

Sent Via Email

March 9, 2022

Representative Rick Hansen, Chair
House Environment and Natural Resources Finance and Policy
407 State Office Building
St. Paul, MN 55155

Chair Hansen and Members of the Environment and Natural Resources Finance and Policy
Committee:

The Minnesota Inter-County Association (MICA) is a voluntary association whose members include fifteen of Minnesota's larger and faster growing counties, including four suburban and eleven Greater Minnesota counties.

MICA supports adoption of HF2367 (Hornstein) to better protect public health and the environment by redirecting solid waste management tax (SWMT) revenues currently deposited into the state General Fund to SCORE grants under Minn. Stats. 115A.557.

State law assigns lead accountability for meeting state solid waste mandates to counties. In that role, counties now spend over four times more dollars from local and other resources on recycling efforts than the amounts provided by SCORE grants. Despite that local commitment, solid waste streams continue to grow in both volume and complexity.

Even with the \$700,000 annual SCORE grant increase enacted in 2021, less than 20 percent of SWMT revenue is allocated back to counties to fund recycling related programs. Increased SCORE grants will allow counties and local partners to expand organics collection, reduction, and recycling efforts, as well as expand local markets for recycled material. Such projects can cost tens of millions in infrastructure and operating expenses and are necessary to both meet state-determined recycling goals and to move Minnesota toward zero-waste objectives.

Originally designed to help state and local government fund recycling related programs, the SWMT now provides nearly \$28 million (30 percent of revenues) to the General Fund.

Redirecting the 30 percent of SWMT revenues to SCORE grants will help put the state and local communities on a healthier and more sustainable path and strengthen Minnesota's economy. For example:

- Recycling creates more jobs than landfilling. The recycling industry employs 37,000 Minnesotans.
- Recycling's total economic benefit to Minnesota is an estimated \$15.7 billion.
- Developing local recycling markets keeps resources, jobs, and businesses here.

Passage of HF2367 (Hornstein) to increase SCORE is truly an investment in Minnesota. MICA respectfully requests that the legislature pass HF2367 (Hornstein) to restore funding for recycling to counties.

Sincerely,



Matt Massman, *Executive Director*
Minnesota Inter-County Association
763-458-1681 (cell)
Matt.Massman@mica.org



House Environment and Natural Resources Committee

NWRA Testimony on HF 2367

March 3/8/22

Introduction: Mr. Chair, Members of the Committee, my name is Doug Carnival and I am here today representing the Minnesota Chapter of the National Waste and Recycling Association (NWRA), an industry association of waste haulers, recyclers and waste processing facilities.

Thank you for the opportunity to comment on HF 2367. We appreciate the efforts of Representative Hornstein to capture additional solid waste tax revenue that is currently sent to the General Fund and 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 for recycling purposes.

Thank you for your time today---I appreciate the opportunity to testify and our Association looks forward to further discussion of these important issues.



March 8, 2022

Re: Support for H.F. 2367

Dear Chair Hansen and members of the Environment and Natural Resources Finance and Policy Committee:

The League of Minnesota Cities appreciates the opportunity to submit comments related to H.F. 2367 (Hornstein) and respectfully asks that members support this legislation. Local governments rely on grants from the SCORE program as base funding for their overall local recycling, waste reduction, organics collection efforts. Many counties then pass along available resources for cities to manage these services within their boundaries. The infusion of solid waste tax resources directed by this legislation is badly needed by Minnesota cities, as the costs and complexity of running these programs has increased significantly and can run up to four times higher than SCORE funding in any given county.

The League supports the increase in SCORE funding proposed in H.F. 2367 being included in the 2022 supplemental budget and tax package developed by the legislature. Thank you for your attention and time spent on improving funding for this key portion of local solid waste management.

Sincerely,

A handwritten signature in black ink that reads "Craig A. Johnson". The signature is written in a cursive, flowing style.

Craig A. Johnson
Intergovernmental Relations Representative
League of Minnesota Cities



March 8, 2022

Representative Rick Hansen, Chair
Environment and Natural Resources Finance and Policy Committee
407 State Office Building
St. Paul, MN 55155

Re: HF 2367 Solid Waste management tax revenue allocation

Dear Chair Hansen:

On behalf of the Dakota County Board of Commissioners, I am writing to request your support for HF 2367, relating to the allocation of the Solid Waste Management Tax (SWMT).

The 2022 Dakota County Legislative Platform includes two planks that support HF 2367:

- The re-distribution of the collected Solid Waste Management Tax that is currently distributed to the State General Fund to counties for state-mandated landfill abatement programs, and
- Increased SCORE funding to metropolitan counties to offset costly state mandates.

In 2014, the Legislature increased the Twin Cities Metropolitan Area's 2030 recycling rate goal from 50 percent to 75 percent. In 2016, the Minnesota Pollution Control Agency issued the Metropolitan Solid Waste Management Policy Plan, directing metropolitan area counties to develop county Solid Waste Master Plans that implement strategies to meet the legislative recycling rate goal.

Current SCORE funding to counties is not sufficient to address the state recycling goals. In 2022, Dakota County will receive \$1,292,998 in SCORE funding to help provide solid waste programming throughout the county. That funding comes with a requirement for a 25% local match, or \$324,250. Unfortunately, these funds are far from sufficient to implement the requirements of the Solid Waste Management Policy Plan. In 2022, Dakota County has budgeted more than \$2.7M in County funds to address solid waste programming directly related to the state mandates. This is more than eight (8) times the required matching funds for the SCORE grants.

County Board of Commissioners

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Between July 2020 and June 2021, the SWMT proceeds exceeded \$93M. Under current legislation, 30% of that revenue will be credited to the State General Fund, where it is not used to address solid waste challenges. Adjusting the allocation of SWMT proceeds to phase out the General Fund contribution by the end of 2025 and redirecting those funds to the activities identified in Minnesota Statutes 115A.557, subdivision 2, paragraph (a) clauses 1 to 7 and 9 to 11, will help support important local solid waste programming such as household hazardous waste, recycling and organics. This should result in increased SCORE Funding to Counties as they implement state mandated solid waste management activities.

We would appreciate your support for this vitally important change to the allocation of Solid Waste Management Tax proceeds to assist counties.

Thank you,

A handwritten signature in black ink, appearing to read "Kathleen A. Gaylord", written over a horizontal line.

Kathleen A. Gaylord, Chair
Dakota County Board of Commissioners

Partnership on Waste and Energy

Increase SCORE funding to meet challenging recycling goals

The Partnership on Waste and Energy (PWE) 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.

Minnesota law requires counties to implement recycling programs to achieve state recycling goals, including recycling 75% of metro waste by 2030. Counties need greater state investment in SCORE grants to meet today's more complicated solid waste challenges, achieve increasingly difficult recycling goals and keep valuable materials out of landfills.

Allocation to SCORE grants has not kept pace with state recycling goals

The state raised the metro recycling goal from 50% to 75% in 2014 without addressing the funding needed to achieve it. While revenues from the Solid Waste Management Tax (SWMT) have been increasing, little of that increase has been used to fund SCORE.

- A shrinking percentage of SWMT revenues is used for SCORE grants, much less than the 30% of revenues diverted to the state's general fund. At one time, 67% of SWMT revenues was used for SCORE.
- The PWE counties spend three times more on waste prevention and recycling than they receive in state SCORE grants.

Investments in waste prevention, reuse and recycling are needed now

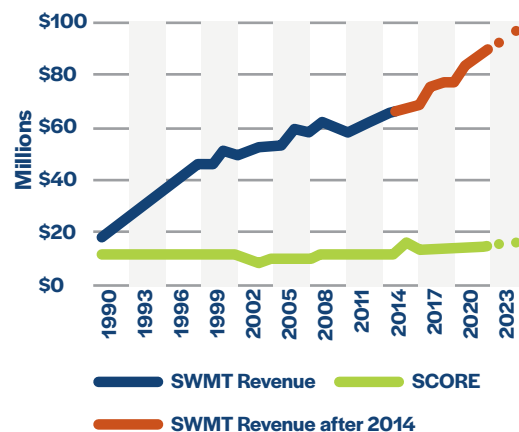
Significant forward-looking investments are needed for waste prevention, reuse and recycling infrastructure to push beyond our current wins and onto new challenges. Current SCORE allocations are insufficient to make these capital- and operationally-intensive investments.

- Minnesota has spent \$400 million so far on cleaning up landfills. We need to prioritize resources to keep materials out of landfills through prevention, reuse and recycling.
- Even with currently high recycling rates, the market value of materials lost to the waste stream in the PWE counties is estimated to be more than \$50 million per year. Strategic investments in recycling infrastructure and programs can put these materials to work for Minnesota's economy and jobs.
- Organics recycling is the biggest opportunity to avoid landfilling. It will not happen without significant expansion of collection and processing infrastructure and extensive educational efforts.
- Waste reduction and reuse offer the best environmental payoffs. County successes with current efforts such as Fix-It Clinics are only a start—bigger impacts will take more resources.

Contact for More Information

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Capitol Hill Associates
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rob@capitolhillassoc.com

SWMT Revenue & SCORE Funding Since 1990





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www.mn-swaa.org

March 10, 2022

Representative Rick Hansen
Chair, House Environment and Natural Resources Finance and Policy Committee

Re: HF2367 (Hornstein): Solid waste management tax revenue allocation

Dear Chair Hansen:

The Association of Minnesota Counties (AMC) is a membership-based organization representing all 87 Minnesota counties and the Minnesota Solid Waste Administrators Association (SWAA) is an AMC affiliate that represents the interests of county and waste districts professional staff. Counties have specific waste management and reduction responsibilities delegated to them through state statute, and both AMC and SWAA advocate for policies and funding that improve and promote responsible waste management and reduce environmental impacts of solid waste.

We encourage your support of HF2367 to dedicate all Solid Waste Management Tax (SWMT) revenues to waste management and landfill diversion efforts.

The SWMT was created for; and should be used to manage solid waste and reduce its environmental impacts. Currently, less than 20% of total SWMT collections are dedicated to county solid waste management efforts (\$18.45 million), and yet 30 percent is directed to the general fund for purposes unrelated to waste management. AMC and SWAA have long supported allocating 100 percent of the revenue generated by the SWMT to state and county waste management activities.

SCORE grants provide local governments with resources to reduce waste, foster reuse and recycling, divert organics, and prevent environmental pollution from landfills. Locally programs have proven successful and statewide waste reduction and landfill diversion is paying dividends, protecting surface and groundwater resources, and reducing greenhouse gas emissions produced by landfilling.

Unfortunately, growth in solid waste volumes continues to outpace growth in recycling – state investments in local government efforts, through SCORE, have been largely stagnant. Local governments have been stepping up with significant investment of local revenues, but we need to right-size SCORE grant levels to meet our solid waste challenges head-on and improve environmental outcomes.

AMC and SWAA appreciate this opportunity to share our support of HF2367 and encourage the committee to fully fund this proposal.

Sincerely,

Commissioner Todd Patzer, Lac qui Parle County
President, Association of Minnesota Counties

Laine Sletta, Brown County
President, Minnesota Solid Waste Administrators Association



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

March 9, 2022

HF 2367 (Hornstein)

Dear Chair Hansen and Environment and Natural Resources Committee Members:

On behalf of the Minnesota Resource Recovery Association (MRRA) trade group representing 9 waste-to-energy facilities across the state, the MRRA Board of Directors urge your support for H.F. 2367 (Hornstein), to amend the Solid Waste Management tax revenue allocation.

- **MRRA Supports Efforts to Permanently Increase SCORE Grants (H.F. 2367).** H.F. 2367 advances our 2022 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 fully supports the long-established waste hierarchy of reduce, reuse, recycle toward achieving ‘zero-waste’ goals and minimal landfill disposal.** Less than 20 percent of the state Solid Waste Management Tax (SWMT) revenue is allocated to county SCORE grants even though state law assigns counties 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 as, unfortunately, solid waste streams and landfill deposits have also continued to grow and outpace the recycling and landfill diversion work.

We appreciate the action taken in 2021 to increase SCORE grant funding by a fixed \$700,000 annually. 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

MRRA Letter of Support HF 2367 (Hornstein)

operating expenses. Many counties report spending two to four times their SCORE allocation and still experience lost recycling opportunities due to cost constraints. The last major increase in SCORE funds was led by then-Speaker Thissen, Chair Wagenius and Rep. Hornstein.

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 2022.

Sincerely,

A handwritten signature in black ink that reads "Kate Baust". The signature is written in a cursive, flowing style.

MRRA Executive Director

MRRA Board of Directors



CONSERVATION
MINNESOTA

March 10, 2022

RE: HF2367 (Hornstein)

To: Chair Hansen and the Environment and Natural Resources Finance and Policy Committee,

On behalf of the members of Conservation Minnesota located in all of Minnesota's 87 counties, we write to express our strong support for HF2367 (Hornstein). As an organization, our mission is to protect the people and the places that Minnesotans love; and capturing the environmental and economic benefits of recycling and waste reduction is central to this goal.

In 1989, the Legislature adopted a set of recycling and waste reduction laws, known as SCORE, in order to effectively manage municipal solid waste according to the state's hierarchy, emphasizing waste reduction, reuse and recycling. The primary outcome of SCORE was the allocation of state funding (via the solid waste management tax) for grants to counties to support this management, providing necessary funding for waste reduction activities, recycling, composting, household hazardous waste programs, and problem materials collection. SCORE immediately became a pivotal part of recycling budgets, helping local communities meet the state's waste hierarchy and, later, the state's recycling goals. However, over time, the state has failed to adjust SCORE grants along with inflation, neglecting counties in order to redirect large portions of the solid waste tax to the General Fund. Today, only 20% of solid waste taxes go to support county SCORE grants, even as 30% or \$27.2 million is diverted to the General Fund.

The diversion of Minnesota's solid waste management tax away from the Environment Fund, and away from the SCORE grants that rely on the fund, has limited counties' ability to meet or surpass recycling goals and deliver key benefits from waste reduction and recycling. According to the MPCA, Minnesotans are still throwing away more than 850,000 tons of recyclables, with an estimated value of \$153 million. In the 2019 SCORE Report, the state found that the combined recycling and organics rate decreased from the prior year, falling 3.6% to 43.5% statewide. In Greater Minnesota, the report found that the combined recycling and organics rate had decreased by over 7% since 2014. And, as a result of falling recycling rates and waste-to-energy closure, statewide landfilling of municipal solid waste increased by over 250,000 tons between 2018 and 2019. In order to turn the tide and achieve zero-waste goals, our communities need to invest in infrastructure and program changes. But at the moment, counties are being left with significant funding gaps due to solid waste tax diversion at the state level.

HF 2367 (Hornstein) is a bipartisan bill that seeks to make a long-overdue adjustment to solid waste management tax allocation, and to provide counties with additional resources for waste reduction and recycling. This legislation gradually phases out diversions of the solid waste tax to the General Fund, increasing the contribution to the Environment Fund and directing the increased funding toward SCORE. Given the state's current budget surplus, now is the time to recapture funds diverted to the General Fund and make the necessary increases to local recycling programs without raising taxes on Minnesotans.

Investing in SCORE is an effective way to create expansive, multiplying economic and environmental benefits for communities in all parts of Minnesota. According to the MPCA, recycling supports more



CONSERVATION
MINNESOTA

than 60,000 jobs in our state, paying almost \$3.4 billion in wages and adding nearly \$15.7 billion to Minnesota's economy. Annually, Minnesota recycling programs collect approximately 2.5 million tons of material worth over \$690 million. Across the country, recycling and reuse activities create 1.17 jobs for every 1,000 tons of materials recycled and generate over \$5.5 billion in tax revenues every year. Recycling and waste reduction represent major economic opportunities nationwide, and developing local recycling markets keeps those opportunities in Minnesota.

Increasing recycling and limiting waste is a vital aspect of protecting our environment and the people who rely on it. Waste reduction and recycling decreases the amount of waste sent to landfills and incinerators, limiting greenhouse gas emissions. Landfills, in particular, are a major source of methane emissions. According to the MPCA, food that could otherwise be recycled through organics programs makes up 18% of landfills in Minnesota, where it breaks down and produces methane gas with heat-trapping potential 25 times greater than carbon dioxide. Recycling and waste reduction programs also help our state save energy by avoiding unnecessary, energy-intensive primary production, and they limit harmful air and water pollution by decreasing the need for extractive practices and the potential for landfill leachate or incineration emissions.

Today, this committee has an opportunity to help deliver the benefits of recycling and waste reduction by providing meaningful assistance to local communities. Local governments need help in developing and implementing efficient recycling and waste diversion programs, and that starts with recapturing the portion of the solid waste tax paid by citizens that has been diverted to the General Fund. The state's economic situation offers a unique window to invest in communities across Minnesota and to generate lasting, wide-ranging economic and environmental impacts – without raising the solid waste management tax by a single cent. On behalf of our members, we thank the bipartisan group of legislators responsible for bringing forward HF 2367, and we hope that the committee will support this bill.

Sincerely,

Nels Paulsen, Policy Director (608) 469-5299 nels@conservationminnesota.org
David Pelikan, Policy Associate (262) 685-7265 david@conservationminnesota.org