

1.1 ..... moves to amend H.F. No. 3200 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[115A.566] BEVERAGE CONTAINER REFUND PROGRAM.**

1.4 Subdivision 1. **Definitions.** (a) For purposes of sections 115A.566 to 115A.5665, the  
1.5 following terms have the meanings given.

1.6 (b) "Bag-drop program" means a redemption option allowing a consumer to transport  
1.7 beverage containers to certain sites in a standardized bag for redemption.

1.8 (c) "Beverage" means a drinkable liquid intended for human oral consumption. Beverage  
1.9 does not include:

1.10 (1) a drug regulated under the federal Food, Drug, and Cosmetic Act, United States  
1.11 Code, title 21, section 301 et seq.;

1.12 (2) 100 percent fluid milk;

1.13 (3) infant formula; or

1.14 (4) a meal replacement liquid.

1.15 (d) "Beverage container" means any prepackaged container for beverages.

1.16 (e) "Beverage producer" means a person bottling, canning, or otherwise filling beverage  
1.17 containers for sale to a distributor, importer, or retailer.

1.18 (f) "Consumer" means an individual in this state who purchases a beverage in a beverage  
1.19 container for consumption.

1.20 (g) "Covered beverage container" means a beverage container:

1.21 (1) of which 90 percent or more by weight is composed of glass, polyethylene  
1.22 terephthalate (PET), high-density polyethylene (HDPE), or aluminum; and

- 2.1 (2) having a capacity of one gallon or less.
- 2.2 (h) "Distributor" means a person who sells beverages in beverage containers to a retailer  
2.3 in this state, including a beverage producer who also engages in such sales.
- 2.4 (i) "Distributor and importer responsibility organization" or "organization" means the  
2.5 distributor and importer responsibility organization established under section 115A.5663.
- 2.6 (j) "Drop-off facility" means a site where Minnesota residents may bring household  
2.7 recyclable materials to place into material-specific receptacles and is:
- 2.8 (1) located in Minnesota; or
- 2.9 (2) located outside Minnesota and receives more than 50 percent of the material brought  
2.10 to it from Minnesota residents.
- 2.11 (k) "Environmental justice area" has the meaning given in section 116.065, subdivision  
2.12 1.
- 2.13 (l) "Importer" means a retailer or beverage producer who directly imports beverage  
2.14 containers into this state.
- 2.15 (m) "Material recovery facility" means a facility that separates postconsumer materials  
2.16 from mixed municipal solid waste for recycling and is:
- 2.17 (1) located in Minnesota; or
- 2.18 (2) located outside Minnesota and receives more than 50 percent of the material brought  
2.19 to it from Minnesota residents
- 2.20 (n) "Material type" means the primary material from which a beverage container is  
2.21 constructed.
- 2.22 (o) "Member" means a distributor or importer that joins the organization and pays the  
2.23 applicable fees.
- 2.24 (p) "Noncovered" means a beverage container that is not a covered beverage container.
- 2.25 (q) "Nonredeemable" means a beverage container that:
- 2.26 (1) is noncovered, and has not been assigned a refund value under subdivision 5;
- 2.27 (2) visibly contains or is contaminated by a substance other than water, residue of its  
2.28 original contents, or ordinary dust;
- 2.29 (3) is crushed or broken;
- 2.30 (4) is damaged to the extent that the brand on the container cannot be identified;

3.1 (5) is not properly labeled in accord with the requirements of subdivision 3; or

3.2 (6) the organization has reasonable grounds to believe:

3.3 (i) was purchased in another state; or

3.4 (ii) has already been redeemed in this state.

3.5 (r) "Redeemable beverage container" means a beverage container that is not  
3.6 nonredeemable.

3.7 (s) "Redemption mechanism" means any method that accurately identifies and processes  
3.8 empty redeemable beverage containers.

3.9 (t) "Redemption site" means a location at which a consumer can redeem covered beverage  
3.10 containers for refunds via a redemption mechanism.

3.11 (u) "Refund" means a payment made to a person under section 115A.5661 for redeeming  
3.12 a beverage container.

3.13 (v) "Refund value" means the payment levels established by the commissioner for  
3.14 covered beverage containers redeemed under this section.

3.15 (w) "Retailer" means a person in this state that sells beverages in beverage containers  
3.16 to a consumer.

3.17 (x) "Reusable" means a beverage container that, after cleaning and incidental processing,  
3.18 can be refilled with a beverage and sold at retail.

3.19 (y) "Self-service kiosk" means a machine which a consumer can use to:

3.20 (1) create an account in order to participate in a bag-drop program;

3.21 (2) conduct account activity, including viewing an account balance;

3.22 (3) print vouchers redeemable for cash or store credit for redeemed beverage containers;

3.23 or

3.24 (4) print labels to identify bags in the bag-drop program with the consumer's account.

3.25 A self-service kiosk does not redeem beverage containers.

3.26 (z) "Standardized bag" means a bag manufactured by the organization that consumers  
3.27 use to bring beverage containers to a redemption site.

3.28 (aa) "Store" means an individual location in this state where a retailer sells beverages  
3.29 in beverage containers.

4.1 (bb) "Unclaimed refunds" means the aggregated refund values of beverage containers  
4.2 sold in this state but not redeemed.

4.3 Subd. 2. **Prohibition.** After July 1, 2026, it is unlawful in this state to:

4.4 (1) distribute or offer for sale beverages in beverage containers except in compliance  
4.5 with sections 115A.556 to 115A.5665;

4.6 (2) redeem or attempt to redeem a nonredeemable beverage container; or

4.7 (3) redeem or attempt to redeem a beverage container that was not sold to a consumer  
4.8 in this state.

4.9 Subd. 3. **Labeling.** (a) A beverage container offered for sale in this state must clearly  
4.10 display the abbreviation "RV" on the top or side of the beverage container, indicating that  
4.11 the container has a refund value.

4.12 (b) The organization may require that any beverage container offered for sale in this  
4.13 state clearly display the abbreviation "MN" on the top or side of the beverage container and  
4.14 the applicable refund value.

4.15 (c) A beverage producer, importer, or distributor of a beverage container offered for sale  
4.16 in this state may include a barcode or unique code verification on the beverage container  
4.17 to allow for automated identification of the beverage producer.

4.18 Subd. 4. **Refund value.** (a) On and after July 1, 2026, each covered beverage container  
4.19 sold or offered for sale in this state has the following refund value when redeemed in accord  
4.20 with the provisions of subdivision 6 or at redemption sites operated by the organization:

4.21 (1) 5 cents for a beverage container of 24 fluid ounces or less; and

4.22 (2) 10 cents for a beverage container of more than 24 fluid ounces.

4.23 (b) On and after July 1, 2030, each covered beverage container sold or offered for sale  
4.24 in this state shall have the following refund value:

4.25 (1) 10 cents for a beverage container of 24 fluid ounces or less; and

4.26 (2) 15 cents for a beverage container of more than 24 fluid ounces.

4.27 (c) If, at the commissioner's discretion or upon request from the organization, the  
4.28 commissioner determines that adjusting the refund values established under this subdivision  
4.29 is necessary to improve the operation of the beverage container refund program, the  
4.30 commissioner may, subject to paragraphs (d) and (e), after consulting with the organization,

5.1 and after publishing a notice in the State Register and allowing for a 60-day comment period,  
5.2 adjust, in a material-neutral manner, the refund values.

5.3 (d) The commissioner must not change the refund value at the commissioner's discretion  
5.4 more often than once every ten years.

5.5 (e) The commissioner must not change the refund value upon the organization's request  
5.6 more often than once every five years.

5.7 (f) A facility in this state established by the organization to aggregate, sort, and process  
5.8 beverage containers collected under the beverage container refund program may elect to  
5.9 pay a premium above the refund values established in this subdivision for beverage containers  
5.10 brought to the facility in the organization's standardized bag by a nonprofit corporation  
5.11 located in this state that qualifies under section 501(c)(3) of the Internal Revenue Code.

5.12 (g) The organization is not required to pay a refund on a beverage container that is:

5.13 (1) nonredeemable, except as provided in subdivision 8; or

5.14 (2) noncovered and has not been assigned a refund value under subdivision 5.

5.15 Subd. 5. **Noncovered beverage containers.** (a) The organization may assign the same  
5.16 refund value to a noncovered beverage container sold or offered for sale in this state as is  
5.17 assigned to an equally sized covered beverage container if, after consulting with the  
5.18 commissioner, the organization determines that recycling the noncovered beverage container  
5.19 is both technically and economically feasible. The organization may reverse a decision  
5.20 made under this paragraph to assign a refund value to a noncovered beverage container.

5.21 (b) The organization must charge a fee equal to the assigned refund value of an equally  
5.22 sized covered beverage container to a beverage producer selling or offering for sale a  
5.23 noncovered beverage container in this state if the organization determines that:

5.24 (1) the market share of the noncovered beverage container sold in Minnesota exceeds  
5.25 by five percent or more its average market share during the two full calendar years before  
5.26 the effective date of this act; and

5.27 (2) recycling the noncovered beverage container in Minnesota is either technically or  
5.28 economically infeasible.

5.29 (c) Revenue from the fees charged under paragraph (b) must be used only to support  
5.30 grants under subdivision 9, paragraph (h), clause (1).

6.1 (d) For the purposes of this subdivision, "economically feasible" means that sufficient  
6.2 demand from recyclers exists to purchase and recycle all the units of a specific noncovered  
6.3 beverage container sold in Minnesota.

6.4 Subd. 6. **Retailer redemption operations.** (a) A retailer is not required to participate  
6.5 in the beverage container redemption process under this act.

6.6 (b) A retailer electing to host one or more beverage container redemption mechanisms  
6.7 on or adjacent to a store's premises shall:

6.8 (1) determine the location of the beverage container processing mechanisms within or  
6.9 outside the store;

6.10 (2) permit a sufficient number of beverage container processing mechanisms to be  
6.11 installed at a store so the store complies with the convenience standards developed by the  
6.12 commissioner under subdivision 10; and

6.13 (3) permit the organization to operate the beverage container redemption mechanisms  
6.14 during all hours the store is open to the public, at a minimum.

6.15 (c) A retailer electing to participate in the beverage container redemption program and  
6.16 whose store contains 1,000 square feet or more must comply with a request by the  
6.17 organization to:

6.18 (1) offer for sale at that particular store of the retailer the standardized bags that the  
6.19 organization deems necessary to operate a bag-drop program; and

6.20 (2) permit the organization to install, operate, and maintain in a space of the retailer's  
6.21 choosing inside or outside any particular store, a self-service kiosk.

6.22 Subd. 7. **Disposition of redeemed containers.** Once a person is issued a refund for a  
6.23 beverage container under subdivision 6, the organization becomes the owner of the beverage  
6.24 container and may:

6.25 (1) with respect to reusable beverage containers, elect to prepare them to be refilled, or  
6.26 have a third party do so; or

6.27 (2) with respect to beverage containers that are not reusable, after allowing a beverage  
6.28 producer or a person seeking to incorporate the material into new beverage containers to  
6.29 purchase the material, sell them to a buyer of the organization's choice at a fair market price.

6.30 Subd. 8. **Drop-off facilities and material recovery facilities.** (a) The operator of a  
6.31 material recovery facility or drop-off facility may report to the organization by April 1 each

7.1 year the weight of material the facility received for processing from recycling collection  
7.2 programs and Minnesota households in the previous calendar year.

7.3 (b) By July 1 of each calendar year, starting the first full year and ending the seventh  
7.4 full year after covered beverage containers are assigned a refund value, the organization  
7.5 must make an annual payment to each material recovery facility and drop-off facility operator  
7.6 that submits data under paragraph (a). The payment must equal a pro rata portion of five  
7.7 percent of the scrap value of beverage containers the organization sold in the preceding  
7.8 calendar year under paragraph (g), allocated to each material recovery facility or drop-off  
7.9 location based on its percentage of the weight of all recyclable material received from  
7.10 Minnesota households at all Minnesota material recovery facilities and drop-off locations  
7.11 reported under paragraph (a).

7.12 (c) Operators of material recovery facilities or drop-off facilities must use an  
7.13 industry-standard scale to measure the weight of all beverage containers that enter the  
7.14 facility.

7.15 (d) The organization must buy redeemable beverage containers offered to it by an operator  
7.16 of a material recovery facility or drop-off facility that meet the applicable quality standard  
7.17 described in this subdivision.

7.18 (e) For the first ten years after covered beverage containers are assigned a refund value,  
7.19 the organization shall pay material recovery facilities and drop-off facilities 80 percent of  
7.20 the refund value for each beverage container of equivalent size that the material recovery  
7.21 facility or drop-off facility offers to the organization in a bale or loose, provided that an  
7.22 independent third party certifies that the beverage containers meet the most recently published  
7.23 Institute of Scrap Recycling Industries applicable specification.

7.24 (f) Following the first ten years after covered beverage containers are assigned a refund  
7.25 value, the organization shall pay material recovery facilities and drop-off facilities for each  
7.26 covered beverage container it is offered in a bale or loose, as follows:

7.27 (1) for aluminum beverage cans, 80 percent of the refund value of a can of equivalent  
7.28 size, provided that an independent third party certifies that the aluminum beverage cans  
7.29 meet the most recently published applicable Institute of Scrap Recycling Industries  
7.30 specification;

7.31 (2) for glass bottles:

8.1 (i) 80 percent of the refund value of a glass bottle of equivalent size provided that an  
8.2 independent third party certifies that the material recovery facility or drop-off facility is  
8.3 generating less than five percent nonglass residuals; and

8.4 (ii) 50 percent of the refund value of a glass bottle of equivalent size provided that an  
8.5 independent third party certifies that the material recovery facility or drop-off facility is  
8.6 generating between five but less than 15 percent nonglass residuals;

8.7 (3) for polyethylene terephthalate (PET) bottles:

8.8 (i) 80 percent of the refund value of a PET bottle of equivalent size provided that an  
8.9 independent third party certifies that the material meets the Association of Plastic Recyclers  
8.10 Grade B model specification for PET bottles bales; and

8.11 (ii) 50 percent of the refund value of a PET bottle of equivalent size provided that an  
8.12 independent third party certifies that the material does not meet the Grade B model  
8.13 specification in item (i); and

8.14 (4) for high-density polyethylene (HDPE) bottles, 80 percent of the refund value of an  
8.15 HDPE bottle of equivalent size provided an independent third party certifies that the material  
8.16 meets the applicable Association of Plastic Recyclers HDPE model bale specification.

8.17 (g) The organization may purchase beverage containers that do not meet the quality  
8.18 requirements of paragraph (e) or (f) from a material recovery facility or drop-off facility at  
8.19 a mutually negotiated price.

8.20 (h) The commissioner, in consultation with the organization and material recovery  
8.21 facilities and drop-off facilities that are members of the organization and associations that  
8.22 represent them, shall develop and publish a methodology that must be used to determine  
8.23 the average amount of redeemable beverage containers per ton of material offered to the  
8.24 organization.

8.25 (i) In determining the amount of payments made under this subdivision, the organization  
8.26 may assume that the proportions of beverage containers whose capacities are above and  
8.27 below 24 fluid ounces are the same as those redeemed by consumers in the most recent  
8.28 calendar year.

8.29 (j) The organization owns the beverage containers for which it pays the amount specified  
8.30 under paragraphs (f) and (g) and is free to sell those beverage containers to the buyer of its  
8.31 choosing after first allowing any beverage producer that is a member of the organization or  
8.32 a supplier of beverage containers to a member to purchase the beverage containers.



9.1 (k) Upon request of the organization, an operator of a material recovery facility or  
9.2 drop-off facility must pay for one independent audit per calendar year to assess the quality  
9.3 and quantity of its beverage container material and must allow the organization to conduct  
9.4 up to two such additional audits per calendar year at the organization's expense.

9.5 Subd. 9. **Organization duties.** (a) Within one year of the effective date of this act, the  
9.6 organization shall develop, in consultation with Minnesota retailers and associations that  
9.7 represent Minnesota retailers, a program to incentivize retailers to host beverage container  
9.8 redemption mechanisms that includes, at a minimum:

9.9 (1) allowing retailers that host beverage container redemption mechanisms at more than  
9.10 half their stores in this state to provide persons redeeming beverage containers the option  
9.11 to convert their redemption refunds to store credit; and

9.12 (2) providing annual rent payments to retailers for space inside or outside their stores  
9.13 that is occupied by beverage redemption mechanisms, calculated according to a formula  
9.14 developed by the commissioner in consultation with the organization and Minnesota retailers  
9.15 and associations that represent retailers.

9.16 (b) The organization shall operate in this state directly, in partnership, or through  
9.17 contracting with another entity, at least five redemption sites by July 1, 2026, and at least  
9.18 ten redemption sites by July 1, 2028, that are located in environmental justice areas. These  
9.19 redemption sites must provide written information about the redemption process in at least  
9.20 three languages other than English, and a QR code that provides information in non-English  
9.21 languages, and must be staffed by persons trained to communicate appropriately and  
9.22 effectively and deliver services to persons in culturally diverse and underserved communities.

9.23 (c) The organization shall operate directly, in partnership, or through contracting with  
9.24 another entity, at least five mobile redemption sites in this state that operate at least 40 hours  
9.25 per week and are designed to:

9.26 (1) provide service to persons who redeem high volumes of beverage containers; and

9.27 (2) collect beverage containers for redemption from persons who are physically impaired  
9.28 or otherwise unable to transport beverage containers to a redemption center.

9.29 (d) The organization must post information on how consumers can alert the organization  
9.30 to problems with the beverage container refund program:

9.31 (1) on the organization's website; and

9.32 (2) on clearly visible signs at each redemption site operated by the organization.

10.1 (e) The organization may establish reasonable terms and conditions for consumers using  
10.2 the bag-drop program and beverage container redemption mechanisms that the organization  
10.3 operates.

10.4 (f) The organization must publish on its website:

10.5 (1) the draft plan and approved plan submitted to the commissioner under section  
10.6 115A.5662; and

10.7 (2) a list and map of all redemption sites and redemption mechanisms available at each  
10.8 location.

10.9 (g) The organization is solely responsible for funding:

10.10 (1) the installation, servicing, repair, and operation of any beverage container redemption  
10.11 mechanism and self-service kiosk;

10.12 (2) facilities established by the organization in this state to aggregate, sort, and process  
10.13 beverage containers collected at redemption sites;

10.14 (3) the cost of the standardized bags that are processed at the organization's bag-drop  
10.15 locations;

10.16 (4) the material recovery facility and drop-off facility payments made under section  
10.17 115A.5661, subdivision 8;

10.18 (5) the cost of other duties required of the organization under sections 115A.566 to  
10.19 115A.5665; and

10.20 (6) the agency's costs to administer and enforce sections 115A.566 to 115A.5665. The  
10.21 organization must reimburse the agency's costs within 60 days of receiving notice from the  
10.22 agency under subdivision 10.

10.23 (h) The organization may use revenue generated under this section and section 115A.5661  
10.24 or other sources of revenue to:

10.25 (1) award grants to improve education, outreach, or infrastructure to enhance the recycling  
10.26 or reuse of beverage containers;

10.27 (2) directly or in partnership with nongovernmental organizations, provide services to  
10.28 or enhance the redemption experience of diverse or low-income consumers redeeming  
10.29 beverage containers; and

10.30 (3) pay advisory committee members under section 115A.5663, subdivisions 6 and 7,  
10.31 and pay for the administration and activities of the advisory committee.

11.1 Subd. 10. **Agency duties.** (a) The commissioner, in consultation with the organization,  
11.2 shall develop mandatory convenience standards to ensure that:

11.3 (1) one or more beverage container redemption mechanisms that allow for convenient  
11.4 redemption of redeemable beverage containers are located within a reasonable distance of  
11.5 Minnesota residents; and

11.6 (2) sufficient beverage container redemption mechanisms are placed at each store or  
11.7 location where the organization provides redemption options to allow for convenient  
11.8 redemption.

11.9 (b) Beginning October 1, 2026, and quarterly thereafter, the agency must identify the  
11.10 costs it incurred to administer and enforce this section in the previous quarter and submit  
11.11 those costs to the organization for reimbursement.

11.12 (c) The commissioner must deposit reimbursements of costs incurred by the agency  
11.13 received from the organization in the beverage container program account established in  
11.14 section 115A.5661.

11.15 Sec. 2. **[115A.5661] BEVERAGE CONTAINER REFUND PROGRAM ACCOUNT.**

11.16 Subdivision 1. **Account established.** The beverage container refund program account  
11.17 is established as a separate account in the special revenue fund in the state treasury. The  
11.18 commissioner shall credit to the account appropriations and transfers to the account. Earnings,  
11.19 such as interest, dividends, and any other earnings arising from assets of the account, must  
11.20 be credited to the account. Funds remaining in the account at the end of a fiscal year are  
11.21 not canceled to the general fund, but remain in the account until expended. The commissioner  
11.22 shall manage the account.

11.23 Subd. 2. **Expenditures.** Money in the account may only be expended for the purposes  
11.24 of administering and enforcing sections 115A.566 to 115A.5665.

11.25 Subd. 3. **Appropriation.** Money in the account is appropriated to the commissioner for  
11.26 the purposes specified in subdivision 2.

11.27 Sec. 3. **[115A.5662] ORGANIZATION PLAN; APPROVAL; CONTENT.**

11.28 Subdivision 1. **Submittal; review; approval.** (a) No later than January 1, 2026, and  
11.29 every five years thereafter, the organization must submit a plan to the commissioner for  
11.30 approval describing the operation of the beverage container refund program and how it  
11.31 meets the requirements of sections 115A.566 to 115A.5665 during the next five years. The  
11.32 commissioner must review and approve, deny, or request additional information for a draft

12.1 plan or a draft plan amendment no later than 120 days after its receipt date. The commissioner  
12.2 must post the draft plan or draft amendment on the agency's website and allow public  
12.3 comment for no less than 45 days before approving, denying, or requesting additional  
12.4 information on the draft plan or draft amendment.

12.5 (b) If the commissioner denies or requests additional information regarding a draft plan  
12.6 or plan amendment, the commissioner must provide the organization the reasons, in writing,  
12.7 why the plan or plan amendment does not meet the requirements of subdivision 2. The  
12.8 organization must submit a revised draft plan or amendment to the commissioner within 60  
12.9 days of receipt of the commissioner's action. The commissioner shall review and approve  
12.10 or disapprove the revised draft plan or draft amendment within 60 days of receiving it.

12.11 (c) The organization may revise and submit a draft plan or draft amendment to the  
12.12 commissioner not more than twice. If, after the second revised plan is submitted, the  
12.13 commissioner determines that the draft plan or draft amendment does not meet the plan  
12.14 requirements of this act, the commissioner must modify the draft plan or draft amendment  
12.15 as necessary for it to meet the requirements of this act and approve it.

12.16 Subd. 2. **Plan content.** A proposed plan must include at least the following:

12.17 (1) performance targets for redemption rates established under section 115A.5663,  
12.18 subdivision 4;

12.19 (2) a list of redemption sites, and the number of redemption sites:

12.20 (i) in retail stores;

12.21 (ii) operated by the organization;

12.22 (iii) located in environmental justice areas; and

12.23 (iv) operating in mobile units;

12.24 (3) the type of redemption mechanisms available at each of the redemption sites in clause  
12.25 (2);

12.26 (4) how the program will interface with existing beverage container collection systems,  
12.27 material recovery facilities and drop-off facilities;

12.28 (5) the level of fees paid by organization members;

12.29 (6) an explanation of how the organization will measure performance;

12.30 (7) arrangements made with retail stores that host redemption mechanisms, including  
12.31 rent payments and other hosting incentives; and

13.1 (8) how the organization will minimize environmental and human health impacts  
13.2 associated with the beverage container refund program.

13.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.4 Sec. 4. **[115A.5663] DISTRIBUTOR AND IMPORTER RESPONSIBILITY**  
13.5 **ORGANIZATION.**

13.6 Subdivision 1. **Formation.** (a) The distributor and importer responsibility organization  
13.7 must be established and operated as a nonprofit that qualifies under section 501(c)(3) of the  
13.8 Internal Revenue Code.

13.9 (b) Only one producer responsibility organization is permitted to operate in the state.

13.10 (c) The organization may operate jointly with similar organizations in one or more other  
13.11 states.

13.12 Subd. 2. **Members; fees.** (a) All distributors and importers of a beverage in or into the  
13.13 state must join the organization as members. A distributor or importer that operates in  
13.14 violation of this subdivision is subject to penalties under section 115A.5665.

13.15 (b) The organization must charge a fee to members that, combined with unclaimed  
13.16 refunds and other revenue sources that the organization may develop, and taking into account  
13.17 the credit under paragraph (d), is sufficient to pay the organization's costs to meet the  
13.18 requirements of sections 115A.565 to 115A.5665.

13.19 (c) The fee the organization charges members under this subdivision must reflect:

13.20 (1) the difference in cost of collecting, sorting, and processing each beverage container  
13.21 material type; and

13.22 (2) the number of units of each beverage container material type that the member  
13.23 distributes or sells in the state.

13.24 (d) Revenue from the organization's sale of redeemed beverage containers under section  
13.25 115A.5661, subdivision 8, paragraph (h), must be credited to each member against the fee  
13.26 charged under this subdivision based on:

13.27 (1) the revenue generated from the sale of each beverage container material type; and

13.28 (2) the percentage of each beverage container material type that a member distributes  
13.29 or sells in the state.

13.30 Subd. 3. **Bag requirements.** If the standard bags sold at retailers for the bag-drop program  
13.31 are made of plastic film, the organization must demonstrate, upon request of the

14.1 commissioner, that the waste film from the bags is being recycled in the best commercially  
14.2 available manner.

14.3 Subd. 4. Performance targets. (a) The organization must meet or exceed the following  
14.4 performance targets with respect to the proportions of beverage containers sold in this state  
14.5 by organization members that are redeemed statewide:

14.6 (1) two years after beverage containers are assigned a refund value: 70 percent;

14.7 (2) four years after beverage containers are assigned a refund value: 75 percent; and

14.8 (3) six years after beverage containers are assigned a refund value: 85 percent.

14.9 (b) If the report to the legislature required under subdivision 5 indicates that the  
14.10 organization has not met a performance target under paragraph (a), the organization must,  
14.11 within one year of the report's submission, submit a plan to the commissioner describing  
14.12 program changes the organization will implement in order to meet the performance target.  
14.13 The commissioner shall accept, modify, or reject the plan within 90 days of its receipt.

14.14 (c) If the applicable performance target is not met in any year following implementation  
14.15 of the plan approved by the commissioner under paragraph (b), the organization must:

14.16 (1) pay the commissioner once per calendar year an amount equal to the difference  
14.17 between the number of redeemed beverage containers and the number of beverage containers  
14.18 that would have been redeemed had the applicable performance target been met, multiplied  
14.19 by up to ten cents per beverage container, as determined by the commissioner; and

14.20 (2) submit a revised plan to the commissioner for approval describing additional program  
14.21 changes the organization will implement in order to achieve the performance target.

14.22 (d) If the performance targets under paragraph (a) are not met in any year following the  
14.23 organization's implementation of an approved revised plan submitted under paragraph (b):

14.24 (1) if the organization's director has held office for more than one year, the organization  
14.25 must explain on its website why a new director is not necessary;

14.26 (2) the organization is required to submit a revised plan; and

14.27 (3) the organization must pay to the commissioner, for each year that the applicable  
14.28 performance target remains unmet, a penalty equal to the difference between the number  
14.29 of redeemed beverage containers and the number of beverage containers that would have  
14.30 been redeemed had the applicable performance target been met, multiplied by up to 15 cents  
14.31 per beverage container, as determined by the commissioner.

15.1 Subd. 5. Reporting. (a) Organization members must comply with a request to supply  
15.2 information necessary to enable the organization to comply with the requirements of this  
15.3 subdivision. Members must submit the requested information for the previous calendar year  
15.4 to the organization no later than February 28 of the following year. The organization must  
15.5 establish a process to ensure that data provided to the organization by an individual member  
15.6 remains confidential, except for information provided under paragraph (b), clauses (6), (8),  
15.7 and (20).

15.8 (b) By July 1 beginning the first full year after covered beverage containers have been  
15.9 assigned a refund value, and each July 1 thereafter, the organization must submit a report  
15.10 to the chairs and ranking minority members of the senate and house of representatives  
15.11 committees with primary jurisdiction over environmental policy and finance containing, at  
15.12 a minimum, the following information:

15.13 (1) the number and percentage of beverage containers sold in this state by material type  
15.14 and the percentage sold that was refillable or reusable, for each quarter of the reporting year  
15.15 and, if available, for each quarter of the previous five years;

15.16 (2) the percentage of aggregate fees charged to the organization members that represent  
15.17 the cost of collecting, sorting, and processing each material type, for each quarter of the  
15.18 reporting year and, if available, for each quarter of the previous five years;

15.19 (3) the number of beverage containers redeemed, by material type, for each quarter of  
15.20 the reporting year and, if available, for the previous five years;

15.21 (4) the number of beverage containers redeemed at each bag-drop location or other  
15.22 beverage container processing mechanism that the organization operates;

15.23 (5) the buyers to which the organization sold beverage containers, including the material  
15.24 type and the percentage of the total of each material type each buyer purchased;

15.25 (6) the final product produced from each recycled beverage container material type, if  
15.26 known;

15.27 (7) a list of all redemption sites in the state;

15.28 (8) the redemption methods used at each redemption site;

15.29 (9) the organization's total annual expenses;

15.30 (10) the organization's total annual revenue;

15.31 (11) the organization's total revenue reserves;

15.32 (12) the organization's average cost of operations per beverage container redeemed at:

- 16.1 (i) retail stores;
- 16.2 (ii) mobile redemption sites; and
- 16.3 (iii) other redemption sites operated by the organization;
- 16.4 (13) the number of redemption sites located in environmental justice areas;
- 16.5 (14) aggregated demographic data on organization employees that indicate the
- 16.6 organization's performance on diversity, equity, and inclusion measures;
- 16.7 (15) the number of consumer complaints received each month at each redemption site
- 16.8 for the reporting year and if available, the previous five years;
- 16.9 (16) the total number of individual consumers per month that filed complaints at each
- 16.10 redemption site for the reporting year and if available, the previous five years;
- 16.11 (17) a list of all organization members, each member's beverage brands, and an analysis
- 16.12 of each member's beverage container material types for the reporting year and if available,
- 16.13 the previous five years;
- 16.14 (18) a list of purchasers of waste film from standardized bags sold to consumers for the
- 16.15 bag-drop program and a description of products produced from the waste film;
- 16.16 (19) the number of individuals and organizations with a registered account to receive
- 16.17 electronic deposits of refunds;
- 16.18 (20) the names of governing board members of the organization; and
- 16.19 (21) results of the annual survey of consumers for whom refunds paid under this section
- 16.20 constitute a significant proportion of their income.
- 16.21 (c) The organization must identify data reported in paragraph (a) that are supplied by
- 16.22 organization members.
- 16.23 (d) The organization must post the report required under paragraph (b) on the
- 16.24 organization's website.
- 16.25 (e) The organization must contract and pay for an audit conducted annually by an
- 16.26 independent auditor to verify the accuracy of the data disclosed under paragraph (b).
- 16.27 Subd. 6. **Operations advisory committees.** (a) The organization must establish and
- 16.28 make appointments to an operations advisory committee to provide feedback to the
- 16.29 organization on the operation of the beverage container refund program. The committee
- 16.30 must include, at a minimum, one or more representatives of:



17.1 (1) beverage container manufacturers or beverage container manufacturer trade  
17.2 associations;

17.3 (2) beverage producers or beverage producer trade associations;

17.4 (3) local governments;

17.5 (4) state government;

17.6 (5) nonprofit environmental organizations;

17.7 (6) entities that purchase or recycle beverage containers from the organization; and

17.8 (7) retailers or retailer trade associations.

17.9 (b) The operations advisory committee:

17.10 (1) may provide written or oral comments directly to the organization's president and  
17.11 board of directors; and

17.12 (2) must submit a written report annually to the organization containing the committee's  
17.13 comments on the organization's operations and any recommendations to improve  
17.14 performance, which the organization must publish on its website.

17.15 Subd. 7. **Equity and access advisory committee.** (a) The organization must establish  
17.16 and make appointments to an equity and access advisory committee to assist the organization  
17.17 to develop procedures designed to increase the rate of beverage container redemption among  
17.18 persons of diverse cultures. The equity and access advisory committee must include, at a  
17.19 minimum:

17.20 (1) an advocate for homeless persons;

17.21 (2) a representative of a government social services office;

17.22 (3) a representative of a nongovernmental organization that advocates on behalf of one  
17.23 or more cultural groups;

17.24 (4) a nongovernmental organization with a focus on environmental justice; and

17.25 (5) a person experienced in developing policies to increase participation in similar  
17.26 programs by persons of diverse cultures.

17.27 (b) The equity and access advisory committee:

17.28 (1) may provide written or oral comments directly to the organization's president and  
17.29 board of directors; and

18.1 (2) submit an annual report to the organization containing the committee's  
18.2 recommendations designed to increase beverage container redemption rates by persons of  
18.3 diverse cultures and underserved communities, which the organization must publish on its  
18.4 website.

18.5 Sec. 5. **[115A.5665] ENFORCEMENT.**

18.6 Subdivision 1. **Civil penalty.** In addition to any other applicable civil or criminal  
18.7 penalties, the commissioner may impose a civil penalty for violating sections 115A.566 to  
18.8 115A.5663 of \$100 per day for each initial separate violation and not more than \$1,000 per  
18.9 day for each subsequent separate violation.

18.10 Subd. 2. **Criminal penalty.** (a) A person who, with intent to defraud, knowingly takes  
18.11 any of the following actions is guilty of a crime:

18.12 (1) redeems or attempts to redeem nonredeemable beverage containers; or

18.13 (2) sells beverage containers not distributed in or imported into the state by a member  
18.14 of the organization.

18.15 (b) If the beverage container refunds obtained from a criminal act listed under paragraph  
18.16 (a):

18.17 (1) is less than or equal to \$950, the person convicted is subject to imprisonment in a  
18.18 county jail for not more than six months, a fine not exceeding \$1,000, or both imprisonment  
18.19 and a fine; or

18.20 (2) exceeds \$950, the person convicted is subject to imprisonment in a county jail for  
18.21 not more than one year, a fine not exceeding \$10,000, or both imprisonment and a fine.

18.22 Subd. 3. **Injunction.** The commissioner may bring a civil action to enjoin the distribution,  
18.23 importation, or sale into the state of a beverage sold in a beverage container in violation of  
18.24 section 115A.5661.

18.25 Subd. 4. **Distributor and importer fines.** The commissioner may administratively  
18.26 impose a civil penalty once each year on a distributor or importer who fails to participate  
18.27 in the organization as required under section 115A.5663, subdivision 2. The commissioner  
18.28 must first notify the distributor or importer of the noncompliance and allow 60 days for the  
18.29 distributor or importer to comply before imposing the penalty. The penalty must be the  
18.30 greater of ten cents per beverage container sold by the distributor or importer in the state  
18.31 during the period the violation occurred or \$10,000. A distributor or importer that incurs a  
18.32 penalty under this subdivision may appeal the penalty as a contested case under chapter 14.

- 19.1 Subd. 5. **Conduct authorized.** An organization that organizes collection, transport, and
- 19.2 processing of beverage containers under this section is immune from liability for the conduct
- 19.3 under state laws relating to antitrust, restraint of trade, unfair trade practices, and other
- 19.4 regulation of trade or commerce only to the extent that the conduct is necessary to plan and
- 19.5 implement the producer's or organization's chosen organized collection or recycling system.
- 19.6 **EFFECTIVE DATE.** This section is effective the day following final enactment."