



LEGISLATIVE POSITION:

UNFAVORABLE

House Bill 36

Environment – Packaging, Containers, and Paper Products – Producer Responsibility

House Environment & Transportation Committee

Tuesday, February 9, 2021

Dear Chairman Barve and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

As introduced, House Bill 36 creates unrealistic goals and places a significant financial burden on producers and manufacturers.

The overall scope of this legislation is very concerning. With covered products including almost everything a consumer can potentially come in contact with, the ambitious requirements seem almost impossible to achieve for industry given the currently available technology. Our members also harbor additional concerns with the Department being given sole power over approval of stewardship plans, leaving little room for industry input.

As written, House Bill 36 makes no distinctions between products used in the transportation of goods and the products used for presentation or packaging. There are no exceptions even for reusable products. This Bill requires producers to change all aspects of their products from creation, storage, containment, distribution, and product packaging. The costs of implementing these changes are astronomical and could have a profound impact on business.

Furthermore, House Bill 36 grants the Department all power to regulate, ban, or assign fees with little to no protections for industry stakeholders. House Bill 36 is also unclear on how the costs are spread amongst producers. HB 36 asserts that producers will now be responsible for the costs of trash collection, transportation, and processing and nowhere within the Bill does it provide how the Department will calculate these costs. While the Department does have the power to establish the structure, the bill leaves open how the Department will determine that structure.

It is also uncertain how the Department will determine who generates the trash or recyclables that require processing. Under House Bill 36, it seems that covered producers are responsible for the costs of all trash collection, even if they are not the ones who generate it. Instead of requiring producers to pay based on what is actually produced and consumed, this bill forces producers to subsidize the costs for all trash and unduly punishes larger producers and businesses.

Paying for the costs of trash collection only adds to the taxes, fees, and costs that producers in Maryland already pay to the State. Without clarity as to how the costs for trash collection will be distributed combined with the anticipated costs of changing product design and materials, Producers are weary of how this legislation will affect them financially. These additional costs on producers could very well lead to an increase in certain prices or services, which would hurt Marylanders overall.

House Bill 36 creates goals that many manufactures cannot attain by the dates within the bill. If every producer could create single-use packaging and products with 75% postconsumer content, House Bill 36 fails to recognize the costs of making that switch. Those costs include but are not limited to the sourcing of biodegradable and postconsumer materials, installation of new equipment, and R&D costs.

Reducing waste and finding ways to be more sustainable is a priority of the Maryland Chamber of Commerce membership. However, House Bill 36 takes away any accountability to consumers and places producers in a position where they must take all accountability for trash collection costs and processing, even if they are not the ones who generate it. This bill forces industry to bear the financial burden and fails to recognize the consumer component of this issue.

For these reasons, the Chamber respectfully requests an **unfavorable report** on House Bill 36.

