



Packaging Waste and Cost Reduction Act

Extended Producer Responsibility for Packaging and Paper Products

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A large, dense pile of discarded plastic bottles and containers, including beer bottles, water bottles, and various plastic jugs, illustrating the waste that the EPR law aims to address.

In May 2024, Minnesota became the fifth state to establish an extended producer responsibility (EPR) law for packaging and paper products.

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.

Foundation of Packaging Waste and Cost Reduction Act

Inform: more robust, coordinated education

Create change: focus on behavior change and experiment

Trusted: Require third-party certification, where available and certify the use of responsible markets

Continuous improvement: update data-based programming with needs assessment, plan amendments, and updated plans

Incentivize: fund the program using eco-modulated fees so problematic materials pay more

Streamline: 2032 refillable, reusable, recyclable, compostable

Consistency: universal recyclables and compostables list

Availability: greater access to services

All the interested parties in the room together

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.

What materials are covered?

Covered materials include:



Packaging – *materials to transport, market, protect, or handle a product*



Food packaging – *materials to market, protect, handle, deliver, serve, contain, or store food and beverages*

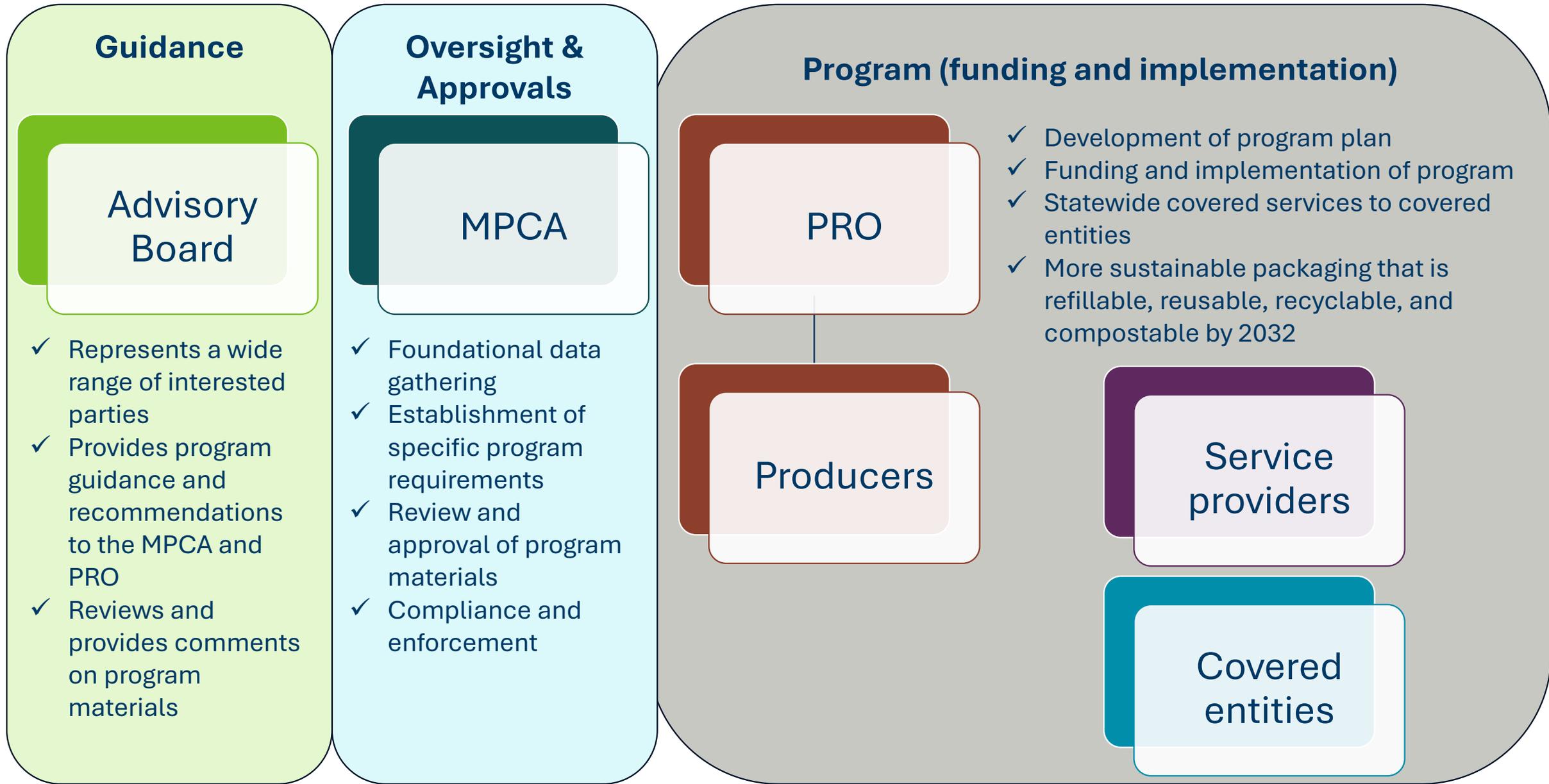


Paper products – *excluding bound books or products deemed unsafe or unsanitary to handle by recycling and composting facilities*

Exempt materials

- Includes a list of specific exemptions primarily focused on packaging related to drug or medical devices, certain hazardous products, and materials managed through another program (e.g., PaintCare). It also includes news and magazine publications of a certain circulation limit.
- Defines a process where the MPCA can approve additional exemptions **if** a specific federal or state health and safety requirement prevents the material from being reduced or made reusable, recyclable, or compostable.

Who is involved with or impacted by the program?



Advisory Board

Board responsibilities:

- Advise on any aspect of program implementation regarding their respective field(s) and expertise to help the MPCA or PRO navigate critical matters.
- Offer feedback on important program materials and initiatives, helping the MPCA and PRO understand how these may affect implementation and communities statewide.
- Identify and communicate risks associated with specific decisions or actions, advising on ways to mitigate them.

Upcoming meetings:

- June 20, 2025, 9 a.m. - 12 p.m.
- July 15, 2025, 10:30 a.m. - 1:30 p.m.
- Aug. 22, 2025, 9 a.m. - 12 p.m.
- Sept. 25, 2025, 9 a.m. - 12 p.m.

Additional meetings to be set for October, November, and December based on availability of the board.



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

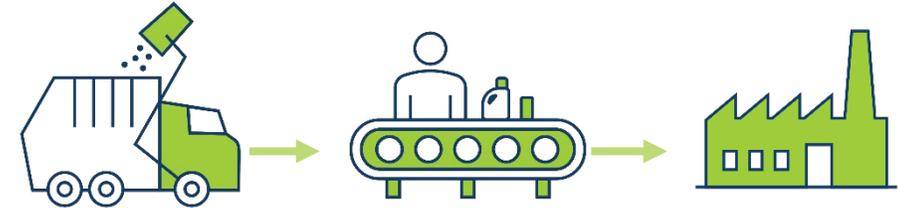


Producer Responsibility Organization

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

Service Providers

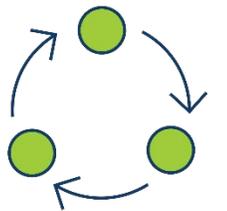
Examples include haulers, recycling facilities, and cities that contract for collection services.



Recycle



Compost



Reuse



What are the program outcomes?

Statewide requirements

Developed by the MPCA.

Must be based on findings from needs assessment and consult with PRO and Advisory Board.

Establish deadlines and requirements for:

- Recycling rate, Composting rate, Reuse rate, Return rate
- % of covered materials to be reduced overall
- % of postconsumer recycled content to be used, as applicable by materials

Reviewed every 5 years to determine if updates are warranted

Performance targets

Proposed by the PRO in the stewardship plan (updated every 5 years).

Establish targets by material type to be met by the end of the plan term for:

- Recycling rate, Composting rate, Reuse rate, Return rate
- % of covered materials to be reduced overall
- % of postconsumer recycled content to be used, as applicable by materials



By 2032 all covered materials must be refillable, reusable, recyclable, or compostable

Preliminary assessment

How much and what kind of material:

- Identification of currently or recently introduced covered materials and covered materials types
- Tons of collected covered materials
- Covered materials sales by volume, weight, and covered materials types introduced by producers

Overview of existing infrastructure and processing abilities and capacity

- The characteristics of recycling and composting programs, including a description of single-stream and dual-stream recycling systems offered in the state and prevalence of their use, average frequency of collection of covered materials for recycling and composting, types of collection containers used, commonly accepted materials for recycling and composting, and total costs by type of covered entity
- Processing capacity at recycling facilities, including total tons processed and sold, composition of tons processed

and sold, current technologies utilized, and facility processing fees charged to collectors delivering covered materials for recycling

- Capacity and number of:
 - compost sites
 - drop-off collection sites
 - transfer stations and transfer locations
- Available markets in the state for covered materials and the capacity of those markets

Pricing and contracting

- Average term length of residential recycling and composting collection contracts issued by political subdivisions and an assessment of contract cost structures
- An estimate of total annual collection and processing service costs based on registered service provider costs

Needs assessment

Establish baseline and recommended goals

Establishes the baseline for each covered materials type, including collection rates, recycling rates, composting rates, reuse rates, return rates, and inclusion of PCR content, as applicable, for each covered materials type

Proposals for a range of outcomes to inform statewide requirements and performance targets for each of the following:

- Waste reduction;
- Reuse rate and return rates;
- Recycling rates;
- Composting rates; and
- Postconsumer recycled content, if applicable;

Proposed plans and metrics for how to measure progress in achieving performance targets and statewide requirements

Evaluation of current system and expansion and improvement opportunities

Evaluation of collection methods to maximize efficiency and quality of collected materials and identification of disparities in collection across the state

Investments needed to expand the collection system for a range of possible statewide requirements and performance targets

Evaluation of criteria for a covered material to be considered recyclable, compostable, or acceptable through an alternative collection program

Types and sources of contamination in co-mingled recyclables and organics (including costs and impacts of the contamination)

Assessment of available end markets and the degree to which existing markets are a responsible market

Assess best practices for public awareness, education, and options to provide culturally responsive outreach including use of labels.

Reimbursement methodology

A recommended methodology for applying criteria and formulas to establish reimbursement rates

Environmental improvement and accountability

Evaluation of environmental and public health impacts of covered materials.

An evaluation of options for third-party certifications (for example, to confirm PCR content or trace use of responsible markets)

Assessment of toxic substances intentionally added and best practices to reduce and eliminate their use

2025-2026



Winter 2027

MPCA initiates effort to set:

1. Statewide Requirements
2. Recyclable/compostable lists
3. Alternative collection list

Oct. 1, 2028

Stewardship plan due to MPCA (every five years). **Oct. 2028**

Advisory Board vacancies posted for those with four-year terms.

Summer 2028

PRO to provide draft plan to Advisory Board, PRO for review (min. 60 days.)
Comments must be addressed in final plan submitted to MPCA.

Fall 2028

MPCA to review plan (within 120 days), including a 45-day public comment

Anticipated rulemaking process for the statewide requirements and a list. Rulemaking is at minimum a year-and-a-half process.



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).



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%

Initial service provider registration live

Requirement

January 1, 2025, and **annually** thereafter, service providers seeking reimbursement for services must register with the MPCA with:

- (1) contact info for representative of the service provider
- (2) service provider address
- (3) total amount billed for services during the preceding calendar year (separated by service when possible)

Additional context

- Reimbursements begin early 2029 after the methodology for establishing rates is approved in a product stewardship plan and after rates are confirmed between the PRO and service providers.
 - The MPCA is responsible for sharing the annual registration information to the PRO.
- These first years of registration allow for refining of the form/process and initial service provider data collection.
 - Service providers will likely be contacted by the MPCA or contractor for additional information on their registration as a part of the needs assessment.

Timeline

Annual submission

Service provider registration is due annually going forward with a Q1 deadline.

Reimbursement

The first stewardship plan draft is due to the MPCA in October 2028. Specific reimbursement rates will then be defined and updated annually. The rates will phase in according to the following:

- No less than 50% of net costs by February 1, 2029.
- No less than 75% of net costs by February 1, 2030.
- No less than 90% of net costs by February 1, 2031.

Initial service provider registration live

In situations where an entity is contracting for covered services, **the form must be submitted by whoever will ultimately seek reimbursement for the costs of providing the covered services.**

** This may evolve over time as the reporting form and guidance change with program refinement.*

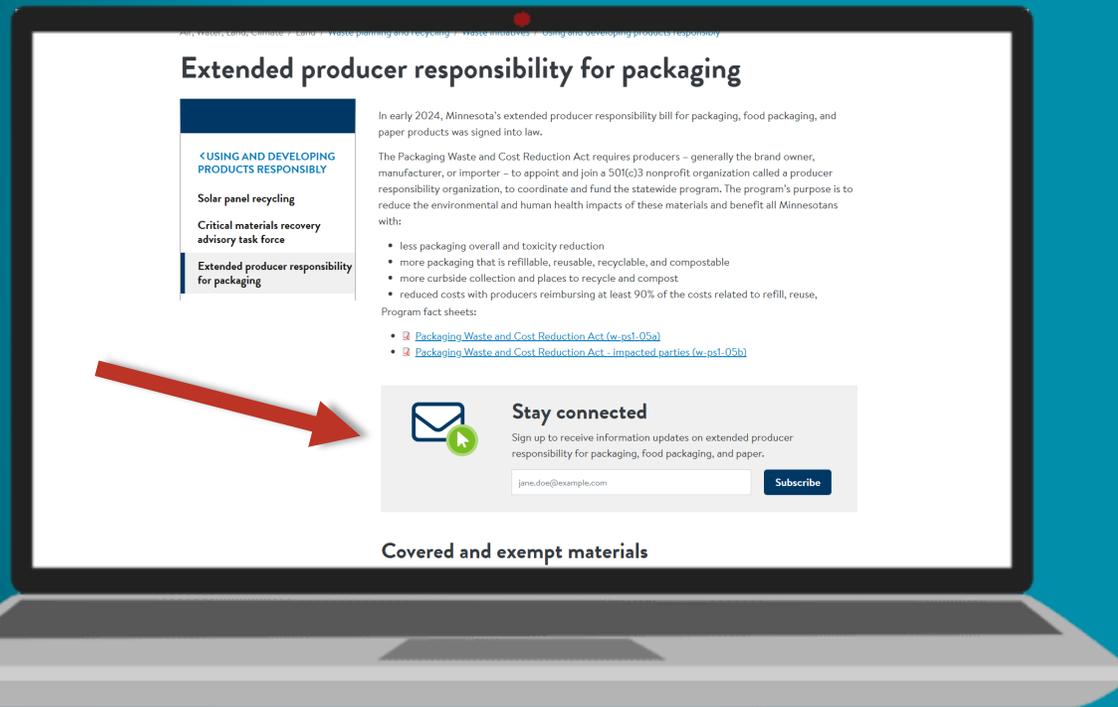
What you submit for this 2025 form will not negatively impact you in the future for reimbursements. We acknowledge it is ambiguous for this first round without the broader process confirmed.

****Please share feedback and ask questions as that will help improve things going forward for the 2026+ forms.****

<https://www.pca.state.mn.us/air-water-land-climate/service-provider-registration-for-packaging-waste-cost-reduction-act>

Example

- If a **city/county contracts for services for their residents**, if the city/county plans to be the one to submit for reimbursement, then they will fill out this form. If they plan to have their contractor submit for reimbursement, then the contractor will fill out this form.
- If a **city/county contracts for services for their public buildings**, the contractor providing the services would submit the form unless the city/county anticipates having an agreement where they will be seeking reimbursement for those services to then pay the contractor.
- If a **property management firm contracts for services for the tenants of their properties**, if the property management firm plans to be the one to submit for reimbursement, then they will fill out this form. If they plan to have their contractor submit for reimbursement, then the contractor will fill out this form.



- ✓ 18-member advisory board appointed; first meeting complete
- ✓ Initial service provider registration is live
- ✓ Producers appointed Circular Action Alliance (CAA) as the packaging producer responsibility organization (PRO) and MPCA confirmed registration
- ✓ MPCA Program lead hired!

In process: Preparing to hire additional MPCA team members

In process: Preparing the RFP for a preliminary assessment (due **December 31, 2025**) and initial needs assessment (due **December 31, 2026**) to gather data

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For more information and to sign up for GovDelivery email updates, visit:

www.pca.state.mn.us/air-water-land-climate/extended-producer-responsibility-for-packaging