

April 27, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3172 (Anderson, P.H.) As Proposed to be Amended (H3172A6)

	Fund Impact			
	F.Y. 2026	F.Y. 2027	F.Y. 2028	F.Y. 2029
	(000's)			
Environmental Fund	\$0	(\$650)	(\$650)	(\$640)
General Fund	\$0	(\$280)	(\$280)	(\$270)
Total – All Funds	\$0	(\$930)	(\$930)	(\$910)

Effective July 1, 2026.

EXPLANATION OF THE BILL

Current Law: The solid waste management tax (SWMT) is imposed on charges for the collection and disposal of solid waste. Seventy-three percent of the revenues are dedicated to the Environmental Fund (70 percent to the general Environmental Fund plus three percent to the resource management account within the Environmental Fund), with the remainder deposited in the General Fund.

Proposed Law: The bill, as proposed to be amended, creates a payment for recycled and reutilized materials for each owner or operator of an eligible facility. The bill, as proposed to be amended, defines an eligible facility as a facility that manually or mechanically separates material from mixed municipal solid waste for recycling, reuse, composting, processing in an anaerobic or aerobic digester and then composting. The payment is \$30 per ton of recyclables recycled or reused, and compostables composted or digested; and \$20 per ton for recyclables recovered from combustor ash and combustor ash utilized in road construction or another approved use. Facility operators are required to report calendar year activity by February 1 of the following year, and payments are issued by April 15 of the same fiscal year. The payment is appropriated from SWMT remittances before the Environmental Fund and General Fund allocations; the three percent resource management account dedication is unchanged.

REVENUE ANALYSIS DETAIL

- Solid waste management tax collections from the February 2026 forecast are used to estimate the rebate appropriation and the corresponding reductions in fund transfers.
- Tonnage estimates are based on facility-reported data and recoverable-content estimates provided by the Minnesota Pollution Control Agency.
- The fiscal year payment estimate reflects the prior calendar year of facility activity, consistent with the bill's reporting and payment cycle.

Minnesota Department of Revenue
Tax Research Division
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