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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2763

04/01/2019 Authored by Hansen and Wagenius The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; solid waste management; increasing rates and appropriating
1.3 part of the increase in tax collected to grants for soil and water conservation
1.4 districts; amending Minnesota Statutes 2018, sections 297H.02, subdivision 2;
1.5 297H.03, subdivision 2; 297H.04, subdivision 2; 297H.05; 297H.13, subdivision
1.6 2; proposing coding for new law in Minnesota Statutes, chapter 297H.

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

1.8 Section 1. Minnesota Statutes 2018, section 297H.02, subdivision 2, is amended to read:

1.9 Subd. 2. Rates. The rate of tax under this section is ~~9.75~~ 11 percent.

1.10 EFFECTIVE DATE. This section is effective July 1, 2019.

1.11 Sec. 2. Minnesota Statutes 2018, section 297H.03, subdivision 2, is amended to read:

1.12 Subd. 2. Rate. The rate of the tax under this section is ~~47~~ 19 percent.

1.13 EFFECTIVE DATE. This section is effective July 1, 2019.

1.14 Sec. 3. Minnesota Statutes 2018, section 297H.04, subdivision 2, is amended to read:

1.15 Subd. 2. Rate. (a) Commercial generators that generate nonmixed municipal solid waste
1.16 shall pay a solid waste management tax of ~~60~~ 67.5 cents per noncompacted cubic yard of
1.17 periodic waste collection capacity purchased by the generator, based on the size of the
1.18 container for the nonmixed municipal solid waste, the actual volume, or the weight-to-volume
1.19 conversion schedule in paragraph (c). However, the tax must be calculated by the waste
1.20 management service provider using the same method for calculating the waste management

2.1 service fee so that both are calculated according to container capacity, actual volume, or  
2.2 weight.

2.3 (b) Notwithstanding section 297H.02, a residential generator that generates nonmixed  
2.4 municipal solid waste shall pay a solid waste management tax in the same manner as provided  
2.5 in paragraph (a).

2.6 (c) The weight-to-volume conversion schedule for:

2.7 (1) construction debris as defined in section 115A.03, subdivision 7, is equal to ~~60~~ 67.5  
2.8 cents per cubic yard. The commissioner of revenue, after consultation with the commissioner  
2.9 of the Pollution Control Agency, shall determine and may publish by notice a conversion  
2.10 schedule for construction debris;

2.11 (2) industrial waste as defined in section 115A.03, subdivision 13a, is equal to ~~60~~ 67.5  
2.12 cents per cubic yard. The commissioner of revenue after consultation with the commissioner  
2.13 of the Pollution Control Agency, shall determine, and may publish by notice, a conversion  
2.14 schedule for various industrial wastes; and

2.15 (3) infectious waste as defined in section 116.76, subdivision 12, and pathological waste  
2.16 as defined in section 116.76, subdivision 14, is 150 pounds equals one cubic yard, or ~~60~~  
2.17 67.5 cents per 150 pounds.

2.18 **EFFECTIVE DATE.** This section is effective July 1, 2019.

2.19 Sec. 4. Minnesota Statutes 2018, section 297H.05, is amended to read:

2.20 **297H.05 SELF-HAULERS.**

2.21 (a) A self-hauler of mixed municipal solid waste shall pay the tax to the operator of the  
2.22 waste management facility to which the waste is delivered at the rate imposed under section  
2.23 297H.03, based on the sales price of the waste management services.

2.24 (b) A self-hauler of nonmixed municipal solid waste shall pay the tax to the operator of  
2.25 the waste management facility to which the waste is delivered at the rate imposed under  
2.26 section 297H.04.

2.27 (c) The tax imposed on the self-hauler of nonmixed municipal solid waste may be based  
2.28 either on the capacity of the container, the actual volume, or the weight-to-volume conversion  
2.29 schedule in paragraph (d). However, the tax must be calculated by the operator using the  
2.30 same method for calculating the tipping fee so that both are calculated according to container  
2.31 capacity, actual volume, or weight.

2.32 (d) The weight-to-volume conversion schedule for:

3.1 (1) construction debris as defined in section 115A.03, subdivision 7, is one ton equals  
 3.2 3.33 cubic yards, or ~~\$2~~ \$2.25 per ton;

3.3 (2) industrial waste as defined in section 115A.03, subdivision 13a, is equal to ~~60~~ 67.5  
 3.4 cents per cubic yard. The commissioner of revenue, after consultation with the commissioner  
 3.5 of the Pollution Control Agency, shall determine, and may publish by notice, a conversion  
 3.6 schedule for various industrial wastes; and

3.7 (3) infectious waste as defined in section 116.76, subdivision 12, and pathological waste  
 3.8 as defined in section 116.76, subdivision 14, is 150 pounds equals one cubic yard, or ~~60~~  
 3.9 67.5 cents per 150 pounds.

3.10 (e) For mixed municipal solid waste the tax is imposed upon the difference between the  
 3.11 market price and the tip fee at a processing or disposal facility if the tip fee is less than the  
 3.12 market price and the political subdivision subsidizes the cost of service at the facility. The  
 3.13 political subdivision is liable for the tax.

3.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.

3.15 Sec. 5. Minnesota Statutes 2018, section 297H.13, subdivision 2, is amended to read:

3.16 Subd. 2. **Allocation of revenues.** (a) \$33,760,000, or 70 percent, whichever is greater,  
 3.17 of the amounts remitted under this chapter must be credited to the environmental fund  
 3.18 established in section 16A.531, subdivision 1.

3.19 (b) Notwithstanding paragraph (a), 30 percent of the following combined amounts are  
 3.20 dedicated to the account established under section 297H.131:

3.21 (1) an amount equal to 1.25 percentage points of the tax imposed under section 297H.02,  
 3.22 subdivision 2;

3.23 (2) an amount equal to two percentage points of the tax imposed under section 297H.03,  
 3.24 subdivision 2;

3.25 (3) an amount equal to 7.5 cents per cubic yard or per 150 pounds, as appropriate, of  
 3.26 the tax imposed by sections 297H.04, subdivision 2, and 297H.05, paragraph (d), clauses  
 3.27 (2) and (3); and

3.28 (4) an amount equal to 25 cents per ton of the tax imposed by section 297H.05, paragraph  
 3.29 (d), clause (1).

3.30 (c) The remainder must be deposited into the general fund.

3.31 **EFFECTIVE DATE.** This section is effective July 1, 2019.

4.1 Sec. 6. **[297H.131] SOIL AND WATER CONSERVATION DISTRICT ACCOUNT.**

4.2 **Subdivision 1. Establishment; appropriation.** (a) A soil and water conservation district  
4.3 account is established in the special revenue fund. An amount equal to the amount allocated  
4.4 under section 297H.13, subdivision 2, paragraph (b), must be deposited in this fund annually.

4.5 (b) Money in the account, including interest, is appropriated to the commissioner of  
4.6 revenue annually.

4.7 **Subd. 2. Distribution.** (a) The commissioner of revenue must distribute money in this  
4.8 account to the Board of Soil and Water Resources for the purpose of providing competitive  
4.9 grants to soil and water conservation districts.

4.10 (b) A county containing a district that receives a grant under paragraph (a) must fully  
4.11 match the dollar amount of the grant and distribute to the receiving district. The amount of  
4.12 the match must be in addition to current levels of funding.

4.13 **EFFECTIVE DATE.** This section is effective July 1, 2019.