



March 19, 2024

Members of the House Commerce Finance & Policy Committee
Representative Zack Stephenson, Chair

RE: HF3566 (Hollins) – Tech Tax on Electronics

Thank you for the opportunity to provide comments on H.F. 3566 (Hollins) relating to electronic waste recycling in Minnesota.

Best Buy is opposed to HF 3566 and its proposed 3.2% tax on consumer electronics purchases. Put simply, the proposal:

- Is a regressive tax that hurts consumers;
- Shifts the financial burden for recycling from manufacturers to consumers;
- Removes the economic incentive for manufacturers to make sustainable design decisions; and,
- Does not distinguish between the recyclability, sustainability, or secondary value across or within product categories.

California was the first state to impose such a tax two decades ago and it applies only to a fraction of the products subject to this proposal. Importantly, no other state has followed this approach. Rather, twenty-four other states, including Minnesota, and the District of Columbia adopted an “extended producer responsibility” (“EPR”) approach which requires manufacturers to fund recycling programs.

To be clear, Best Buy is committed to improving Minnesota’s existing e-waste program as a retailer and private label manufacturer. Best Buy operates the most comprehensive consumer electronics and appliances recycling program in the country. Since 2009, we have responsibly recycled more than 2.7 billion pounds of e-waste on a voluntary basis in all fifty states, and as a manufacturer, we comply with all EPR laws, often exceeding minimum collection targets. **In Minnesota alone, Best Buy has recycled more than 50 million pounds of e-waste beyond our manufacturer obligation.** We collect many more types of electronics than required under current law – nearly all free of charge to consumers.

If Minnesota’s current e-waste law needs updating, the Legislature should pursue the following:

- First, compile better data. Minnesota’s data on electronics recycling rates and makeup of the waste stream is outdated and incomplete. We owe it to Minnesota residents to ensure that this data is current and complete before we ask them to fund a second electronics recycling program based on an untested model.
- Second, Minnesota should study the Oregon approach. Its successful program ensures that recycling options are convenient, statewide, and free – fully funded by manufacturers. Moreover, it requires manufacturers to fund consumer education on the

importance of recycling and the available convenient collection options. Other states' experiences reinforce that the single greatest barrier to increased recycling is low consumer awareness.

We remain committed to working with Rep. Hollins and all stakeholders to reviewing and improving Minnesota's existing electronics recycling program.

Thank you for your public service and consideration of our views. If you have any questions, feel free to contact me directly at 612-291-4174 or dan.lopez@bestbuy.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan López", with a stylized flourish at the end.

Dan López
Director, Government Affairs



March 20, 2024

Chair Zack Stephenson
Members, Commerce Finance and Policy
10 State Office Building
St. Paul, MN 55155

Re: HF3566: Program established to collect and recycle electronic waste established, account created, report required, rulemaking required, and money appropriated

Dynamic Lifecycle Innovations is a full-service electronics and materials lifecycle management company, headquartered in Onalaska, WI. We specialize in electronics recycling, IT asset disposition, EPR legislative compliance, data security, and materials recovery. Dynamic has been the contracted State of Minnesota primary electronics recycler since 2016 and has been participating as a recycler and collector within the Minnesota Electronics Recycling Program for over 15 years.

We have significant interest in the advancement of electric collection and recycling, as well as environmental stewardship initiatives in Minnesota. Being an actively involved stakeholder in the state, we have reservations about the current proposed legislation. We appreciate the opportunity to provide our comments today.

Our primary concerns are as follows:

- **Compliance Oversight Loss:** Currently, the Minnesota Pollution Control Agency staff effectively oversee one of the nation's most comprehensive and compliant electronic waste programs. This bill's proposal threatens to remove much of this responsibility from the PCA, potentially compromising the oversight needed to ensure responsible recycling practices statewide.
- **Administrative Complexity:** The proposed bill introduces numerous funding mechanisms and payment processes involving various stakeholders. This complexity increases the administrative burden, raising concerns about accurately and efficiently processing transactions. Such challenges could jeopardize the effectiveness of post-collection responsible recycling efforts, with reimbursements occurring from the State to the collection stakeholders in lieu of the end recycler.
- **Recycler Perspective:** The proposed bill lacks consideration for the perspective of recyclers regarding the proper handling of materials post-collection. Incorporating this viewpoint is crucial for developing a comprehensive program and infrastructure that ensures the long-term success of recycling initiatives in Minnesota.

Dynamic Lifecycle Innovations is eager to engage in further dialogue regarding the expansion of electronic devices covered under the Minnesota Electronics Recycling Act. Our aim is to align with the goal of reducing electronic waste in state landfills, and we strive to support this overarching goal brought forth through this Bill.

We would welcome the opportunity to schedule a call or arrange an in-person meeting for further discussion. We are keen to provide a more detailed recycler perspective with the goal of endorsing



optimal, comprehensive programs that foster environmental stewardship and garner support from all stakeholder groups.

Sincerely,
Nick Shuman
OEM Solutions Manager
Dynamic Lifecycle Innovations Inc.

Amanda Buros
Director of OEM Solutions
Dynamic Lifecycle Innovations Inc.



Lutheran Advocacy - Minnesota

To: Chair Rep. Zack Stephenson & Members
MN House Commerce Finance & Policy Committee

From: Tamela K. Walhof, Director
Lutheran Advocacy – Minnesota, ELCA

Re: Support for H.F. 3566

Date: March 19, 2024

Dear Chair Stephenson and Members –

I write to you on behalf of Lutheran Advocacy-MN, which is a ministry of the Evangelical Lutheran Church in America and all six Minnesota ELCA Synods. Those synods are made up of almost 1000 ELCA churches and well over 600,000 baptized members statewide.

We **support the Electronic Waste Recycling bill, H.F. 3566** and hope you will recognize its **importance to stewardship and care for the earth** (and its people).

The 2007 Electronics Recycling Act has not adequately served our state for some time. It's time to **expand the definition of e-waste**, allowing for the new sources of batteries and waste that may not have even been conceived of yet. Currently, too many toxic metals and minerals are leaching into groundwater through landfills and spreading through the air due to being burned in incinerators or accidental fires.

We have been hearing from individuals and churches trying to do the right thing in electronic recycling, who cannot find how to dispose of it responsibly in their part of the state. **Free and accessible drop-off or collection** must be made available statewide, along with **education about what constitutes e-waste**. Until working on this bill, many of us had not considered the danger of improperly disposing of Bluetooth ear buds, “singing” greeting cards, and other small electronics (containing batteries and circuit boards) which pose fire hazards if thrown in the trash. Further, **collection and recycling needs to be incentivized**, both to guard against toxins in the air and water, and to extract the minerals that are needed in the production of more batteries and electronics. **True stewardship must consider all these concerns**.

The study from the Iron Range Partnership for Sustainability is already getting attention from some of our churches in the Northeastern Minnesota Synod. The value of what can be extracted from e-waste (\$2.8 billion) are another important form of “mining” and jobs (1700) for that region to consider. This is also important as the world works to move away from fossil fuels, since the minerals and metals in e-waste are increasingly in demand.

Once passed and implemented, **we intend to educate through our church networks to help dramatically increase electronic recycling**. Please don't let us down by not passing it!

Thanks so very much for your attention to electronic recycling!

Tammy Walhof, Director, Lutheran Advocacy-MN
(on behalf of our statewide church networks and synods)

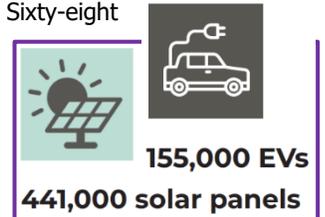
Issue: Electronic Waste

The Problem: Electronic waste is the fastest growing waste stream in the world, growing 3-5 percent per year. In fact, around 20 percent of waste globally is from e-waste, while it comprises 70 percent of toxins in landfills. Yet, most anything with a cord, battery or circuit board can be recycled. Out of 266 million pounds of e-waste generated annually in Minnesota, only about 24% is captured, recycled, and reused.



This presents a significant health risk, as well as an economic loss. E-waste in landfills leaches toxins into water supplies, while that burned in garbage incinerators puts dangerous toxins into the air we breathe. Some e-waste causes fires in waste hauling vehicles, landfills, buildings, and more. This adds expense to collection fees and taxes, not to mention damage to the health of nearby residents.

Economic Opportunity: A recent study discovered that if 100 percent of Minnesota's e-waste were recovered, it **could generate \$2.8 billion** and **create almost 1740 directly related jobs** (and many indirect jobs). Sixty-eight different minerals/metals are recoverable, the most valuable of which include Palladium, Platinum, Gold, Copper, Tin, Lithium, Iron, Aluminum, Silver, and Ruthenium. Enough silver can be recovered for 441,000 solar panels, and enough copper for 155,000 electric vehicles. [See [The Economic Potential of E-Waste Recycling in Minnesota: A Pilot Study](#) - p. 6 element charts; pictures/facts from p.7].



Past Legislation: Minnesota's Electronics Recycling Act, passed in 2007, is out of date. Some of what it defined as e-waste included electronics like CD/DVD players, VCRs, and other electronics that are no longer popular. Meanwhile, items like Bluetooth ear buds did not even exist until more recent years yet include lithium batteries and circuit boards. E-cigarettes didn't start infiltrating the U.S. market until the late 2000s (and in the case of disposable vapes, aren't even rechargeable). Also, smart phones which most of us now carry (and replace every couple of years) started gaining wide popularity in the years after the introduction of the iPhone at the end of June in 2007 (after the end of the legislative session which passed the Electronics Recycling Act).

At its peak, under the 2007 legislation, around 40 million pounds of e-waste was collected, but by 2021 that was down to only 20 million pounds. Currently, residents and businesses must pay fees (sometimes hefty amounts) to do the right thing by depositing e-waste for recycling. Limited drop-off locations and items collected present further barriers.

2024 Legislative Proposal: Lutheran Advocacy-MN is joining other organizations to pass legislation that would...

- 1) **Change the definition of e-waste** to include any device covered by electricity (This is a broad and flexible definition, which covers any device into the future, including those not yet conceived of)
Exclusions:
 - Lead acid batteries (a car battery buyback program already exists, resulting in a 95% recovery rate)
 - Electronic Vehicles & Infrastructure (recycled by a different process and different stakeholders)
 - White Waste – Refrigerators, washers, dryers,
- 2) Provide **free accessible drop-off or collection** of e-waste statewide for residents AND businesses
- 3) Collect **fees at the point of sale** of electronic items (3-4% of item cost) **to cover collection costs** including disposal, shipping, up to two employees per collector, and an additional incentive per pound.

[See KARE 11 News Coverage of the Study](#)

Sources:

1. Maria Jensen: Repowered (Environment, Health, & Safety); Recycling Electronics for Climate Action (RECA); Areas of Study: Public Health (Research Methods); Environmental Toxicology & Public Health. Presentations: MEP Climate & Energy Cluster; [Ely Tuesday Group](#)
2. Lucy Mullany: Eureka Recycling. Presentations/Discussions: MEP Climate & Energy Cluster
3. Jensen, Maria; Roopali Phadke; Keith Steva; Marlise Riffel. "[The Economic Potential of E-Waste Recycling in Minnesota: A Pilot Study.](#)" Iron Range Partnership for Sustainability; Repowered; Macalester College. August 2023.
4. "[Harnessing the Economic Potential of E-Waste Recycling: A New MN Study.](#)" Repowered.
5. Smieja, Jon. "[The Enormous Opportunity of E-Waste Recycling.](#)" World Economic Forum. March 24, 2023.

ST PAUL

AREA CHAMBER

401 N Robert Street, Suite 150
St. Paul, MN 55101

MAKING CONNECTIONS THAT COUNT

March 18, 2024

Representative Zack Stephenson, Chair, House Commerce Finance and Policy Committee
449 State Office Building
St. Paul, MN 55155

Dear Chair Stephenson and Committee Members:

On behalf of the 1,700+ members and affiliates of the St. Paul Area Chamber, who represent more than 3 million employees and their families, we appreciate the opportunity to provide comments on H.F. 3566.

Minnesota's electronic waste recycling program has been very successful, in terms of consumer participation, volumes recycled, and waste kept out of landfills. Certainly, there are opportunities to improve processes and outcomes, but we ask that you consider the consumer costs of the legislation.

Our concern is focused on the proposed 3.2% e-waste sales tax. As you know, the sales tax rate in the City of Saint Paul will increase to 9.875% on April 1, 2024 (the highest in the state). An additional e-waste sales tax would mean consumers would pay a 13.075% sales tax on electronic goods purchased in our city, putting those retailers at a severe competitive disadvantage and potentially pricing out consumers. One needs to look no further than Hudson, WI. A consumer would save \$82 dollars in sales taxes on a \$1,000 television by driving twenty minutes east.

While we certainly appreciate the intent of this legislation- expanding the products included and the participation in electronics recycling- we are deeply concerned that the point-of-sale funding mechanism will hurt both retailers and consumers.

Respectfully,



B Kyle President & CEO
St. Paul Area Chamber

CC: Rep. Athena Hollins

