



March 5, 2024

Chair Hawj & Members of the Senate Environment, Climate, and & Legacy Committee:

Thank you for the opportunity to provide comments on SF 3940, Senator Kupec's electronics recycling program bill, as proposed to be amended.

The Minnesota Retailers Association is comprised of 1,200 retail stores across the state, including main street retailers, regional/mid-sized retailers, and retailers with a national presence. Today's retail market is competitive, and consumers are mobile with many options for purchasing products, including across a state border, the country and in some cases even the world.

Minnesota has a strong history in its approach to e-waste. Beginning in 2007, manufacturers of video device displays have been responsible for funding end-of-product-life recycling. We should be proud that 488 million+ pounds of e-waste have been recycled through the current program. The accessible program, where today 93% of Minnesotans are within fifteen miles of an e-waste collection site according to MPCA, has driven e-waste down to a level where it makes up around two percent of our waste stream.

Can more be done? Absolutely. As Senator Kupec and other stakeholders consider changes to Minnesota's program, we believe it is important to consider these items:

- Any system should include **strong consumer education at its core**, including manufacturers doubling down on consumer awareness and understanding of recycling options as we know this is a fundamental driver to increasing Minnesota e-waste recycling rates.
- A manufacturer funded system should rest on the **convenience of collection and payment of all end-of-product-life costs including collection and transportation** for responsible recycling.
- **Minnesotans should not be charged additional taxes or fees** under a manufacturer funded e-waste recycling program. Such point-of-sale fees/taxes raise great concern for the competitiveness of our retailers and directly impact the pocketbooks of our residents.
- In some Minnesota communities, **the additional 2.4% e-waste sales taxes will raise the consumer tax to among the highest in the country—12.275%! This additional point of sale 2.4% e-waste tax would be added to our state general sales tax (6.875%), county taxes (some are .5%); city taxes (up to 1.5% when including St. Paul's April 1 roads and parks tax); metro area transportation tax (.75%); metro area housing tax (.5%), plus the recently passed \$.50 delivery fee. While all for important causes, that is seven bites at the consumer.**
- A high sales tax rate will drive consumers across the state border. As an example, shoppers in St. Paul will have a 12.275% sales tax rates versus across the river in Hudson, where a consumer will be subject to a 5.5% sales tax. **Pushing sales across the border only undermines the financial support of the e-waste program**, not to mention the other missed sales taxes and the program those dollars support.

Retailers share your goal of being good stewards of the environment, and we hope you share our goal of fostering a marketplace where Minnesota's retailers can competitively serve their customers.

We look forward to working with Sen. Kupec on a system that works for Minnesota and our consumers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bruce Nustad', with a stylized, flowing script.

Bruce Nustad
president