

April 22, 2025

Senator Ann H. Rest  
Chair of the Committee on Taxes

Re: SF 3336 - Westrom: Rebate from the solid waste management tax requirement for materials removed from the waste stream for recycling, composting or reuse

Dear Chair Rest and Taxes Committee Members,

The City of Minneapolis supports the concept behind SF 3336 but feels additional work is needed before this bill should be considered for adoption.

Additional discussion by waste, recycling, composting and reuse industries are needed on the following aspects of the bill:

- **Diversion from landfills.** There are facilities in the State who are saving reusable and recyclable items at landfills. As written, the bill would not allow for these programs to be eligible for a rebate, and it's considerably easier, lower cost, and safer for materials removed at landfills for reuse or recycling than at resource recovery facilities or waste-to-energy facilities.
- **Diverted for composting.** If the intent of the bill is to offer a rebate for organics diverted through durable compostable bag programs, the draft language covers this activity. If the intent is to offer a rebate on additional removal of organics from mixed municipal solid waste (MMSW), the definition for compostable materials needs to be modified as it defines compostable materials as 'source-separated compostable materials.' Removal of organics from 'trash' is not source-separated. Compost facilities should also be engaged to verify they will accept organic materials separated from mixed municipal solid waste (MMSW) before they should be considered eligible for a rebate.
- **Solid Waste Management (SWM) Tax rebate for source-separated organics.** A broader discussion with the Department of Revenue is needed to accurately classify what portion of an co-collected (organics in a durable bag collected with MMSW) should not be subject to SWM taxes and fees.
- **Diverted for reuse.** Subd.2. (2) *the number of tons of recyclable material that are manually or mechanically separated from mixed municipal solid waste that are reused*, is not accurate. Recyclable materials (per the definition) are not items that would be considered reused by the industry. Reusable items could include a wide variety of other items from furniture, fixtures and storage bins to even building materials. Additional discussion is needed to identify what materials should qualify for reuse. If building materials are included, a separate rebate may need to be developed as Construction and Demolition landfills have a different SWM tax structure than MMSW.
- **Combustor ash and other 'beneficial uses'.** We do not feel that WTE ash or a vague description of other approved use should be eligible for a rebate.
- **Rebate calculation.** Additional research is needed to understand the full implications of the rebates for these activities.

**Most importantly, the adoption of SF 1082: Dedication to the resource management account increase, should be prioritized.** The increase of the State's recycling and composting goal in 2014 set higher expectations on counties and cities to develop or expand diversion programs and educational efforts to meet the goal. It did not, however, come with sustainable on-going funding for increased programs or educational efforts. Since the implementation of SCORE and SWM taxes, cities and counties have gone from just offering recycling programs to adding organics programs, electronics recycling, mattress recycling and a wide variety of reuse programs and activities – all without a permanent increase in SCORE funding to support these efforts.

Senate File 1082, will re-allocate SWM tax funding currently siphoned from the Environmental Fund to the State's General Fund back to its intended purpose through the SCORE program. This change is essential to helping meet City, County and State goals. Subdivision 2. (c) of SF 1082 bill is particularly important as it denotes the funds must be distributed to counties for waste reduction and diversion programs through the SCORE program.

The City appreciates the work done by authors and stakeholders in developing SF 3336 to be used as a starting point for industry discussions. The City is interested in working collaboratively with other solid waste management stakeholders to improve this bill for next session.

Sincerely,



Nicholas Gerold, Director  
Division of Solid Waste & Recycling  
City of Minneapolis