

Subject Packaging Waste

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## Overview

H.F. 3577, the second engrossment, as amended by H3577A3, establishes a statewide program conducted by a product stewardship organization, organized and funded by producers of packaging and paper products and overseen by the Pollution Control Agency, to collect, recycle, and reuse packaging and paper products.

## Summary

Section	Description
1	<b>[115A.144] Short title.</b> States that this act may be known as the “Packaging Waste and Cost Reduction Act.”
2	<b>[115A.1441] Definitions.</b>
3	<b>[115A.1442] Establishment of program.</b> Requires producers to implement and finance a statewide program to reduce the environmental and health impacts of packaging through redesign, waste reduction, reuse, and composting.
4	<b>[115A.1443] Registration of producer responsibility organizations.</b> Requires producers to appoint a producer responsibility organization (PRO) by January 1, 2025, and specifies the content of a registration the organization must submit to the Pollution Control Agency (PCA). Requires the PCA to establish an annual registration fee for a PRO beginning in 2028, set at a level to meet PCA’s anticipated costs to administer and enforce this act. Allows more than one PRO to operate in the state, one of which may represent a specific covered material (packaging/paper products) or material type.

<b>Section</b>	<b>Description</b>
5	<p><b>[115A.1444] Establishment of producer responsibility advisory board.</b> Establishes an advisory board charged with reviewing PRO programs and advising the PRO and the commissioner.</p>
6	<p><b>[115A.1445] Commissioner responsibilities.</b> States the PCA commissioner’s duties under the act, including approving stewardship plans, completing a needs assessment, compiling a list of recyclable/compostable packaging and paper products, and posting relevant information on PCA’s website.</p>
7	<p><b>[115A.1446] Producer responsibility advisory board responsibilities.</b> Requires the board to meet by 3/1/25 and lists its responsibilities.</p>
8	<p><b>[115A.1447] Producer responsibility organization responsibilities.</b> Lists the PRO’s responsibilities, including submitting stewardship plans to the PCA for approval, collecting producer fees, implementing an approved plan and ensuring that producers are in compliance with it, and reimbursing collectors, transporters, and processors of packaging and paper products for activities conducted under the plan.</p>
9	<p><b>[115A.1448] Producer responsibilities.</b> Lists responsibilities of producers, including joining a PRO and complying with the provisions of this act. Prohibits a producer from bringing packaging/paper products into the state after 1/1/32 unless they are reusable, on the commissioner’s list of recyclables/compostables or exempt materials, or subject to an alternative collection system under an approved plan.</p>
10	<p><b>[115A.1449] Service provider responsibilities.</b> Requires service providers (collectors, transporters and processors of packaging/paper products) to collect and manage packaging/paper products under contractual agreements with a PRO.</p>
11	<p><b>[115A.1450] Needs assessment.</b> Requires the PCA to complete a needs assessment – including evaluating the state’s solid waste management efforts for packaging/paper products; developing performance targets for recycling and other waste management practices; inventorying infrastructure, capacity, and funding sources for the existing waste system; and estimating costs to improve recycling, composting, and reuse – by 12/31/26 and every five years thereafter.</p>
12	<p><b>[115A.1451] Stewardship plan.</b> Requires a stewardship plan to be submitted to the commissioner by 3/1/28 and every five years thereafter. Specifies the content of a plan, and the process for plan amendment and review by the commissioner. Requires performance targets set by</p>

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	the commissioner to be part of the plan and sets statewide quantitative targets for 2033 and 2038 with respect to recycling, reuse, use reduction, and the percentage of postconsumer content that packaging/paper products must contain. The plan must also contain a description of how performance will be measured. Authorizes the commissioner to establish additional statewide requirements after 2038.
13	<b>[115A.1453] Recyclable or compostable covered materials lists.</b> Requires the commissioner to develop, by 3/1/27 and every three years thereafter, a list of packaging/paper products determined to be recyclable or compostable statewide. Specifies criteria for packaging/paper products to be included on the list. Provides a process allowing the commissioner to classify certain packaging as exempt materials, an exemption that is valid for two years.
14	<b>[115A.1454] Producer fees.</b> Requires the PRO to collect annual fees from members that generate sufficient revenue to pay the PRO's annual registration fee to the PCA (see section 4) and the PRO's operating costs, to reimburse service providers, and to create a financial reserve. The fee must also incentivize designers to reduce the amount and toxicity of materials and increase the proportion of postconsumer material in packaging/paper products, reduce packaging content, and enhance recyclability.
15	<b>[115A.1455] Service provider agreements; reimbursement rates.</b> Requires the PRO to reimburse collectors, transporters, and processors for their services through a service agreement that establishes performance standards, labor standards and safety practices, and prohibits charging a fee for services provided. Reimbursement rates must be based on formulas that reflect costs. The PRO must use competitive bidding processes established in statute (Minn. Stat. § 16C.28) in procuring collections services and infrastructure investments. Specifies that this act does not require a local unit of government to operate under a stewardship plan. Prohibits a producer responsibility organization from competing or interfering with a local unit of government's authority to collect solid waste within its jurisdiction.
16	<b>[115A.1456] Reporting.</b> Requires the PRO to file an annual report to the commissioner summarizing activities conducted under the plan and whenever a performance target is not met. A performance audit of the program must be conducted every four years. The commissioner must submit reports to the governor and legislature on program activities beginning in 2034 and every five years thereafter.
17	<b>[115A.1457] Producer responsibility organization website.</b> Specifies information that must be posted to the PRO website.

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18	<b>[115A.1458] Anticompetitive conduct.</b> Exempts the PRO from state antitrust laws and unfair trade practices for necessary activities conducted under the plan.
19	<b>[115A.1459] Rulemaking.</b> Authorizes the commissioner to adopt rules to implement this act.
20	<b>[115A.1460] Providing information.</b> Requires any person to furnish information to the commissioner, if requested, to assist in implementing or determining compliance with this act.
21	<b>[115A.1461] Deposit return system.</b> Declares the legislature's intent that any future bottle deposit return system enacted in Minnesota will be harmonized with this act, and that materials under that system are exempt from this act.
22	<b>[115A.1462] Enforcement.</b> Authorizes the commissioner to enforce this act, and authorizes penalties for violations of up to \$25,000 per day.
23	<b>Workplace conditions and equity study.</b> Requires the commissioner to contract with a third party by 1/1/32 to study the state's recycling, composting, and reuse facilities.
24	<b>Covered materials pollution and cleanup study.</b> Requires the commissioner to contract with a third party by 1/1/32 to study the contributions of packaging/paper products to litter and water pollution in the state.



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