

April 17, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 3336 (Westrom) / H.F. 3172 (P. H. Anderson)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2026</u></b>	<b><u>F.Y. 2027</u></b>	<b><u>F.Y. 2028</u></b>	<b><u>F.Y. 2029</u></b>
	(000's)			
Environmental Fund	(\$750)	(\$770)	(\$790)	(\$810)
Resource Management Account	\$0	\$0	\$0	\$0
General Fund	<u>(\$320)</u>	<u>(\$330)</u>	<u>(\$340)</u>	<u>(\$350)</u>
Total All Funds (Rebate Cost)	(\$1,070)	(\$1,100)	(\$1,130)	(\$1,150)

Effective July 1, 2025

## EXPLANATION OF THE BILL

**Current Law:** The solid waste management tax (SWMT) is imposed on charges for solid waste collection and disposal. Seventy percent of the revenue generated is allocated to the Environmental Fund, with the remaining balance directed to the General Fund.

In addition to the seventy percent allocation to the Environmental Fund, three percent of the amount generated from the solid waste management tax is deposited into the resource management account in the Environmental Fund.

**Proposed Law:** The proposed bill introduces rebates to operators of resource recovery and waste-to-energy facilities for recycled, composted, and reused materials removed from the waste stream.

Operators must report annually by February 1, beginning in 2026, the amounts of recycled, composted, or reused materials extracted from the waste stream or derived from combustor ash utilized in recycling or another approved use.

Rebates will be provided annually by April 15, beginning in 2026, and calculated as follows:

- \$30 per ton for the recycled, composted, or reused materials separated from general waste.
- \$20 per ton for recycled materials extracted from combustor ash and combustor ash utilized in road construction or another approved use.

Amended SWMT revenue allocation is as follows: Funds for the new rebates are appropriated first. Then, seventy percent of the revenue remaining after the rebate appropriation is credited to the Environmental Fund. The Resource Management Account allocation remains three percent of the total SWMT revenue remitted, and the final remainder is deposited into the General Fund.

## REVENUE ANALYSIS DETAIL

- Information for estimating the rebates was provided by staff from the Minnesota Pollution Control Agency.
- Revenue impact estimation uses the Solid Waste Management Tax collections from the February 2025 forecast.
- The revenue loss estimates represent the amounts of rebates provided under this bill, approximately \$1.1 million annually, reducing available revenues under current law.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>