

March 16, 2021

Re: County Concerns with the Landfill Responsibility Act

Chair and Members of the House Environment and Natural Resources Finance Committee:

The Association of Minnesota Counties (AMC) and the Minnesota Solid Waste Administrators Association (SWAA) an affiliate organization of AMC, oppose the Minnesota Pollution Control Agency (MPCA) budget proposal titled "Landfill Responsibility Act". While we support the concept of a stable funding source for waste reduction, the proposed 3% of gross Municipal Solid Waste (MSW) landfills revenue plus an annual assessment to pay for Agency staff costs will not accomplish the stated goals in a significant way.

The proposal essentially results in a tax on landfills that is not likely to promote significant prevention of wastes or increase the source separation of recyclable materials. A tax on disposal does not send an economic signal to manufacturers of products and packaging to reduce waste, nor does it create behavior change in consumers at the point of purchase. Both of which would result in much greater reduction in waste.

In Minnesota, MSW is already taxed at 9.75% (residential) and 17% (commercial), generating nearly \$83 Million a year in 2018. The proposal would result in double taxation of the MSW waste stream.

There are many unknowns on the implementation of the MPCA "Landfill Responsibility Act"; such as, what local programs will be on the "menu" mandated by MPCA to select from; will money from local residents and businesses end up being used to fund programs outside their area that they receive no benefit from; will there be guarantees to a landfill that the programs they have to select from will be successful programs for the waste streams that they encounter; will there be a liability exemption for projects that may "go wrong"; how much additional local resources will be needed for new administrative work and reporting; what are the projected waste reduction outcomes; what is the role of the new MPCA staff in increasing waste reduction? These are just a few of the many unknowns not addressed with this proposal.

What is known, is that this proposal will take away money that many public landfills already spend on existing waste reduction/recycling/landfill diversion programs; creates double taxation of municipal solid waste that residents and businesses will end up paying. Public Landfills are part of an integrated waste management system and have waste reduction plans in place. This proposal fails to recognize the obligations and approach of public facilities, which already work to reduce waste to the landfill. It also creates another layer of unnecessary complexity, taxation and programming that will pull resources away from the aspirational goals it sets in the program description.

We urge legislators to oppose this proposal and recommend that a solution to the stated problem be

developed in collaboration with the solid waste administrators who understand their local waste streams best and are the people responsible for managing solid wastes in Minnesota.

AMC and SWAA appreciate the opportunity to comment on this proposal and we look forward to continuing dialogue on improving solid waste management systems in Minnesota.

Sincerely,



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March 16, 2021

**VIA E-MAIL**

**Re: MPCA Budget-3% Gross Revenue Tax on MSW Landfills**

**From: Minnesota Chapter, National Waste and Recycling Association (NWRA)**

**Dear Mr. Chair, members of the Committee,**

Thank you for the opportunity to comment. My name is Doug Carnival of McGrann Shea Carnival Law Firm, representing the National Waste and Recycling Association, whose membership includes waste and recycling collection and disposal companies.

NWRA opposes the MPCA budget proposal to create a 3% annual tax on gross revenue at Municipal Solid Waste (MSW) landfills. The statewide tax proposal affects 20 public and private landfills who will pass these costs on to their residential and commercial customers in the form of increased bills for solid waste services. Our key comments are:

- 1) this is a new, additional tax on solid waste resulting in double taxation;
- 2) the new tax would result in increased costs to residents and businesses because it would be passed through to customers;
- 3) the new program would require five additional MPCA staff which would be paid for by industry and therefore our customers;
- 4) would require landfills to manage the new revenue and grant administration—which is not our core business; and

- 5) we have concerns about competitive factors with funding of projects, and liabilities that would be shared with the state for failed projects.

The “Landfill Responsibility Act” is simply an increase in taxes on the residents and businesses of Minnesota that could not come at a more challenging time. Our state does not need any new taxes.

MSW is already taxed at 17%, generating nearly \$83 Million a year in 2018. When enacted, the solid waste tax was to be used for solid waste purposes. Today, the Solid Waste Tax funds 61% of the MPCA Budget, in programs that vary from water quality to air to permitting. And a significant amount, \$30 million a year, of the solid waste tax revenue is lost to the General Fund. And now, MPCA wants to tax solid waste again.

The Landfill Responsibility Act will require an additional five full-time-employees that the waste industry, and therefore the general consumer, will fund to review project proposals and administer the program.

According to MPCA, revenue generated by the tax would be retained at the landfill. How does MPCA ensure compliance on spending from these landfills-based accounts? Will there be future liability for our industry if a project fails or causes environmental problems due to mishandling of materials?

Our industry does not have grant administration expertise, nor the resources for examining the financial and economic sustainability of the project . We also have concerns about one company funding a project that would compete with another company’s business interests.

We would also like to note that the waste industry was not invited to engage in discussions with the MPCA on this proposal. We value partnerships and would have liked to discuss some of our concerns in advance of the legislative process, especially given the significant financial burden this creates for us and our customers.

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In closing, there are a lot of unknowns with the MPCA “Landfill Responsibility Act” on the program implementation side. But what we do know, is that this proposal creates double taxation of municipal solid waste—just another tax-- that residents and businesses will end up paying.

Thank you,

*Doug Carnival*

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The Environment Justice Advisory Group  
To The Minnesota Pollution Control Agency

Date: March 12, 2021

Subject: Environmental Justice Letter of support: House Bill 1076, SF 959

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

Dear Chair Hansen and Committee members:

On behalf of the Minnesota Pollution Control Agency's (MPCA) Environmental Justice (EJ) Advisory Group, we send this letter as a joint effort in support of HF 1076, SF 959.

Our group consists of Environmental Justice advocates and organizers from around the State of Minnesota whose desire is to see environmental justice initiatives in the forefront of decision making, here in Minnesota. Seeking EJ members from throughout the State was intentional and deliberate because the MPCA realizes that environmental justice issues are not located in one area of the State and that having an advisory group of such membership would be an asset not only to the MPCA, but to Minnesota as a whole.

We feel strongly that the State must define Environmental Justice, in a permanent manner that is inclusive of all its current and future citizens, before moving forward with incorporating EJ protections into legislation that genuinely serves the needs of all its citizens. Including communities that history and data (past and current) have proven are represented by Indigenous peoples and people of color, throughout all of Minnesota, and across the United States, are significantly and disproportionately affected by pollution.

In a state composed of so many races, ethnic groups and various levels of incomes, the State needs to make sure we are providing equal opportunities and access to those who have historically been left out of these conversations. As new projects are proposed, currently and in the future, it is imperative that potentially affected communities not only have a voice, but that the State, itself, is committed to prioritizing the health and wellness of environmental justice areas of concern above profit.

By defining Environmental Justice, plus identifying environmental justice communities; respecting communities of color; properly dealing with/eliminating negative cumulative impacts and applying a justice and equity lens to environmental justice areas of concern we can more consistently and deliberately evaluate and prevent the burdens that are felt by EJ communities.

A consistent definition of Environmental Justice will create better use of and enforcement of environmental regulations during development, adoption, implementation and maintenance of new projects.

The provision that allows the current and future Commissioners of the MPCA to say no to projects that would harm EJ communities is *extremely important to all of Minnesota*, urban, suburban and rural communities included. Allowing the decision-making processes to include cumulative impacts, health based information, project location, and requiring community meetings helps to facilitate/create a reason for a project to include the good of the State and the good of all neighborhoods and communities, no matter where they are located.

Minnesota should lead the way in creating a system that prioritizes the health and well-being of its citizens, especially those who have historically been adversely affected by the decision making processes that excluded them.

With a changing climate already negatively impacting EJ communities, State-wide, at a higher rate, we need to set precedent by approving this bill and giving all our environmental justice communities of concern equal protection under our Minnesota State law.

Thank you to the author of this Bill and all committee members for making the effort and for taking your time and attention to read and realize the importance of our comments.

Environmental Justice Advisory Group members,

Rhyan Schicker  
Steve Sternberg, P.E.  
La Shella Sims  
Halston Sleets  
Andrea Gierok