

Statutory Solid Waste Taxes and Fees

Solid Waste Management Tax

Minnesota Statutes, chapter 297H: State law **imposes** a sales tax on the solid waste management services provided by a waste hauler to a customer. Solid waste management services are defined as collection, transportation, processing, and disposal services. Enacted in 1997 as a revenue-neutral replacement of two other solid waste fees, the tax rates for the solid waste management tax are 9.75 percent on solid waste services to residential customers, and 17 percent on services to commercial and industrial customers. In addition, the state imposes a volume-based fee of 60 cents per loose cubic yard on the management of construction and demolition debris. Each hauler remits the amounts collected to the state. The revenue from the sales tax and the fee on debris is apportioned by law as follows:

- 50 percent (or a minimum of \$22 million) to the Solid Waste Fund for landfill clean-up and Minnesota Pollution Control Agency (MPCA) groundwater and solid waste activities; and
- 50 percent to the general fund. The legislature then appropriates some portion of this amount to the Office of Environmental Assistance (OEA) for solid waste activities and provides revenue for block grants to counties for recycling programs.

Metropolitan Solid Waste Landfill Fee

Minnesota Statutes, section 473.843: State law **imposes** a fee on operators of certain landfills in the metropolitan area (i.e., Burnsville and Pinebend). The amount of the fee depends on whether the facility weighs the solid waste before disposing of the waste. Facilities that weigh the waste pay a fee of \$6.66 per ton. Facilities that do not weigh the waste pay a fee of \$2 per cubic yard. As enacted in 1984, all facilities were charged a fee of 50 cents per cubic yard on solid waste disposal. The revenue is apportioned by law as follows:

- 25 percent to the Metropolitan Landfill Contingency Action Trust Fund for closure, post-closure care, and response actions at solid waste facilities in the metropolitan area.
- 75 percent to the Metropolitan Landfill Abatement Fund to reduce “to the greatest extent feasible and prudent the need for and practice of land disposal” (landfill abatement) in metropolitan area.

Greater Minnesota Landfill Clean-up Fee

Minnesota Statutes, section 115A.923: Enacted in 1989, this state law **imposes** a fee of \$2 per cubic yard on operators of certain landfills outside of the metropolitan area. Revenues collected must be paid to the county, joint powers board, sanitary district, or city in which the facility is located and used only for:

- programs to reduce reliance on landfills
- costs associated with landfill closure, post-closure, and clean-up or
- “purposes of mitigating and compensating for the local risks, costs and other adverse effects” of having the landfill located in the jurisdiction.

County Solid Waste Fee Authority

Minnesota Statutes, section 115A.919: State law **authorizes** counties in which a landfill is located to impose a volume-based fee on landfill operators. The revenue is required to be credited to the county’s general fund and used only for:

- programs to reduce reliance on landfills
- costs associated with landfill closure, post-closure, and clean-up or
- “purposes of mitigating and compensating for the local risks, costs and other adverse effects” of having the landfill located in the county.

As enacted in 1984, the fee was initially capped at 25 cents per cubic yard, but the cap for most landfills was removed in 1988. The fee on landfills for construction debris is capped at 50 cents per cubic yard. The statute was also amended in 1991 to allow a county to assess an additional fee per cubic yard on waste generated in another county (not to exceed \$7.50 per cubic yard).

City or Town Solid Waste Fee Authority

Minnesota Statutes, section 115A.921: State law **authorizes** certain cities and towns to impose a fee on landfills within the city or town. Initially the fee was capped at 15 cents per cubic yard, increased to 35 cents in 1988, and to \$1.00 in 1989. Twenty-five percent of the revenues must be used for landfill abatement or “for mitigating and compensating for the local risks, costs and other adverse effects” of having the landfill located in the city or town. The balance may be used for any general fund purpose.

County Service Charges

Minnesota Statutes, sections 400.08 and 473.811: State law **authorizes** counties to impose by ordinance reasonable rates and charges for solid waste management services provided by the county or under contract with the county. These charges are imposed as a separate line item on property tax or other government billing statements. As enacted in 1971, the authority was limited only to counties outside the metropolitan area; it was expanded to metro counties in 1986.

What are annual estimated revenues of these taxes and fees?

Tax/Fee	Estimated Calendar Year 2001 Revenue (millions)
Solid Waste Management Tax	\$54.8
Metro Solid Waste Landfill Fee	3.7
Greater Minnesota Landfill Clean-up Fee	6.4
County Solid Waste Fee Authority	3.5
City/Town Solid Waste Fee Authority	3.5
County Service Charges	63.0

Note: Except for the state solid waste management tax, all of the fees and charges are imposed at the local level. Although the total amount of fees and charges collected is to be reported annually to the state auditor, many forms are not submitted and none are audited. Therefore, amounts should only be considered estimates and used cautiously.

For more information: Contact legislative analyst Mike Bull at 651-296-8961 and Karen Baker at 651-296-8959. Also see the House Research publication *Minnesota Solid Waste History*, January 2002.

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