

Summary

Report to the Legislature

Increasing recycling of beverage containers in Minnesota: Recommendations for a statewide recycling refund program



What is the issue?

Minnesota recycling rates for beverage containers are below 80 percent.

The Legislature tasked the Minnesota Pollution Control Agency with outlining a program for achieving an 80 percent recycling rate for beverage containers based on a recycling refund approach.

Topics

- Recycling
- Recycling refund
- Beverage containers

Why is it important?

In its 2007 Solid Waste Policy Report, the Minnesota Pollution Control Agency (MPCA) recommended the establishment of a goal to recycle 80 percent of beverage containers in Minnesota by January 1, 2012. The current statewide recycling rate for beverage containers is estimated at 45 percent.

States with recycling refund programs for beverage containers ("bottle bills") have higher container recycling rates.

Materials from beverage containers are of value and generally in great demand.

Key findings

MPCA created a program design for a recycling refund program for beverage containers with features intended to maximize or dramatically increase the capture of recyclable materials and achieve a sustained recycling rate.

- Ten-cent deposit (\$0.10) on beverage containers of one gallon and smaller, for all beverages, alcoholic and non-alcoholic
- Non-profit organization would be created to develop a recycling plan that will achieve and maintain an 80 percent recycling rate and manage the program
- Unclaimed deposits back to non-profit organization to offset program costs
- No organization or store required to be a collection site (e.g., grocery stores), but all participating sites must be approved by the program manager
- Collection sites based on convenience factor: At minimum, one per county, with one per additional 15,000 people



Minnesota Pollution Control Agency

Impacts

A cost-benefit analysis on the financial impacts was produced under contract with the consulting group Reclay StewardEdge.

1. The program design would achieve a recycling rate for beverage containers (84 percent) that meets the legislative goal.
2. Increase recycling by 1.9 billion container units (107,000 tons).
3. Funded through sales of recovered materials to recycling markets (\$76 million) and the value of unredeemed deposits (\$74 million). The balance of the cost would come from beverage distributors (\$29 million).
4. Overall job increase of 1,062; gains in recycling refund program jobs, losses in grocery and residential recycling jobs.
5. Local government and residential savings come from avoided disposal fees from containers diverted from waste: \$5.6 million (\$0.27/household).
6. Materials recovery facilities and waste haulers lose revenue due to reduced disposal fees and lower revenues from recycling collection: \$5.2 million

Recommendations/ conclusions

This program design for a recycling refund program for beverage containers meets the legislative requirement of an 80 percent recycling rate. Innovations such as a non-profit beverage container recycling organization are central to increasing the recycling rate in such dramatic fashion. The program design, detailed analysis, and feedback from interested parties provide a starting point for legislators who wish to take additional action.

Full report

**Increasing recycling of beverage containers in Minnesota:
Recommendations for a statewide recycling refund program** (lrp-rrr-1sy14)
www.pca.state.mn.us/apfc83w

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