



Draft program design for a recycling refund program for beverage containers in Minnesota

Note: Consistent with the legislative charge to receive input from stakeholders as part of the Minnesota Pollution Control Agency's (MPCA) development of a recommendation to achieve an 80 percent recycling rate for beverage containers using a "recycling refund," the following draft program design is offered for consideration and comment. Following the analysis and suggested changes received from stakeholders, the MPCA will take that input under advisement for the final recommendation that is due to the Legislature on January 15, 2014.

Recycling refund/deposit amount

A required deposit of \$0.10 will apply to containers up to one gallon to be paid at time of sale.

Scope of beverage containers with deposit

All alcoholic or a nonalcoholic drink intended for human consumption and packaged for sale in a redeemable beverage container including beer and other malt beverages, wine, distilled spirits regardless of dairy-derived content, carbonated and noncarbonated soft drinks, flavored and unflavored bottled water, fruit juice, and tea and coffee drinks regardless of dairy-derived content.

Specified exclusions

Exclusions to the program include the following:

- a syrup, a liquid concentrate, a condiment, or any other additive intended primarily as a flavoring ingredient in food or beverage
- a liquid that is a drug, a medical food, or an infant formula as defined by the federal food, drug, and cosmetic act
- a liquid that is a dietary supplement as defined as a dietary supplement
- a product frozen at the time of sale to the consumer

Beverage container recycling organization

A non-profit organization to manage the program will be created by statute.

Responsibilities for the organization include:

- overall program management
- development of the Beverage Container Recycling Plan
- financial management of the program including determination of handling fees (if any)
- maintenance of brand registry
- selection/approval of redemption centers to ensure their capability to meet convenience requirements
- annual reporting to the MPCA and the public
- annual financial audit of program finances

Governance structure of beverage container recycling organization

The Board of Directors of the organization will be appointed by the Commissioner and include representatives of the following:

- brand owners
- distributors of beverages
- local government
- redemption centers

Unredeemed deposits

Unredeemed deposits will remain with the Beverage Container Recycling Organization.

Handling fees

Any fees necessary to support the operation of redemption centers will not be specified by legislation but will be determined by the Beverage Container Recycling Organization.

Redemption centers

Redemption centers that may be operated by retailers, local government, and solid waste facilities (such as materials recovery facilities or transfer stations) will serve as collection agents on a voluntary basis. Centers can be either staffed or consist of a reverse vending machine. Retailers that sell containers that carry a deposit are not required to serve as redemption centers.

Distribution/convenience of redemption centers

At least one redemption center per county is required with at least one additional center for each 5,000 residents per county.

Selection and approval of redemption centers

All redemption centers must be approved by the Beverage Container Recycling Organization to ensure adequate convenience, adherence to the redemption requirements, and reporting.

Containers collected through municipal recycling programs

Containers that are deposited in curbside/drop-off recycling containers can be redeemed.

Ownership of redeemed containers

The beverage container recycling organization will own and market all beverage containers returned for refund of the deposit.

~~The ownership of containers redeemed at redemption centers will be addressed by the beverage container recycling plan and influenced by the operators of redemption centers, level of handling fees, and overall program construction.~~

Performance goal

The Beverage Container Recycling Organization will be responsible for achieving and maintaining an 80 percent recycling rate.

Utilization of unredeemed deposits

Unredeemed deposits will be managed by the Beverage Container Recycling Organization to ensure achievement of program performance.

The program will create a fund for state market development activities to be managed by the Beverage Container Recycling Organization related to redeemable containers. Determinations as to necessary investments will reside with the Beverage Container Recycling Organization and must be addressed in the Beverage Container Recycling Plan.

Impact on county recycling rates

Each county's recycling rate will be credited with the containers redeemed in that county.

Components of the beverage container recycling plan

- identify collection centers to ensure convenience requirement is met
- determine amount for handling fees, if any, to be paid to redemption centers
- develop strategy to ensure opportunity for recycling at public events
- market development activities that may be needed to support end markets for redeemed containers
- outline strategy to prevent fraud
- communications/media plan

Role of state government

MPCA will be the primary oversight agency with responsibilities for reviewing and approving the Beverage Container Recycling Plan, ensuring compliance, providing technical assistance, conducting program evaluation, and reporting to the Legislature.