

Packaging Waste and Cost Reduction Act

Overview of MINN STAT 115A.144 to 115A.1463

Passed by the 93rd Minnesota Legislature

Signed by the Governor May 21, 2024

Materials in this PowerPoint were compiled by the Partnership on Waste and Energy

Last updated on October 9, 2024

What is Extended Producer Responsibility?

A law that extends a producer's financial and managerial responsibility for its products and packaging beyond the manufacturing stage – both upstream to product design and downstream to post-consumer use, recycling, or safe disposal.



Outcomes

- ✓ Require packaging and paper products to be reusable, recyclable, or compostable by 2032.
- ✓ Reduce customer's cost of recycling by at least 90%.
- ✓ Incentivize sustainable packaging.
- ✓ Expand options for refill and reuse.
- ✓ Expand recycling service access and convenience.
- ✓ Simplify and standardize recycling across the state by establishing a universal recycling list.

Key Definitions

- **Covered materials** are the materials covered under the Packaging Waste and Cost Reduction Act including packaging, food packaging, and paper products.
- **Covered entities** are residents, schools and childcare facilities, certain non-profits, and government buildings and spaces that will have costs covered for services associated with the management of covered materials.
- **Service providers** are organizations that provide or arrange for collection, transfer, transportation, sorting, processing, recovering, preparation, or any other activity directly related to the refill, reuse, recycling, or composting of covered materials.
- **Minnesota Pollution Control Agency (MPCA)** is the agency responsible for oversight and enforcement of the Packaging Waste and Cost Reduction Act.
- **Producers** are brands, companies, and organizations that sell or distribute covered materials into Minnesota and are obligated to participate.
- **Producer Responsibility Organization (PRO)** coordinates on behalf of producers to implement and administer the program.
- **Advisory board** is an appointed board of representatives of those responsible for the use and management of covered materials to provide feedback on program implementation.



Advisory Board

The advisory board provides recommendations and oversight of both the PRO and the agency on program implementation.



Producers

Producers must establish a Producer Responsibility Organization (PRO) and pay fees to the PRO based on what is sold into Minnesota.



Provide oversight and enforcement

Establish statewide requirements (goals)

Complete needs Assessment

Create state-wide lists

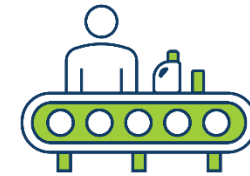


Producer Responsibility Organization

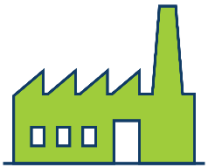
The PRO puts together a plan and reimburses costs of the reuse, recycling, and composting of covered materials.

Service Providers

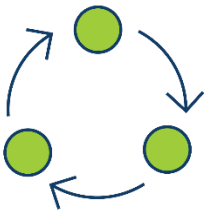
Examples include haulers, recycling facilities, and cities that contract for collection services.



Recycle



Compost



Reuse



Covered materials

Packaging: A material or auxiliary materials used to protect or in handling of a product (such as cans, bottles, plastic bags, and boxes).

Food packaging: A container used to market, protect, handle, or contain a food or beverage item.

Paper products: Products made primarily from wood or other cellulosic fiber.



Exemptions:

- Paper products deemed unsafe or unsanitary to handle by recycling or composting facilities
- Newspaper and magazines focused on current events
- Certain business-to-business materials
- Packaging for medical devices, drugs, infant formula, medically necessary nutritional supplements, regulated pesticides, animal medicines and medical equipment
- Packaging managed through PaintCare

Statewide Collection Lists

The MPCA will develop lists collaboratively to set a baseline of what must be collected as a recyclable or compostable covered material in the state via:

1. **Curbside**/co-mingled collection systems, and
2. **Alternative** collection systems (such as drop-offs).



Governance



Producers: Form one producer responsibility organization (PRO) for first plan, more PROs allowed after first plan. Must be registered as 501(c)(3).



MPCA: Responsible for oversight and enforcement. Must review and approve plans and reports.



Advisory Board: Appointed by the MPCA. Provides input to PRO(s) and MPCA on activities, plans, rules, and reports.

Advisory Board



Voting members (17)

- (2) manufacturers of covered materials (or association)
- (2) refill or reuse business (or association)
- (1) retailer (or association)
- (2) recycling facilities
- (1) waste hauler (or association)
- (1) waste facility that transfers covered materials
- (1) compost site (or association)

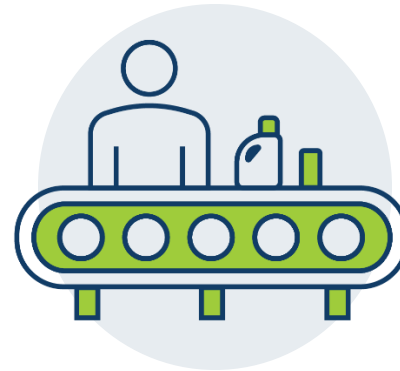
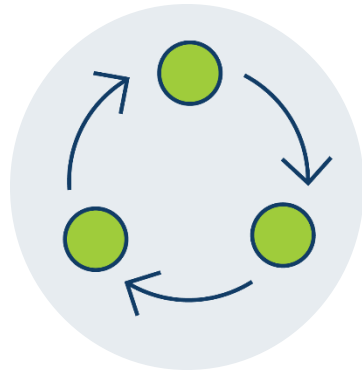
- (1) nonprofit environmental org
- (1) community-based nonprofit environmental justice org
- (3) local governments (one from greater MN)
- (2) interested parties identified by agency

Non-voting (1)

- (1) representative of the MPCA commissioner

Who is a service provider?

Any private company or other organization that provides collection, transfer, transportation, sorting, processing, recovering, preparation, or any other activity directly related to the refill, reuse, recycling, or composting of covered materials. A city, county, or solid waste management organization that provides, contracts, or otherwise arranges with another party to provide services listed above can be a service provider.



Setting producer fees

Fees must cover all PRO's program costs. Fees must adjust to charge the lowest fees for covered materials with environmentally desirable features:

1. Shift to reusables
2. Optimize material use, while maintaining recyclability
3. Improve recyclability or composability
4. Increase sustainability and renewably sourced materials
5. Eliminate toxic substances

Producers pay fees to PRO to pay for:

- **Statewide needs assessments** to inform PRO's plan
- **Recycling system costs** from collection, sorting and disposing of contamination
- **Ensuring recycling collection** across the state:
 - Reimbursing service providers for services to covered entities
 - Coordinating service in places that have limited access
- **Infrastructure investments** to meet goals
- **Market development** to expand or establish end markets to meet goals
- **Outreach and education**
- **Administrative costs for MPCA**

PRO reimburses service providers for:

1. **Collection** of covered materials from covered entities
2. **Transfer** and transportation costs
3. **Sorting and processing** costs, including costs to manage contamination
4. **Administrative costs**, including education and outreach
5. **Refill and reuse system** costs including any collection, washing, and reverse-distribution systems

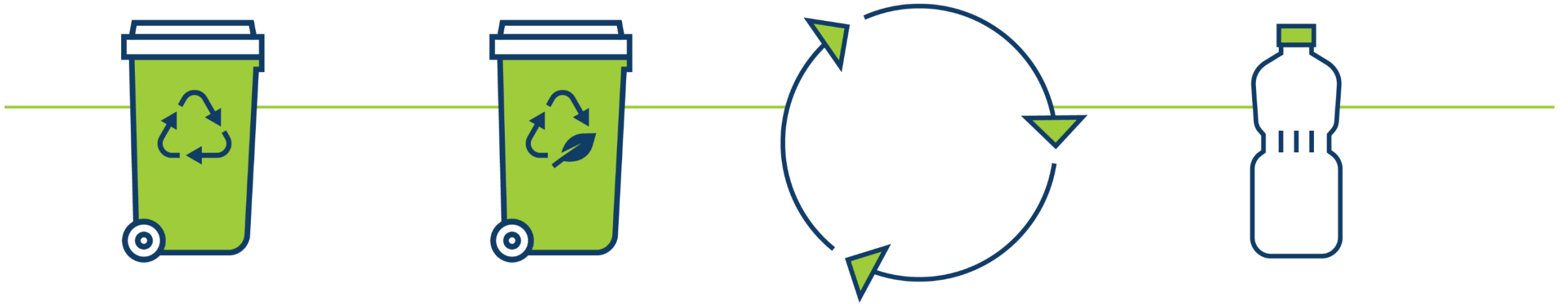
Reimbursement is phased and starts in 2029.

Year 1 (2029): 50%

Year 2 (2030): 75%

Year 3 and on (2031+):

no less than 90%



All packaging, food packaging, and paper products must be able to be **reused, recycled, or composted** by January 1, 2032.

Statewide goals for source reduction, reuse, recycling rates, composting rates, and use of postconsumer materials are set by the commissioner of the MPCA. Material-specific performance targets are set in the PRO's plan.

Timeline

January 1, 2025

Appointment of initial Producer Responsibility Organization
Appointment of Advisory Board
Registration of Service Providers

March 1, 2025

First Advisory Board meeting

December 31, 2025

Preliminary assessment completed

December 31, 2026

Needs assessment completed

July 1, 2028

“Curbside” list and alternative collection list established
Statewide requirements to be set (assumed, date not set in statute)

October 1, 2028

First plan due [120 days for review (including public comment)]

February 1, 2029

50% reimbursement of program costs

February 1, 2030

75% reimbursement of program costs

February 1, 2031

No less than 90% reimbursement of program costs

More information

<https://www.pca.state.mn.us/air-water-land-climate/using-and-developing-products-responsibly>

- [Packaging Waste and Cost Reduction Act \(w-ps1-05a\)](#)
- [Packaging Waste and Cost Reduction Act - impacted parties \(w-ps1-05b\)](#)