

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 183 (Senator Kagan)
 Education, Health, and Environmental Affairs

Recycling - Lodging Establishments - Notification to Guests

This bill requires an owner, an operator, or a manager of a “lodging establishment” who provides recycling services for guests to provide notice to the guests about what may be recycled. If an owner, an operator, or a manager provides the required notice orally, the owner, operator, or manager must also provide written notice. The bill establishes civil penalties for violations of the notice requirements.

Fiscal Summary

State Effect: Under one set of assumptions, special fund expenditures increase by \$52,400 in FY 2020 to enforce the bill. Future year expenditures reflect ongoing costs. The bill’s civil penalty provisions are not expected to materially affect special fund revenues.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	52,400	44,400	39,300	40,600	41,900
Net Effect	(\$52,400)	(\$44,400)	(\$39,300)	(\$40,600)	(\$41,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal. It is assumed that any costs for affected small businesses to comply with the bill’s notice requirements are minimal.

Analysis

Bill Summary: A “lodging establishment” means a building or group of buildings that is under the same management, contains at least 10 individual sleeping accommodations for

compensation, and is used primarily for lodging transient guests (with or without meals). A “lodging establishment” includes a hotel, an extended stay hotel, an inn, and a motel.

The bill *authorizes*, but does not *require*, an owner, an operator, or a manager of a lodging establishment to provide recycling for guests. If an owner, an operator, or a manager of a lodging establishment chooses to do so, then the bill’s notice requirements apply.

An owner, operator, or manager of a lodging establishment who violates the bill’s notice requirements is subject to a civil penalty of up to \$100 for a first offense or up to \$250 for a second or subsequent offense. A second or subsequent offense is one that has occurred within two years of any prior violation and arises out of a separate set of circumstances.

The bill does not affect a local jurisdiction’s authority to enact and enforce recycling requirements (including establishing civil penalties that are more stringent than those established by the bill). In addition, the bill does not require a county to manage or enforce a lodging establishment’s recycling activities.

Current Law/Background: There are no statutory provisions that relate specifically to recycling in lodging establishments. Owners of lodging establishments that provide recycling for guests are not subject to any related notice requirements.

Maryland’s recycling policy is generally guided by the Maryland Recycling Act, which sets mandatory recycling rates for State government and local jurisdictions in the State, as well as a voluntary statewide recycling goal of 55% by 2020. Each county (including Baltimore City) must prepare a recycling plan that addresses how the jurisdiction will achieve its mandated recycling rate. The plan must be submitted to the Office of Recycling within the Maryland Department of the Environment (MDE) for approval when the jurisdiction submits its water and sewerage plan at least every 10 years. The plan must address a variety of topics associated with recycling, including methods to reduce the solid waste stream; the feasibility of source separation of the solid waste stream generated within the county; and the strategy for the collection, processing, marketing, and disposition of recyclable materials.

MDE has numerous links on its website related to recycling, including some information specific to hotels.

The Secretary of the Environment is required to carry out and enforce the provisions of the Environment Article. Any penalties collected under Title 9, Subtitle 17 of the Environment Article are deposited into the State Recycling Trust Fund within MDE.

State Expenditures: Under one set of assumptions, special fund expenditures from MDE’s State Recycling Trust Fund increase by \$52,441 in fiscal 2020, which accounts for

the bill’s October 1, 2019, effective date. This estimate reflects the cost of hiring one environmental compliance specialist to create a database of lodging establishments that provide recycling services, develop and disseminate outreach materials to affected entities, and enforce the bill’s notice requirements. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- pursuant to current law, MDE must enforce the bill;
- in order to enforce the bill and collect penalties for violations, MDE needs to conduct inspections of lodging establishments through spot checks and in response to complaints;
- the environmental compliance specialist can conduct 30 inspections per month; and
- MDE advises that, based on information from the Maryland Office of Tourism Development, there are more than 900 lodging establishments in Maryland.

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Salary and Fringe Benefits	\$44,828
Operating Expenses	<u>7,613</u>
Total FY 2020 State Expenditures	\$52,441

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses. However, it is assumed that, as lodging establishments become aware of the bill’s requirements and voluntarily come into compliance, the environmental compliance specialist is able to transition from a full-time basis to a part-time basis after the first year.

The Department of Legislative Services notes that the need for MDE to hire an environmental compliance specialist is based largely on the assumption that MDE enforces the bill by conducting inspections. To the extent a less robust enforcement effort is implemented, MDE’s costs may be less.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Kent, Montgomery, and Worcester counties; Town of Leonardtown; Maryland Department of the Environment; Maryland Office of Tourism Development; Department of Legislative Services

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