

Department of Legislative Services  
 Maryland General Assembly  
 2023 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

House Bill 284

(Delegate Love, *et al.*)

Environment and Transportation and  
 Economic Matters

Education, Energy, and the Environment

Environment - Statewide Recycling Needs Assessment and Producer  
 Responsibility for Packaging Materials

This bill requires the Office of Recycling in the Maryland Department of the Environment (MDE) to hire an independent consultant to conduct a statewide recycling needs assessment. The Office of Recycling must report the results of the assessment to the Governor and the General Assembly by April 1, 2025. The bill also establishes the Producer Responsibility Advisory Council to provide advice and make recommendations regarding establishing and implementing a producer responsibility program in the State for packaging materials. The advisory council must report its findings and recommendations to the Governor and specified committees of the General Assembly by December 1, 2025. The bill establishes related definitions and alters the definition of “organics recycling” as that term relates to the Office of Recycling and related statutory provisions.

Fiscal Summary

**State Effect:** General fund expenditures increase by \$25,700 in FY 2024 for contractual staff. Out-year expenditures reflect annualization, inflation, ongoing costs, one-time consultant costs in FY 2025, and termination of contractual staff in FY 2026. State revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	25,700	524,200	12,600	0	0
Net Effect	(\$25,700)	(\$524,200)	(\$12,600)	\$0	\$0

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

**Local Effect:** It is assumed that any affected local governments can consult with the independent consultant with existing resources. Local revenues are not affected.

**Small Business Effect:** Minimal.

## Analysis

### **Bill Summary:**

#### *Office of Recycling Statewide Recycling Needs Assessment*

MDE's Office of Recycling must hire an independent consultant to conduct a statewide recycling needs assessment. In conducting the assessment, the independent consultant must consult with the advisory council, appropriate local government entities, and regional solid waste organizations and producers in the State.

The assessment must include (1) an analysis of the State's current solid waste and recycling streams, as specified; (2) an evaluation of the current infrastructure and capacity related to, need for, and associated costs of specified items and related processes; (3) an evaluation of comingled recycling processing facility worker conditions, wages, and benefits; (4) an evaluation of opportunities in the recycling system for women and minority individuals; (5) an evaluation of local government requirements related to multifamily and commercial recycling services and their implementation; (6) the sufficiency of recycling education programs relative to desired equity outcomes; (7) an evaluation of the economic opportunities in the State's recycling system, as specified; (8) recommendations for improving equity and equitable outcomes for underserved populations in the State's recycling system; (9) an analysis of the costs and benefits of implementing an extended responsibility program, as specified; (10) an analysis of the potential environmental impact of an extended producer responsibility program, as specified; and (11) recommendations on the best practices to follow from successful extended producer responsibility programs in other states and countries.

#### *Producer Responsibility Advisory Council*

MDE must provide staff for the advisory council. The Secretary of the Environment must appoint advisory council members; in doing so, the Secretary must, to the extent practicable, ensure that the membership of the advisory council represents all geographic regions of the State, large and small counties and municipalities, and the variability in how waste and recyclable and compostable materials are collected and processed in the State. Advisory council members may not receive compensation but are entitled to reimbursement for expenses.

The advisory council, which meets at the request of the Secretary, must evaluate and make recommendations, including legislative recommendations, on how to effectively establish and implement a producer responsibility program in the State for packaging materials. In making recommendations, the advisory council must include recommendations for

creating a single representative organization of producers to initially fulfill the requirements under a producer responsibility program.

### *Related Definitions*

The bill alters the definition of “organics recycling” under Subtitle 17 of Title 9 of the Environment Article, which establishes the Office of Recycling and related statutory provisions governing recyclable materials, recycling facilities, and composting. The definition is expanded to mean any process in which organic materials *or compostable packaging materials* are collected, separated, or processed and returned to the marketplace in the form of raw materials or products. The bill also establishes definitions for “packaging materials” and “producer” as those terms relate to the advisory council.

**Current Law:** The solid waste infrastructure in Maryland consists of both permitted and nonpermitted facilities, and solid waste is managed through a combination of recycling, composting, landfilling, energy recovery, and exporting for disposal or recycling. There are several examples of regional waste management partnerships in the State.

Maryland’s recycling policy is guided by the Maryland Recycling Act, which sets mandatory recycling rates for State government and local jurisdictions, as well as a voluntary statewide waste diversion goal of 60% and a voluntary statewide recycling goal of 55% by 2020. Each county (including Baltimore City), must recycle at least 20% or 35% of the county’s solid waste stream, depending on the county’s population. Each county (including Baltimore City) must also prepare a recycling plan that addresses how the jurisdiction will achieve its mandatory recycling rate. The plan must be submitted to MDE’s Office of Recycling for approval when the jurisdiction submits its water and sewerage plan at least every 10 years. At least every 2 years, each county must also submit a progress report to MDE, which must include any revision of or amendment to the county plan that has been adopted.

MDE’s Office of Recycling submits annual reports, in coordination with the Maryland Environmental Service, to the Governor and the General Assembly on specified information related to recycling in Maryland. Beginning in 2009, MDE has combined the *Maryland Waste Diversion Activities Report* and the *Solid Waste Managed in Maryland Report* into one report, the *Maryland Solid Waste Management and Diversion Report*.

**State Expenditures:** General fund expenditures for MDE increase by \$25,703 in fiscal 2024, which accounts for the bill’s October 1, 2023 effective date. This estimate reflects the cost of hiring one part-time contractual natural resources planner to (1) staff the advisory council and conduct related duties and (2) identify an independent consultant to conduct the statewide recycling needs assessment and write the required report. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	0.5
Salary and Fringe Benefits	\$18,691
Operating Expenses	<u>7,012</u>
<b>Total FY 2024 State Expenditures</b>	<b>\$25,703</b>

Future year expenditures reflect (1) a full salary with annual increases and employee turnover; (2) annual increases in ongoing operating expenses; (3) \$500,000 in one-time costs in fiscal 2025 to hire the independent consultant; and (4) termination of the contractual employee on December 31, 2025 (after the report is due). Although the advisory council does not terminate, it is assumed that after the required report has been completed, any ongoing work of the advisory council can be handled with existing resources.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

### **Additional Information**

**Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 307 and SB 292 of 2022.

**Designated Cross File:** SB 222 (Senator Augustine, *et al.*) - Education, Energy, and the Environment.

**Information Source(s):** Maryland Environmental Service; Frederick and Somerset counties; Northeast Maryland Waste Disposal Authority; cities of Frederick and Havre de Grace; Maryland Department of the Environment; Maryland Department of Health; Department of Legislative Services

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