on a statewide
7.22 basis as follows:

7.23 (1) for residents that have curbside mixed municipal solid waste collection, provide
7.24 collection of covered materials at the same frequency and on the same day as mixed
7.25 municipal solid waste collection;

7.26 (2) provide collection of covered materials at each recycling or mixed municipal solid
7.27 waste drop-off site that is open to the public, including but not limited to canister sites,
7.28 transfer stations, and disposal facilities;

7.29 (3) provide a durable container dedicated to the collection of covered materials to every
7.30 residential unit served according to this paragraph; and

(4) in addition to the requirements of clauses (1) to (3), the producer responsibility organization may collect or contract for the collection of covered materials from the public by other means, including but not limited to other drop-off locations or mobile collections.

(b) A producer responsibility organization must collect covered materials included in a list established under subdivision 2 on a statewide basis as follows:

(1) the producer responsibility organization must provide:

(i) for each county with a population of 10,000 or less, at least two permanent drop-off collection sites;

(ii) for each county with a population greater than 10,000 but less than or equal to 100,000, at least two permanent drop-off collection sites and at least one additional permanent drop-off collection site for each additional 10,000 in population above a population of 10,000;

(iii) for each county with a population greater than 100,000, at least 11 permanent drop-off collection sites and at least one additional permanent year-round drop-off collection site for each additional 50,000 in population above a population of 100,000; and

(iv) a permanent drop-off collection site located within ten miles of the household of at least 95 percent of the residents of the state;

(2) the producer responsibility organization may propose an alternative to the requirements of clause (1) as a part of a stewardship plan if the producer responsibility organization demonstrates that the alternative will provide an equivalent or greater level of service and convenience; and

(3) the producer responsibility organization may use the following additional collection methods in accordance with section 115A.1451, subdivision 3, clause (2):

(i) curbside collection of source separated covered materials;

(ii) curbside collection less frequently than collection of mixed municipal solid waste;

(iii) mobile collection;

(iv) collection events;

(v) custom collection program based on the use and generation of the covered material being managed in a custom program; and

(vi) collection in the same manner provided for the covered materials in the list under subdivision 1."

- 9.1 Renumber the subdivisions in sequence
- 9.2 Page 28, line 10, delete "agreements and operations" and insert "reimbursement rates"
- 9.3 Page 29, line 2, delete everything after "marketplace"
- 9.4 Page 29, line 3, delete everything before the semicolon
- 9.5 Page 29, line 7, delete "agreements in"
- 9.6 Page 29, line 17, delete "AGREEMENTS"
- 9.7 Page 29, line 18, delete "RATES"
- 9.8 Page 29, delete subdivision 1 and insert:
- 9.9 "Subdivision 1. **Service provider reimbursement required.** The reimbursements
- 9.10 provided for waste reduction, reuse, processing, recycling, or composting services under
- 9.11 an approved stewardship plan shall only be provided to service providers that meet the
- 9.12 following conditions:
- 9.13 (1) establish strong labor standards and work safety practices, including but not limited
- 9.14 to safety programs, health benefits, and living wages;
- 9.15 (2) meets performance standards established under an approved stewardship plan; and
- 9.16 (3) establish clear and reasonable timelines for reimbursement, with a frequency of no
- 9.17 less than monthly."
- 9.18 Page 30, line 4, delete everything after "For"
- 9.19 Page 30, line 5, delete "materials and for"
- 9.20 Page 30, line 16, delete "Each service agreement must include" and insert "An approved
- 9.21 stewardship plan shall provide"
- 9.22 Page 31, line 8, delete "service agreement with a"
- 9.23 Page 31, line 9, delete "include" and insert "be provided" and delete "use a rate" and
- 9.24 insert "reflect relevant cost factors"
- 9.25 Page 31, line 15, after the period, insert "If a majority of political subdivisions in the
- 9.26 state choose not to participate in the program by January 1, 2030, the commissioner shall
- 9.27 revise the performance targets established under section 115A.1451, subdivision 7."
- 9.28 Page 31, line 19, delete "conduct activities that would conflict, compete," and insert
- 9.29 "restrict"
- 9.30 Page 31, line 25, delete "and the service agreements"

10.1 Page 31, line 28, delete "May" and insert "July"

10.2 Page 32, line 18, delete "through proof of testing or an analytical and scientifically
10.3 demonstrated methodology"

10.4 Page 33, line 3, delete the second "and"

10.5 Page 33, after line 3, insert:

10.6 "(11) any recommendations for additions or removal of covered materials to or from
10.7 the recyclable or compostable covered materials list developed under section 115A.1453;
10.8 and"

10.9 Page 33, line 4, delete "(11)" and insert "(12)"

10.10 Page 33, line 16, after the period, insert "If a performance target is unmet due to lack of
10.11 political subdivision participation in the program, the commissioner shall revise the
10.12 performance targets developed under section 115A.1451, subdivision 7."

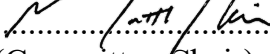
10.13 Page 35, line 9, before "It" insert "(a)"

10.14 Page 35, after line 15, insert:

10.15 "(b) Any implementation of a deposit return system is created with at least a two-year
10.16 transition period prior to the expiry of the currently approved stewardship plan and conducted
10.17 in a manner that does not create sudden and significant operational or financial disruption
10.18 to the implementation of a stewardship plan under section 115A.1451, including provisions
10.19 of recycling or reuse services contained in the plan."

10.20 Page 36, line 28, delete "agreements and"

10.21 And when so amended the bill do pass and be re-referred to the Committee on
10.22 Environment, Climate, and Legacy. Amendments adopted. Report adopted.

10.23 
10.24 (Committee Chair)

10.25 March 21, 2024.....
10.26 (Date of Committee recommendation)