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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2693

03/08/2023

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The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy

1.1 A bill for an act
1.2 relating to environment; establishing zero-waste grant program; appropriating
1.3 money; requiring reports; proposing coding for new law in Minnesota Statutes,
1.4 chapter 115A.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [115A.566] ZERO-WASTE GRANT PROGRAM.

1.7 Subdivision 1. **Definitions.** (a) For purposes of this section and notwithstanding section
1.8 115A.03, the terms in this subdivision have the meanings given.

1.9 (b) "Compost" means a product that:

1.10 (1) is manufactured through the controlled aerobic, biological decomposition of
1.11 biodegradable materials; and

1.12 (2) has undergone mesophilic and thermophilic temperatures, which significantly reduces
1.13 the viability of pathogens and weed seeds and stabilizes the carbon such that it is beneficial
1.14 to plant growth.

1.15 (c) "Composting" means the controlled microbial degradation of organic waste to yield
1.16 a humus-like product.

1.17 (d) "Eligible entity" means:

1.18 (1) a small business;

1.19 (2) a nonprofit organization; or

1.20 (3) a unit of government.

1.21 (e) "Embodied energy" means energy that was used to create a product or material.

2.1 (f) "Environmental justice area" means an area in the state that, based on the most recent
2.2 data published by the United States Census Bureau, meets one or more of the following
2.3 criteria:

2.4 (1) 50 percent or more of the area's total population is nonwhite;

2.5 (2) 40 percent or more of households in the area have an income that is at or below 185
2.6 percent of the federal poverty level; or

2.7 (3) the area is located in Indian Country, as defined in United States Code, title 18,
2.8 section 1151.

2.9 (g) "Life-cycle emissions" means the environmental impacts of products, processes, or
2.10 services through production, usage, and disposal.

2.11 (h) "Living wage" means the minimum income necessary to allow a person working 40
2.12 hours per week to afford the cost of housing, food, and other material necessities.

2.13 (i) "Nonprofit organization" means an organization whose purpose and activities serve
2.14 the organization's mission to benefit the public and that is not operated to profit other persons
2.15 or entities.

2.16 (j) "Recycled" means a material that has undergone recycling and has been sent to a
2.17 responsible end market.

2.18 (k) "Recycling" means the process of collecting, sorting, cleansing, treating, and
2.19 reconstituting material that would otherwise be disposed of onto land or into water or the
2.20 atmosphere and returning the material to or maintaining the material in the economic
2.21 mainstream in the form of recovered material for new, reused, or reconstituted products
2.22 that meet the quality standards necessary to be used in the marketplace. Recycling does not
2.23 include energy recovery or energy generation by any means, including but not limited to
2.24 combustion, incineration, pyrolysis, gasification, solvolysis, thermal desorption, waste to
2.25 fuel, or landfill disposal of discarded material or discarded product component materials,
2.26 including the use of materials as landfill cover.

2.27 (l) "Responsible end market" means a materials market in which recycling materials or
2.28 disposing of contaminants is conducted in a way that benefits the environment and minimizes
2.29 risks to public health and worker health and safety.

2.30 (m) "Reuse" means to use a product, packaging, or resource that is:

2.31 (1) designed and marketed to be used multiple times for the same purpose;

3.1 (2) designed for durability to function properly in its original condition for multiple uses;
3.2 and

3.3 (3) made of a material supported by adequate infrastructure to ensure the material can
3.4 be conveniently and safely used or refilled for multiple cycles.

3.5 (n) "Rural area" means an area of the state that is not within the boundaries of a city
3.6 where:

3.7 (1) the population is 50,000 or more; and

3.8 (2) the immediately adjacent urbanized and urbanizing areas have a population density
3.9 of more than 100 persons per square mile.

3.10 (o) "Small business" has the meaning given under section 645.445;

3.11 (p) "Source reduction" means an activity that prevents generation of waste or prevents
3.12 inclusion of toxic materials in waste, including:

3.13 (1) reuse of a product in its original form;

3.14 (2) increasing the lifespan of a product;

3.15 (3) reducing material or the toxicity of material used in production or packaging in a
3.16 manner that does not impede the product's ability to be recycled; or

3.17 (4) changing procurement, consumption, or waste generation habits to result in smaller
3.18 quantities or lower toxicity of waste generated.

3.19 (q) "Source-separated" means a stream of recyclable materials separated at the point of
3.20 waste creation before materials are collected and centralized. Source-separated does not
3.21 include technologies that sort mixed municipal solid waste into recyclable and nonrecyclable
3.22 materials.

3.23 (r) "Unit of government" means a city, county, public school district, town, or Tribal
3.24 government in the state.

3.25 (s) "Zero waste" means conserving all resources by means of responsible production,
3.26 consumption, reuse, and recovery of products, packaging, and materials without burning
3.27 or otherwise destroying embodied energy, with no discharges to land, water, or air that
3.28 threaten the environment or human health.

3.29 (t) "Zero-waste practice" means a practice used to help achieve zero waste, including
3.30 source reduction, recycling, and composting.

4.1 Subd. 2. **Grant program.** The commissioner must establish a competitive grant program
4.2 for eligible entities to pursue projects that are consistent with zero-waste practices in one
4.3 or more of the following categories:

4.4 (1) electronic source reduction and recycling according to subdivision 3;

4.5 (2) source reduction and reuse according to subdivision 4;

4.6 (3) market development according to subdivision 5; or

4.7 (4) recycling and composting infrastructure according to subdivision 6.

4.8 Subd. 3. **Electronic source reduction and recycling.** (a) Projects under this subdivision
4.9 must relate to electronic source reduction and recycling. Grants may be used for
4.10 infrastructure, technology, research and development, and product repair and refurbishment.

4.11 (b) Projects must not include an electronic waste buy-back program that provides
4.12 compensation for used electronics as a credit toward the purchase of additional electronics.

4.13 (c) For projects in which recyclers are receiving electronics for materials processing,
4.14 such as for shredding and dismantling, the recyclers must be certified by an ANSI-ASQ
4.15 National Accreditation Board or similar accredited third-party certification body to an
4.16 environmentally sound management standard.

4.17 Subd. 4. **Source reduction and reuse.** (a) Projects under this subdivision must relate
4.18 to source reduction, reuse, or both source reduction and reuse. Grants may be used for
4.19 product or manufacturing redesign or redevelopment to reduce life-cycle emissions,
4.20 by-products, packaging, and other outputs or for educational programming and outreach
4.21 activities to encourage changes in consumer behavior.

4.22 (b) For projects involving product or manufacturing redesign or redevelopment:

4.23 (1) the applicable manufacturer must pay a living wage; and

4.24 (2) the redesign or redevelopment must not result in higher toxicity or increased emissions
4.25 and must reduce overall life-cycle emissions.

4.26 Subd. 5. **Market development.** (a) Projects under this subdivision must relate to market
4.27 development with respect to source reduction, recycling, and composting, including creating
4.28 demand for sorted recyclable commodities, refurbished goods, or compost.

4.29 (b) Projects must target easily or commonly recycled materials that are disproportionately
4.30 disposed of in landfills or incinerated and must reduce the volume, weight, or toxicity of
4.31 waste and waste by-products.

5.1 (c) Projects must not conflict with other laws or requirements identified by the
5.2 commissioner.

5.3 Subd. 6. **Recycling and composting infrastructure.** (a) Projects under this subdivision
5.4 must relate to recycling or composting infrastructure. Grants may be used for facilities,
5.5 machinery, equipment, and other physical necessities required for collecting or processing
5.6 on a city- or county-wide scale.

5.7 (b) Projects under this subdivision must result in increased capacity for residential and
5.8 commercial source-separated organics, yard waste, and recycling streams. Projects focused
5.9 on composting infrastructure must generate a usable product that has demonstrable
5.10 environmental benefits when compared to the input materials, such as compost with added
5.11 nutrient content.

5.12 (c) Eligible compost projects must compost source-separated organic materials or yard
5.13 waste. Composting material derived from mixed municipal solid waste is not an eligible
5.14 project under this subdivision.

5.15 Subd. 7. **Grant application process; requirements.** (a) The commissioner must award
5.16 grants to eligible entities through a competitive grant process. In the request for proposals,
5.17 the commissioner must:

5.18 (1) specify the maximum amount of funding to be awarded to a project;

5.19 (2) establish the minimum percentage of total project funds that an applicant must
5.20 contribute to the project, if any; and

5.21 (3) prioritize the eligible applicants.

5.22 (b) The commissioner must develop, in consultation with the agency's Environmental
5.23 Justice Advisory Group, a streamlined and accessible application process.

5.24 (c) To apply for a grant, an eligible entity must submit a written application to the
5.25 commissioner on a form prescribed by the commissioner. The application must include any
5.26 relevant information requested by the commissioner.

5.27 (d) The application must demonstrate that the eligible entity has set specific source
5.28 reduction, recycling, or composting targets or estimates for the project's reduction of life-cycle
5.29 emissions.

5.30 (e) Projects awarded grants under this section must be completed within three years.

5.31 Subd. 8. **Grant award process.** (a) In awarding grants under this section, the
5.32 commissioner must award at least 60 percent of available money to eligible entities with

6.1 projects located in environmental justice areas and 30 percent of available funds to eligible
 6.2 entities with projects located in rural areas.

6.3 (b) The commissioner must give priority to eligible entities with projects that:

6.4 (1) achieve source reduction;

6.5 (2) support existing or create new jobs that pay a living wage, with additional preference
 6.6 for jobs for individuals with barriers to employment;

6.7 (3) prevent or address any negative environmental consequences of the proposed project;

6.8 (4) demonstrate a need for additional investment in infrastructure and projects to achieve
 6.9 source reduction, recycling, or composting targets set by the local unit of government
 6.10 responsible for waste and recycling projects in the geographic area;

6.11 (5) will encourage further investment in source reduction, recycling, or composting
 6.12 projects; or

6.13 (6) will incorporate multistakeholder involvement, including nonprofit, commercial,
 6.14 and public sector partners.

6.15 **Sec. 2. APPROPRIATION.**

6.16 (a) \$..... in fiscal year 2024 and \$..... in fiscal year 2025 are appropriated from the
 6.17 general fund to the commissioner of the Pollution Control Agency for the zero-waste grant
 6.18 program under Minnesota Statutes, section 115A.566.

6.19 (b) By January 15, 2025, the commissioner must submit a report to the chairs and ranking
 6.20 minority members of the legislative committees having jurisdiction over economic
 6.21 development and environment. The report must detail the use of grant money appropriated
 6.22 under this section and include:

6.23 (1) a list of grant recipients to date and project descriptions; and

6.24 (2) a narrative of progress made toward grant project goals.

6.25 (c) By January 15, 2026, the commissioner must submit a report to the chairs and ranking
 6.26 minority members of the legislative committees having jurisdiction over economic
 6.27 development and environment. The report must detail the use of grant money appropriated
 6.28 under this section and include:

6.29 (1) a list of grant recipients to date and project descriptions;

6.30 (2) a narrative of progress made toward grant project goals; and

7.1 (3) recommendations for future investment in zero-waste infrastructure.