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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2661

01/24/2022 Authored by Hollins, Reyer, Feist, Agbaje and Berg
The bill was referred to the Committee on Workforce and Business Development Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; creating the zero-waste grant program;
1.3 appropriating money; requiring reports; proposing coding for new law in Minnesota
1.4 Statutes, chapter 116J.

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

1.6 Section 1. [116J.4381] ZERO-WASTE GRANT PROGRAM.

1.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following definitions
1.8 apply.

1.9 (b) "Adaptive management practices" means the integration of project design,
1.10 management, and monitoring to identify project impacts and outcomes as they arise and
1.11 adjust behaviors to improve outcomes.

1.12 (c) "Commissioner" means the commissioner of employment and economic development.

1.13 (d) "Eligible entity" means a nonprofit or unit of government.

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

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

1.17 (g) "Organics recycling" means the biological processes by which organics streams are
1.18 converted to compost which is not harmful to humans, plants, or animals.

1.19 (h) "Recycling" means the mechanical processing of materials that has reached the end
1.20 of its current use into materials to be used in the production of new products. It does not
1.21 include incineration or any energy recovery process or depolymerization or a similar process.

2.1 (i) "Reuse" does not mean incineration, but does mean:

2.2 (1) using a product, packaging, or resource more than once for the same or a new function
2.3 with little or no processing; or

2.4 (2) repairing a product so it can be used longer, sharing or renting it, or selling or donating
2.5 it to another party.

2.6 (j) "Source reduction" does not mean incineration, but does mean:

2.7 (1) activities that reduce consumption of products or services that create physical outputs,
2.8 such as packaging, that is secondary to the intended use of the item being consumed;

2.9 (2) measures or techniques that reduce the amount of waste generated during production
2.10 processes; and

2.11 (3) the reduction or elimination of the use of materials which are not able to be recycled
2.12 without degrading the quality of the material.

2.13 (k) "Source separated" means the separation of a stream of recyclable materials at the
2.14 point of waste creation before materials are collected and centralized. It does not include
2.15 technologies that sort mixed municipal solid waste into recyclable and nonrecyclable
2.16 materials.

2.17 (l) "Waste prevention" means reuse, recycling, and other methods to reduce the amount
2.18 of materials disposed of in landfills or incinerated.

2.19 (m) "Zero waste" means conservation of all resources by means of responsible production,
2.20 consumption, reuse, and recovery of products, packaging, and materials without burning
2.21 or otherwise destroying embodied energy, with no discharges to land, water, or air that
2.22 threaten the environment or human health.

2.23 (n) "Zero-waste practice" means a practice used to help achieve zero waste, including
2.24 source reduction and waste prevention.

2.25 Subd. 2. **Establishment.** The commissioner shall establish a competitive grant program
2.26 for eligible entities to pursue projects that are consistent with zero-waste practices. This
2.27 shall include projects in four categories:

2.28 (1) electronic waste reuse and recycling, under subdivision 3;

2.29 (2) source reduction, under subdivision 4;

2.30 (3) market development, under subdivision 5; and

2.31 (4) organics recycling infrastructure, under subdivision 6.

3.1 Subd. 3. **Electronic waste reuse and recycling.** Projects under this subdivision must
3.2 relate to electronic waste reuse and recycling and must be carried out by an organization
3.3 certified in sustainable electronic waste standards by an organization accredited by the
3.4 National Accreditation Board of the American National Standards Institute and The American
3.5 Society of Quality, or another accrediting body as determined by the commissioner. Grant
3.6 funds for such projects may be used for infrastructure, technology, research and development,
3.7 and product refurbishment. Projects must not include an electronic waste buy-back program
3.8 that provides compensation for used electronics as a credit toward the purchase of additional
3.9 electronics.

3.10 Subd. 4. **Source reduction.** Projects under this subdivision must relate to source
3.11 reduction. Grant funds for such projects may be used for educational programming and
3.12 outreach activities to encourage consumer behavior change or for product or manufacturing
3.13 redesign or redevelopment to reduce byproducts, packaging, and other outputs. For projects
3.14 involving product or manufacturing redesign or redevelopment, the applicable manufacturer
3.15 must pay a living wage and the redevelopment or redesign must not result in higher toxicity
3.16 or more complicated recyclability of the product or byproducts or increased volume of the
3.17 byproducts.

3.18 Subd. 5. **Market development.** Projects under this subdivision must relate to market
3.19 development with respect to source reduction or waste prevention, including creating demand
3.20 for sorted recyclable commodities and refurbished goods. Such projects must target easily
3.21 or commonly recycled materials which are disproportionately disposed of in landfills or
3.22 incinerated and must reduce the volume, weight, or toxicity of waste and waste byproducts.
3.23 Projects must not conflict with other laws or requirements as identified by the commissioner.

3.24 Subd. 6. **Organics recycling infrastructure.** Projects under this subdivision must relate
3.25 to organics recycling infrastructure. Grant funds for such projects may be used for facilities,
3.26 machinery, equipment, and other physical necessities required for organics collection or
3.27 processing on a city- or county-wide scale. Projects under this subdivision must result in
3.28 increased capacity for residential and commercial source separated organics streams and
3.29 generate a usable product that has demonstrable environmental benefits when compared to
3.30 the input materials such as compost with added nutritional content. Projects may not include
3.31 mixed-waste composting.

3.32 Subd. 7. **Grant process.** (a) The commissioner must award grants to eligible entities
3.33 through a competitive grant process.

4.1 (b) To receive a grant, an eligible entity must submit a written application to the
 4.2 commissioner, using the form developed by the commissioner, and including any information
 4.3 requested by the commissioner.

4.4 (c) The application must demonstrate that the eligible entity has set specific source
 4.5 reduction or waste prevention targets and that the project will happen in a community in
 4.6 the 80th percentile or higher for one or more pollutants as noted in the EJSCREEN tool, or
 4.7 any successor system, of the Environmental Protection Agency.

4.8 Subd. 8. **Award criteria.** In awarding grants under this section, the commissioner shall
 4.9 give priority to eligible entities with projects that:

4.10 (1) could lead to the creation of new jobs that pay a living wage with additional preference
 4.11 for jobs for individuals with barriers to employment;

4.12 (2) achieve source reduction or waste prevention in schools;

4.13 (3) employ adaptive management practices to identify, prevent, or address any negative
 4.14 environmental consequences of the proposed project;

4.15 (4) demonstrate need for additional investment in infrastructure and projects to achieve
 4.16 source reduction and waste prevention targets set by the local unit of government responsible
 4.17 for waste and recycling projects in the geographic area;

4.18 (5) will develop innovative or new technologies or strategies for source reduction and
 4.19 waste prevention;

4.20 (6) will encourage further investment in source reduction and waste prevention projects;

4.21 or

4.22 (7) will incorporate multistakeholder involvement, including nonprofit, commercial,
 4.23 and public sector partners.

4.24 Subd. 9. **Report to the legislature.** By January 15, 2024, the commissioner must submit
 4.25 a report as required under section 3.195 that details the use of grant funds. A copy of this
 4.26 report must also be sent to the chairs and ranking minority members of the legislative
 4.27 committees having jurisdiction over economic development and the environment.

4.28 Sec. 2. **ZERO-WASTE GRANT PROGRAM; APPROPRIATION.**

4.29 \$1,500,000 in fiscal year 2022 and \$1,500,000 in fiscal year 2023 are appropriated from
 4.30 the general fund to the commissioner of employment and economic development for the
 4.31 zero-waste grant program under Minnesota Statutes, section 116J.4381.