

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 640 (Delegate Olszewski, *et al.*)
Environmental Matters

Task Force to Study Required Deposits on Returnable Beverage Containers

This bill establishes a Task Force to Study Required Deposits on Returnable Beverage Containers staffed by the Maryland Department of the Environment (MDE) and the Department of Legislative Services (DLS). The bill sets out the specific duties of the task force and establishes a reporting requirement.

The bill takes effect June 1, 2011, and terminates December 31, 2011.

Fiscal Summary

State Effect: Given the State's fiscal difficulties, agency budgets have been constrained. Thus, the requirement to staff the task force and develop the report in a short timeframe is not absorbable within the existing budgeted resources of MDE and DLS. Instead, MDE general/special fund expenditures and DLS general fund expenditures increase minimally in FY 2011 and 2012 for staff to support the task force and complete the required report as well as for reimbursements for task force members. Revenues are not affected.

Local Effect: The bill does not materially affect local operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: The task force must study:

- the costs, benefits, and feasibility of requiring deposits on returnable beverage containers in the State;

- how other states have implemented bottle bills and how effective such legislation has been in reducing litter and increasing recycling;
- how to most effectively integrate a bottle bill into the current statewide recycling program;
- issues related to the establishment and operation of recyclable container redemption centers;
- mechanisms to defray the operating and capital costs to local governments;
- the types of containers that should be subject to a bottle bill;
- the financial and operational effect of a bottle bill on State retailers; and
- any other relevant issues.

The task force must report its findings and recommendations to the Governor and the General Assembly by December 31, 2011.

Current Law: MDE promotes and encourages waste diversion across the State. Waste diversion combines both recycling and source-reduction activities. The Maryland Recycling Act requires all counties and Baltimore City to recycle 15% or 20% of their waste generated, depending on population. Additionally, in 2000, Maryland established a voluntary statewide waste diversion goal of 40% by 2005. The waste diversion goal comprises the recycling rate plus source-reduction credits (maximum 5%) that Maryland counties and Baltimore City earn through activities designed to reduce the amount of waste going to the waste stream. Counties have flexibility to determine the best way to reach the required recycling rates.

Chapter 719 of 2010 requires MDE, in consultation with local governments, waste haulers, material resource facilities, and other affected parties, to conduct a study to evaluate solid waste management processes that reduce the solid waste stream through recycling and source reduction and submit interim and final reports to the General Assembly. The study must evaluate (1) the expansion of recycling efforts in nonresidential markets; (2) the feasibility of commodity-specific targets; and (3) long-term funding for solid waste and recycling management.

Background: The Container Recycling Institute notes that nationwide bottle and can recycling campaigns in the 1980s caused a surge in recycling rates, which reached a peak of 54% in 1992. Recycling rates have steadily declined since 1995 and were at 34% by 2006. MDE reports that, in 2009, Maryland had a waste diversion rate of 42.6%, which was composed of a 39.1% recycling rate and a 3.5% source reduction credit.

In 2009, the municipal solid waste stream totaled nearly 6.0 million tons statewide. Data from the U.S. Environmental Protection Agency indicate that beverage containers

comprise about 4.1%, by weight, of the municipal solid waste stream. According to MDE, there were approximately 249,816 tons of beverage containers generated in Maryland in 2009, of which 42.9% or 107,110 tons were recycled.

Ten states (California, Connecticut, Hawaii, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, and Vermont) currently have container deposit programs.

As noted above, Chapter 719 of 2010 requires MDE, in consultation with others, to conduct a study to evaluate solid waste management processes that reduce the solid waste stream through recycling and source reduction. MDE advises that the final report, due in December 2011, will include recommendations relevant to the bill and that establishing another recycling task force would duplicate the existing study group's efforts.

Additional Information

Prior Introductions: SB 530 of 2009 received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee. Its cross file, HB 248, passed the House but received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee. SB 336 of 2008 received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee. Its cross file, HB 509, received an unfavorable report from the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Maryland Department of the Environment, U.S. Environmental Protection Agency, Container Recycling Institute, Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2011
ncs/lgc

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