

SF4944 - 0 - Solid Waste Management; Food Waste

Chief Author: **Heather Gustafson**
 Committee: **Legacy and Natural Resources**
 Date Completed: **4/1/2024 8:36:38 PM**
 Agency: **Pollution Control Agency**

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	
	FY2023	FY2024	FY2025	FY2026	FY2027
Dollars in Thousands					
Environmental	-	-	938	963	963
Total	-	-	938	963	963
Biennial Total			938		1,926

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Environmental	-	-	4.5	5.5	5.5
Total	-	-	4.5	5.5	5.5

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: Jim Carlson **Date:** 4/1/2024 8:36:38 PM
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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		FY2023	FY2024	FY2025	FY2026
					FY2027
Environmental	-	-	938	963	963
Total	-	-	938	963	963
Biennial Total			938		1,926
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Environmental	-	-	938	963	963
Total	-	-	938	963	963
Biennial Total			938		1,926
2 - Revenues, Transfers In*					
Environmental	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

Bill providing for management of wasted food with a new law in Minnesota Statutes, Chapter 115A. Section 1 lists definitions pertaining to the bill. Section 2 details the requirements for surplus food and food waste management. Beginning in January 1, 2026, a person who generates per site, surplus food, food waste, or a combination above a threshold must separate the waste from other solid waste and manage the generated surplus food and food waste in accordance to listed methods, in priority order. The priority order is reduction at the source, donate or upcycle for human consumption, divert for consumption by animals or leave crops unharvested, and use of anaerobic digestion or composting. Beginning in January 1, 2025, a person that generates five tons or more of surplus food or food waste or a combination must determine and quantify the weight of the surplus food and food waste generated during the calendar year using one or more of the methods in section 115A.3952. For those exceeding one of the thresholds in subdivision 1, the amounts must be recorded and maintained.

By April 1, 2026 and by April 1 annually thereafter, a person who, during the preceding calendar year generated surplus food, food waste or a combination equal to or exceeding the thresholds in subdivision 1 must submit an annual report to the commissioner. Language details the required content of the report. For those exceeding the thresholds, the bill requires the person to provide education regarding the requirements of this section to individuals under the person's management to handle food.

A food recovery organization may contract with persons to manage surplus food and may refuse food for any reason. Beginning January 1, 2025, a food recovery organization that receives surplus food from the person with or without a contract in place must record and maintain records of the weight, categories and types of food it receives from each person.

A person generating surplus food or food waste may apply to the commissioner for approval to manage the generate surplus food or food waste according to the management practices specified in Section 115A.02. The bill describes what must be included in the application to the commissioner for approval. The commissioner may grant approval for a person to manage surplus food or food waste according to the management practices in section 115A.02 if the commissioner determines from the information in the application that there are circumstances beyond that person's control that make compliance impracticable or impossible.

Bill describes required record keeping.

Section 3 details the required methods for quantifying surplus food and food waste. Requires the units to be used as pounds or tons. The Agency is responsible for providing persons generating the materials with a volume-to-weight conversion tool. Record keeping is described.

Section 4 details the commissioner's authorities under this bill. The commissioner may develop and make available

educational materials and resources available. Upon request of the commissioner, for the purposes of determining compliance, a person must furnish any information that the person has or may reasonably obtain.

Assumptions

Existing program staff will assist as needed with education, outreach, QA/QC, and to support the additional FTEs in the implementation of the bill.

Assume the contracting for IT services will be needed to modify existing data systems to accept data required by the bill.

Assume that compliance and enforcement activities will be focused initially on education and outreach; as a result, compliance fines may not be realized for the first several years.

Expenditure and/or Revenue Formula

FY25:

- 1 FTE to implement and support the program
- 1 FTE to provide education and outreach
- 1 FTE to manage and analyze data
- 1 FTE for C&E
- 0.25 FTE for program data needs
- 0.25 for MNIT for form development
- Total salary: 4.5 FTE x \$175,000 = \$787,500
- \$150,000 for IT contractor support to modify existing data systems

FY26 and beyond

- 1 FTE to implement and support the program
- 1 FTE to provide education and outreach
- 1 FTE to manage and analyze data
- 2 FTE for C&E
- 0.25 FTE for program data needs
- 0.25 for MNIT for form development
- Total salary: 5.5 FTE x \$175,000 = \$962,500

*The annual cost of 1.0 FTE is \$175,000 in FY2023-2027. Annual costs for 1.0 FTE include salary, fringe, and non-specialized employee support costs (work space, computer and office supplies, office equipment, local travel, etc.)

Long-Term Fiscal Considerations

Solid waste management tax receipts should decline to some degree as a result of this material being diverted from the mixed-MSW stream and not being taxed. Food waste generators should see reduced costs associated with managing their food waste as mixed-MSW and not paying associated taxes through their prevention, reuse/rescue and composting/AD/biochar efforts.

Local Fiscal Impact

N/A

References/Sources

Staff familiar with the topic area were consulted in the drafting of this note.

Agency Contact:

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