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HB 1452

March 4, 2020

TO: Members of the Environment & Transportation Committee
FROM: Matthew Stegman, Deputy Director of Government Relations
RE: House Bill 1452 – Department of the Environment – Office of Recycling – Recycling Market Development

POSITION: SUPPORT

Chairman Barve, Vice-Chairman Stein and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 1452.

House Bill 1452 would require the Maryland Department of the Environment's Office of Recycling to promote the development of markets for recycled materials and recycled products in the State. This activity is to be coordinated with several other State departments, Maryland Environmental Service, the Northeast Maryland Waste Disposal Authority, local governments, and private organizations.

Baltimore City supports this legislation, as maintaining markets for recycled items is key for the future success and financial sustainability of our local recycling program. Baltimore City currently provides once-per-week single stream recycling pickup to residential properties. Recycling consists of materials that are often used in place of virgin materials to make products, which results in a reduction in Greenhouse Gas Emissions and reduced energy usage. The materials included in single-stream recycling, such as aluminum, paper, plastics, and glass, are considered commodities and have a fluctuating market value just like other commodities.

Due to market changes, the values of recyclable materials have decreased across the world. As a result, the cost to the City to process them has gone up drastically. This has been an issue for most municipalities. In the past, the City made a profit from selling its recycling. Starting in 2016, instead of revenue-generating, recycling began to have a

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cost. In 2016 the annual cost to process recycling was around \$494,000 and by 2019 it had increased to \$1,643,000. Baltimore City, along with many other municipalities, continue to promote recycling, despite the cost.

The loss of international demand for the materials has had a major impact on recycling, and domestic demand has been slow to grow. Efforts are underway at a national level to encourage domestic growth of recycling facilities, which will establish more options for end uses for the materials collected curbside. However, it is unclear how long it will take for the demand for these products to increase. In addition to single-stream recycling, Baltimore City collects electronics, household hazardous waste (including paint), scrap tires, scrap metals, and holds paper shredding events. With the exception of scrap metal, all of these items are costly to have recycled or to be properly disposed.

The proposed legislation would greatly assist with identifying, encouraging, connecting, and pursuing existing and potential markets for recycled products and materials in Maryland. A greater local demand for recycled materials and products would result in a greater demand for recyclables, likely resulting in a cost savings for local governments that are responsible for collecting recycling.

This legislation has the potential to support local business, as well as lowering costs to municipalities for processing recycling. It would support not only recycling, but also reuse, repair, and remanufacturing. This program supports the State's Sustainable Materials Management goals and Baltimore City's sustainability goals.

For the above stated reasons, the BCA respectfully request a **favorable** report on House Bill 1452.