

Solid Waste 101: Market Price

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for
SWAA Winter Training
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Market Price in a nutshell

The minimum amount you need to multiply by the tax rate in order to comply with the Solid Waste Management Tax law ...

If your county reduces the tipping fee below the lowest disposal price (+ transport) in your area, you must use the market price to compute the solid waste management tax

Definitions <https://www.revisor.mn.gov/statutes/cite/297H>

Market price means the lowest price available in the area, assuming transactions between separate parties that are willing buyers and willing sellers in a market.

Sales price means total consideration valued in money for waste management services, excluding separately stated charges for exemptions listed under section [297H.06](#).

Waste management services means waste collection, transportation, processing, and disposal.

Waste management service provider means the person who directly bills the generator or self-hauler for waste management services, and includes, but is not limited to, waste haulers, waste management facilities, utility services, and political subdivisions, to the extent they directly bill for waste management services.

Self-hauler means a person who transports mixed municipal solid waste or non-mixed municipal solid waste generated by that person or another person without compensation.

“Sales Price” does not include:

- County Fees accrued to the general fund for future costs of landfill abatement, closure, post closure care, cleanups, etc. (115A.919)
- City or Town Fees (115A.921)
- Greater Minnesota Landfill Cleanup Fees (115A.923)
- Service Area Service Charges (400.08)
- Metro County tax for solid waste facilities (473.811)
- Metro Solid Waste Landfill Fees (473.843)

2 possible situations

1. The tipping fee charged is **greater than** the Market Price
 - a. Tax is computed on the full amount of the tipping fee
 - b. Collected by the hauler in the bill to the generator by the hauler

1. The tipping fee is **lower than** the Market Price, the the county or city
 - a. computes the difference between the tipping fee and the market price
 - b. multiplies that difference with the appropriate tax rate
 - c. remit the amount to the Department of Revenue

Olmsted County Example Computation

Tip Fee Per Steele County on 9/9/2019
 Steele County Landfill
 9420 64th Ave
 Blooming Prairie, MN

Transportation:

Based on Veit 2019 contract with OC

Handling and Haul Rate - per Veit Contract	\$ 110.00
Handling Rate - per Veit Contract	\$ 36.00
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Haul Rate=((Handle & Haul)-(Handle))	\$ 74.00

Distance (miles)	<hr/> 18
Haul Rate per mile	\$ 4.11

Miles from OC to Steele County

47.6

[Google Maps](#)

Total cost per transport

\$ 195.69

Tons based on observed Semi Capacity

23

Transportation Cost per Ton (Rounded)

8.51 /ton

Transportation Rate
 2020 Tip Fee at Steele County Landfill
 Market Rate

\$ 8.51 /ton

 \$ 50.00 /ton

 \$ 58.51 /ton

Mixed municipal solid waste

For mixed waste, the tax is based on the sales price charged by the service provider and the type of waste generator (customer).

Generator of Mixed Waste (see “Waste definitions”)	SWM Tax Rate
Residential	9.75% of sales price
Commercial	17% of sales price
Self-hauler	17% of sales price

Resolution No. 19-213

WHEREAS, the Solid Waste Management tax, effective January, 1998, requires political subdivisions (Counties) to identify, by resolution, a market price if the political subdivision subsidizes the cost of service at a facility or directly bills on a property tax statement for organized collection of mixed municipal solid waste; and

WHEREAS, the Counties will be liable for any solid waste management tax based only on the market price amount identified through the resolution; and

WHEREAS, the market price is identified in State Statute as the "lowest price available in the area"; and

WHEREAS, Olmsted County has conducted research to identify the lowest price available in the area for the service.

NOW, THEREFORE, BE IT RESOLVED, that the Olmsted County Board of Commissioners hereby declares a market price of \$58.51 per ton for the year 2020. This market price is based on the 2020 out-of-county tipping fee of \$50.00 per ton at the Steele County Landfill, plus additional transportation costs of \$8.51 per ton.

Dated at Rochester, Minnesota this 1st day of October, 2019.

OLMSTED COUNTY BOARD OF COMMISSIONERS

Resources



www.taxes.state.mn.us

Solid Waste Management Tax

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Solid and Hazardous Waste Management

Fact Sheet

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MINNESOTA STATUTES 2019

297H.01

CHAPTER 297H SOLID WASTE MANAGEMENT TAXES

297H.02 RESIDENTIAL GENERATORS.

Subdivision 1. **Imposition.** (a) A tax is imposed upon the sales price of mixed municipal solid waste management services received by a residential generator.

(b) The tax is imposed upon the difference between the market price and the tip fee at a processing or disposal facility where the tip fee is less than the market price and the political subdivision subsidizes the cost of service at the facility. The political subdivision is liable for the tax.

(c) The tax is imposed upon the market price of waste management services where a political subdivision directly bills on a property tax statement for organized collection of mixed municipal solid waste. The political subdivision is liable for the tax.

(d) The political subdivision shall, by resolution, identify the market price. The political subdivision shall submit the market price to the commissioner of the Pollution Control Agency for review by October 1 of the year prior to the calendar year in which the market price will be in effect. The prices that the state pays for waste management services in that jurisdiction or the county where the jurisdiction is located must be a guideline in determining the market price. The commissioner of the Pollution Control Agency shall review the market price and shall inform the political subdivisions of any necessary changes to market price by November 15 of that year. The market price shall be effective as of January 1 of the next calendar year following review. The commissioner of the Pollution Control Agency may consider adjustment to the market price if a political subdivision submits a resolution for adjustment by May 1 of any year. The effective date of the adjustment shall be July 1.