

**HF2367 - 0 - Solid Waste Management Tax Revenue Allocation**

Chief Author: **Frank Hornstein**  
 Committee: **Environment And Natural Resources Finance And Policy**  
 Date Completed: **3/9/2022 3:02:21 PM**  
 Lead Agency: **Pollution Control Agency**  
 Other Agencies:  
 Revenue Dept

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		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
State Total						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-

**Lead 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:** 3/9/2022 3:02:21 PM  
**Phone:** 651-284-6540      **Email:** jim.carlson@lbo.mn.gov

**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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

**HF2367 - 0 - Solid Waste Management Tax Revenue Allocation**

Chief Author: **Frank Hornstein**  
 Committee: **Environment And Natural Resources Finance And Policy**  
 Date Completed: **3/9/2022 3:02:21 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		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-

**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:** 3/9/2022 3:01:10 PM  
**Phone:** 651-284-6540      **Email:** jim.carlson@lbo.mn.gov

**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.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>						
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-

**Bill Description**

A bill amending the allocation of revenues from the solid waste management tax. Over the time period of fiscal years 2022-2026, the bill proposes to incrementally increase the amount from the solid waste management tax to be deposited into the Environmental Fund, reaching 100% in fiscal year 2026.

The remainder in fiscal years 2022 through 2025 must be deposited into the general fund.

The difference between the amount deposited in the environmental fund under this bill, and what would have been deposited prior to this bill, must be expended on the development and implementation of county programs to reduce solid waste and increase recycling, composting, and related activities, as described in section 115A.557.

**Assumptions**

This bill identifies an amount of solid waste management tax receipts in the General Fund and redirects them to the Environmental Fund for use solely to fund county programs that reduce solid waste and increase recycling, compost, and related activities through grants, as defined in section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11). These grants are known as Select Committee on Recycling and the Environment (SCORE) grants to counties. All counties in Minnesota are eligible for these grants.

Because the MPCA currently grants monies under MS 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11) to counties, it is assumed that the required level of effort for reporting and monitoring will remain similar and not add to existing grant management costs.

**Expenditure and/or Revenue Formula**

N/A

**Long-Term Fiscal Considerations**

N/A

**Local Fiscal Impact**

Counties will see an increase in funding for programs to reduce solid waste and increase recycling, composting, and

related activities. These increases will vary among counties.

**References/Sources**

N/A

**Agency Contact:** Pam Anderson (651-757-2190)

**Agency Fiscal Note Coordinator Signature:** John Allen

**Phone:** 651-757-2185

**Date:** 3/8/2022 11:50:20 AM

**Email:** john.j.allen@state.mn.us

**HF2367 - 0 - Solid Waste Management Tax Revenue Allocation**

Chief Author: **Frank Hornstein**  
 Committee: **Environment And Natural Resources Finance And Policy**  
 Date Completed: **3/9/2022 3:02:21 PM**  
 Agency: **Revenue Dept**

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		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-

**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:** Joel Enders      **Date:** 3/5/2022 3:57:02 PM  
**Phone:** 651-284-6542      **Email:** joel.enders@lbo.mn.gov

**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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

The bill changes the allocation of revenue for taxes remitted under chapter 297H. Currently, \$33,760,000 or 70%, whichever is greater is credited to the environmental fund. The bill would change it to 75% for fiscal years 2022 and 2023, 80% for fiscal years 2024 and 2025, and 100% thereafter.

The bill also specifies beginning in fiscal year 2022, the amount not deposited into the environmental fund must be spent on activities listed in section 115A.557, subd. 2, paragraph (a), clauses (1) to (7) and (9) to (11).

This bill is effective the day following enactment.

**Assumptions**

Department of Revenue (DOR) has no impact as a result of this bill.

**Expenditure and/or Revenue Formula**

This bill may have an impact on state tax revenues. An estimate of revenue impact is not included in this fiscal note. The Department of Revenue prioritizes revenue estimate requests for bills before Tax Committee and will provide one for this bill when it is before Tax Committee.

**Long-Term Fiscal Considerations**

The bill does not have long term administrative cost impact.

**Local Fiscal Impact**

The bill does not have local government impact.

**References/Sources**

Agency staff provided information for this fiscal note.

I have reviewed the content of this fiscal note and believe it is a reasonable estimate of the expenditures and revenues associated with this proposed legislation.

If Information Technology costs are included, my agency's Chief Information Officer has reviewed the estimate.

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Lisa Knops

**Phone:** 651-556-6754

**Date:** 3/4/2022 2:09:52 PM

**Email:** Lisa.Knops@state.mn.us