

March 13, 2025

Re: HF 1359 – Solid Waste Tax Revenue Directed to S.C.O.R.E.

Chair Davids and members of the House Taxes Committee:

The League of Minnesota Cities appreciates the opportunity to comment on HF 1359. We thank the author, Representative Johnson, for his work on this issue. The League supports this legislation and encourages the committee to adopt this proposal as part of its tax package this session.

Minnesota counties and cities take their responsibilities for solid waste management very seriously and devote considerable local resources to handle these services. Unfortunately, solid waste issues are growing increasingly complex and expensive and local governments need help to run these programs. The state collects a tax specifically from solid waste generation, but only 73% of those funds currently go to address solid waste needs. The balance goes to the general fund.

The need for those funds for solid waste management makes this legislation the correct step to take to get badly needed additional resources shifted to local solid waste programs through the S.C.O.R.E. program. The increased state assistance is badly needed and would be very helpful as our state works to address challenges related to solid waste management and recycling.

Thank you for your time and attention to this important issue.

Craig a Cohuson

Craig A. Johnson Sr. Intergovernmental Relations Representative League of Minnesota Cities



March 13, 2025

RE: HF1359 (Johnson)

Chair Davids, and Members of the House Taxes Committee:

Conservation Minnesota urges your <u>support for HF1359 (Johnson)</u>, which over several years, returns the revenues from the Solid Waste Management Tax to one of its originally intended purposes – helping counties reduce solid waste through SCORE grants.

The Minnesota Pollution Control Agency uses Solid Waste Management Tax revenues for several important purposes, including county waste reduction and recycling funding, also known as SCORE grants. These grants help counties reduce the amount of solid waste generated, increase recycling and composting, educate the public on better solid waste disposal options, cut down on litter, and improve overall solid waste management.

SCORE funding has been a critical piece of our solid waste management solutions since 1989, when SCORE grants were first passed into law. Thanks to SCORE funding, Minnesota has refined its waste management programs, and has become a national leader in recycling. Yet SCORE funding could be even better for counties if the diversion of the Solid Waste Management Tax is corrected and the revenues are rededicated for their original purposes.

In addition, SCORE reporting has also helped us understand the gravity of our current waste crisis, where the sheer tonnage is no longer manageable through outdated solid waste management models. As has been done for three decades, counties will use SCORE funding to develop better, more resilient waste management processes.

In this time of increased consumer and household waste driven by the rapid growth of ecommerce, counties need SCORE funding to help their communities reduce solid waste. We kindly ask for your support of HF1359 (Johnson).

Sincerely, Nels Paulsen Policy Director nels@conservationminnesota.org

James Lehner Policy Associate james@conservationminnesota.org



"To promote a zero-waste society that advocates for reducing waste, sustainably reusing resources and less landfill use."

March 13, 2025

Re: H.F. 1359 (Johnson), Support for SWMT allocation for SCORE grants

Dear Chair Davids and Members of the House Tax Committee:

The Minnesota Resource Recovery Association (MRRA) represents resource recovery facilities that process over 1 million tons of waste per year to generate renewable energy and reduce quantities of materials landfilled for over 30 counties. We fully support the additional allocation of Solid Waste Management Tax receipts to SCORE recycling grant funding and encourage the inclusion of this in the final 2025 Tax bill.

We strongly support a funding level that reflects the solid waste and recycling challenges counties face. The full allocation from the General Fund back to the environmental fund best reflects the scale of those challenges.

Counties rely on SCORE funding to keep waste out of landfills and address the health and environmental impacts of waste. Despite significant investment of local funds, statewide recycling rates have been stuck at 40-45%. SCORE grants provide local governments with resources needed to recycle more, reduce waste, foster reuse, divert organics and prevent environmental pollution from landfills. The appropriation in this language is necessary for counties to address the ever-increasing trash quantities and toxicity challenges, allowing counties to invest in programs to achieve state recycling mandates in pursuit of a zero-waste economy.

- MRRA <u>Supports</u> Efforts to Permanently Increase SCORE Grants. H.F. 1359 advances our 2025 legislative priorities agenda in support of efforts "to allocate all revenue generated by the Solid Waste Management Tax (SWMT) to waste management activities and increase SCORE funding."
- MRRA <u>Fully Supports</u> the Long-Established Waste Hierarchy of reduce, reuse, recycle toward achieving 'zero-waste' goals and minimal landfill disposal. Less than 25 percent of the state Solid Waste Management Tax (SWMT) revenue is allocated to

county SCORE grants even though state law assigns counties the lead responsibility. Further, those SCORE grant funding levels have remained relatively flat, and well below normal inflation. By comparison, 30 percent of SWMT revenue, or about \$30 million, is dedicated to the General Fund. Ironically, that General Fund portion has been increasing each year, but solid waste streams have continued to grow and outpace the recycling and landfill diversion program resources.

We appreciate the action taken in 2023 and 2024 to increase SCORE grant funding. However, with that increase, grants remain well below county investments needed to meet state recycling goals. Expanding organics collection, reduction and recycling work and expanding local markets for recycled material can cost tens of millions in infrastructure and operating expenses. Many counties report spending two to four times their SCORE allocation to address recycling and waste diversion program work,

In the future, fully dedicating General Fund SWMT revenues to SCORE grants will support a more sustainable path forward for reducing waste streams and achieving state recycling goals. MRRA stands ready to work with policymakers, state agencies, communities, and the private sector to take action on public and environmental health issues in 2025 and beyond.

Sincerely,

Chris McConn, P.E. MRRA Chair http://mnresourcerecovery.com/



March 12, 2025

Representative Davids, Chair, House Taxes Committee 2nd Floor Centennial Office Building St. Paul, MN 55155

Re: H.F. 1359 - Support

Dear Chair Davids and Members,

Minnesota Rural Counties (MRC) supports passage of H.F. 1359 to reallocate funds to crucial SCORE recycling grants for counties and local governments. Counties are mandated by the state to manage waste and help Minnesota achieve its recycling goals. The Solid Waste Management Tax (SWMT) was established in 1997 as a way to help local governments to address the challenges associated with managing solid waste effectively. However, 27% of the revenue collected from the SWMT is diverted to the state's general fund for purposes unrelated to solid waste management. This diversion has hindered the ability of counties to use these funds for waste management initiatives like recycling programs, waste reduction strategies, and landfill diversion.

Solid waste management is an MRC legislative priority this year. MRC strongly believes that SWMT funds should be allocated for solid waste management and used for their intended purpose, which will ultimately help both local communities and the state at large address the growing public health and environmental issues related to waste disposal, recycling, and sustainability. Our members, who are deeply involved in local waste management efforts, strongly believe that H.F. 1359 represents a crucial piece of legislation that could significantly contribute to resolving these mounting solid waste challenges.

Property taxes are a heavier burden for our low and fixed income residents, and without adequate state funding counties are forced to rely upon property taxes to provide state-mandated services. H.F. 1359 would help all counties continue to meet the needs of their residents.

Kituson

Commissioner Neil Peterson, Pennington County Chair, Minnesota Rural Counties



March 13, 2025

Representative Greg Davids Chair of the Committee on Taxes

Re: HF 1359 - Johnson, W.: Solid waste management; dedication to the resource management account increased.

Dear Chair Davids and Members,

The City of Minneapolis supports HF 1359: Dedication to the resource management account increase. In 2014, the State raised the recycling and composting goal in Statute for counties in the Metropolitan Aera to 75% by the end of 2030. The increase of the State goal 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 programs or educational efforts.

House File 1359 intends to do exactly that, re-allocate 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 this bill is particularly important as it denotes the funds must be distributed to counties for waste reduction and diversion programs through the SCORE program.

Wichdas Gerold

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



408 Saint Peter Street, Suite 350 Saint Paul, MN 55102

PHONE 651 225 0878 EMAIL info@fresh-energy.org WEBSITE fresh-energy.org

March 13, 2025

The Honorable Greg Davids Chair, Minnesota House Taxes Committee 2nd Floor Centennial Office Building St. Paul, MN 55155

Chair Davids and Committee Members,

Fresh Energy is a 30-year-old, Minnesota-based nonpartisan, not-for-profit organization. We work to shape and drive bold policy solutions to achieve equitable carbon-neutral economies. We appreciate the opportunity to share our thoughts in support of House File 1359.

House File 1359 would redirect funding from the Solid Waste Management Tax to improve recycling and solid waste reduction efforts at the county level, known as SCORE funding. Reducing solid waste is beneficial for communities in myriad ways – improving public health, reducing air pollution, generating local job opportunities and ultimately saving local governments money. Actually achieving these benefits requires recycling programs to be adequately resourced, and this bill is one proven strategy for doing that.

By recommitting to waste reduction through investment in programs such as SCORE, Minnesota has the opportunity to achieve a wide array of public benefits for our climate, our economy, and our communities. House File 1359 puts us on a track to harness that opportunity, and we encourage members to support this important legislation.

Sincerely,

Justin Fay Chief Advocacy Officer, Fresh Energy fay@fresh-energy.org March 11, 2025

Minnesota House Taxes Committee



Re: HF1359 – Solid Waste Management Funding Tax

Dear Chair Davids and Members of the Committee,

Eureka Recycling is writing in support of HF1359 which allocates additional funding from the Solid Waste Management Funding Tax to local governments supporting much needed waste reduction programs across the state.

Eureka Recycling is a social enterprise recycler based in Minneapolis. Our mission is to demonstrate that waste is completely preventable. While we hold a clear and bold vision for a world without waste, we use our on-the-ground experience to advocate for tangible, real-world solutions to better manage our resources, reduce waste, support local economies, and build healthy, equitable communities. To this end we need the state to expand waste management funding so local communities can effectively support strategies that reduce waste, support recycling and =composting programs, and build more circular local economies.

Currently, only a portion of SCORE funding is allocated to local government waste reduction efforts, while the remainder goes to the state's general fund. Yet, local governments across Minnesota are struggling with a growing waste crisis. Without the resources needed for local governments to combat waste and its associated environmental and public health implications, our state cannot reach much needed reduction, reuse and recycling goals.

We need to do more to invest in waste reduction solutions. Investing in reuse, composting, recycling, and waste reduction initiatives today can help reduce the state's future waste management costs. By diverting more waste from landfills and incinerators through increased access zero waste programs, Minnesota could avoid the high costs associated with expanding landfill space, waste disposal, and environmental cleanup efforts down the road.

We appreciate the consideration of our comments and invite you to visit Eureka Recycling for a tour of our Material Recovery Facility where you will see Zero Waste solutions in action.

Lucy Mullany Director of Policy & Advocacy Eureka Recycling <u>lucym@eurekareycling.org</u>



March 12, 2025

House Taxes Committee 120 Capitol Saint Paul, Minnesota 55155

RE: Support for H.F. 1359

Dear Representatives:

The Minnesota Chapter of the National Waste and Recycling Association (NWRA) is writing to convey our support for H.F. 1359, legislation to statutorily dedicate the solid waste management tax to SCORE grants. The NWRA is an industry association of waste haulers, recyclers, and waste processing facilities serving communities across the state. We collect the solid waste management tax from the customers we serve and remit it to the state.

Our association has long held the belief, as stated in statute, that solid waste tax revenues should be used for solid waste purposes. We fully support greater diversion of recyclable material, including organics, from the waste stream. To that end, we have always supported increasing SCORE grants to counties to provide more resources for reducing waste and recycling more materials from the waste stream. We support legislation that fairly and equitably distributes additional solid waste tax revenue to the counties to bolster recycling efforts.

We appreciate Representative Johnson (and the 34 bipartisan co-authors) for bringing the bill forward and kindly ask for your support.

Sincerely,

Amber L. Backhaus

Amber Backhaus NWRA Lobbyist

SCORE Funding Legislation HF1359/SF1082

WASTE REDUCTION + RECYCLING = CLEAN AIR + CLEAN WATER



SCORE grants provide funding for recycling programs, food waste management and prevention, composting and compostables management, waste reduction and management of household hazardous wastes and other problem materials.

SCORE is an important part of solid waste budgets, but it is insufficient for the infrastructure investments and programs needed to achieve zerowaste.

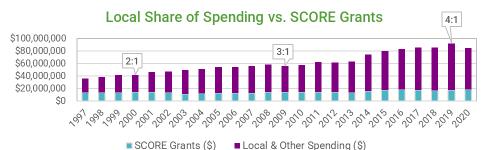
SCORE Programs Reduce Waste and Benefit the Economy

Minnesota's combined recycling and organics managment rate is 45.2% of materials discarded. Minnesota's recycling industry adds \$15.7 billion to the state's economy and employs 37,000 workers.

SCORE Programs Combat Climate Change

In 2022, **Minnesota posted a** greenhouse gas savings of 4,678,091 metric tons of carbon dioxide equivalent through locally-operated SCORE programs - comparable to the emissions of 970,000 vehicles for a year.

Solid Waste Management Taxes to SCORE Grants HF1359 /SF1082



The "Solid Waste Management Tax" (SWMT) was created for; and should be used to <u>manage solid waste</u> and reduce its environmental impacts.

This bill would capture the 27% of the Solid Waste Management Tax (SWMT) that is currently being diverted to the general fund and redirect it to the environmental fund for distribution of these dollars to counties as part of their SCORE grants. This legislation will move us closer to a zero-waste future with benefits to the environment, economy and climate.

For more information, please contact:Association ofBrian Martinson, AMC Environment & Natural Resources Policy AnalystAssociation ofOffice: 651-789-4322 | Mobile: 651-246-4156Minnesota Countiesbmartinson@mncounties.org

ST M I N N E S O T A SOLID WASTE ADMINISTRATORS ASSOCIATION

125 Charles Avenue, St. Paul, MN 55103-2108 | www.mncounties.org | www.mn-swaa.org



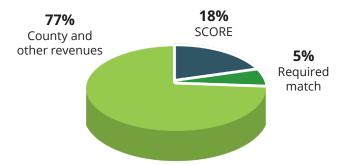
Increase SCORE funding to meet recycling goals

Counties need greater state investment in SCORE grants to meet state recycling goals, address today's more complicated solid waste challenges and keep valuable materials out of landfills. Currently, 27% of the state's solid waste management tax revenue goes to the state general fund. This user tax on trash must be redirected to support county efforts in addressing solid waste challenges.

SCORE grants have not kept pace with state recycling goals

The state raised the metro recycling goal to 75% without addressing the funding needed to achieve it. Revenues from the Solid Waste Management Tax have increased over time, yet a shrinking percentage of those revenues is used for SCORE grants. At one time, 35% of revenues went to SCORE, and now it's less than 20%. Counties come up with \$4 for every \$1 of state SCORE grant funding, far more than the required match.

County Recycling Spending and SCORE Grants, 2022



Investments in waste reduction, reuse and recycling are needed now

Counties need more SCORE funding to expand programs and support operationally intensive projects and capital investments.

- Minnesota has **spent over \$500 million on landfill cleanup**, with hundreds of millions more needed in the future. The state must prioritize funding for reduction, reuse and recycling to keep waste out of landfills.
- More than \$50 million worth of recyclables is lost to the waste stream each year in Partnership counties. Greater recycling investment will get these materials into Minnesota's production economy and grow jobs.
- Up to 55% of greenhouse gas emissions from landfills come from burying food waste. Organics recycling is the biggest opportunity to avoid landfilling and to reduce harmful emissions. Organics recycling requires investing in collection, processing capacity and education.
- Waste reduction and reuse deliver the greatest environmental payoffs. Current efforts such as countyrun Fix-It Clinics are only a start—**bigger impacts require more resources.**

State grants cover only 1/5 of county spending for recycling.



The Partnership on Waste and Energy—a collaboration between Hennepin, Ramsey, and Washington counties seeks to end waste, promote renewable energy and enhance the health and resiliency of communities we serve while advancing equity and responding to the challenges of a changing climate.