

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 988 (Delegate Smith, *et al.*)

Environment and Transportation and  
Economic Matters

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**Environment - Business Recycling Reporting Requirements**

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This bill requires each “business” that generated recyclable materials to submit a recycling report to the county where the recyclable materials were generated by March 1 each year. The report must be on a form provided by the county and include specified information for the immediately preceding calendar year. The bill establishes a civil penalty for a business that violates the reporting requirement. An enforcement unit, officer, or official of a county, municipality, or other local government may enforce the bill; any penalties collected are paid to the local entity that brought the enforcement action. The bill also requires (instead of authorizes) a county to require specified property and building owners to report to the county on recycling activities.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State operations or finances.

**Local Effect:** Expenditures may increase for some local jurisdictions if they choose to enforce the bill and for some counties to review and process the reports submitted pursuant to the bill. Local revenues may increase from any penalties collected.

**Small Business Effect:** Potential meaningful.

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## Analysis

**Bill Summary:** A “business” means a nonprofit or commercial entity that privately contracts for waste removal or recycling services. The term includes the property owner or manager of an apartment building and the council of unit owners of a condominium.

A business that violates the bill’s reporting requirements is subject to a civil penalty of up to \$50 for each day on which the violation exists.

Under the bill, a county *must* require the following entities to report to the county on recycling activities in accordance with the bill’s provisions: (1) a property owner or manager of an apartment building or a council of unit owners of a condominium that provides for recycling for the residents of the dwelling units in accordance with current law and (2) an office building owner or a tenant of an office building that provides for recycling for the tenants of office building in accordance with current law.

**Current Law:** Maryland’s recycling policy is guided by the Maryland Recycling Act (MRA), 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 prepare a recycling plan that addresses how the jurisdiction will achieve its mandatory recycling rate. The plan must be submitted to the Maryland Department of the Environment’s (MDE) 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.

The county recycling plan must address a variety of topics, 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.

Businesses may voluntarily report their recycling activities to counties through the “Annual Business Recycling Reporting Survey” form. Counties incorporate this data when reporting their recycling tonnages to MDE, as required under current law, and this data ultimately counts toward their mandatory recycling rates.

Current law requires (1) a property owner or manager of an apartment building with 10 or more dwelling units and (2) a council of unit owners of a condominium of a condo with 10 or more dwelling units to provide recycling. Additionally, the owner of an office building that has 150,000 square feet or more of office space must provide recycling. A county *may* require (1) a property owner or manager of an apartment building or a council

of unit owners of a condominium that provides for recycling for the residents of the dwelling units and (2) an office building owner or a tenant of an office building that provides for recycling for the tenants to report to the county on recycling activities in a manner determined by the county.

The Office of Recycling within MDE must submit biannual 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 combined the *Maryland Waste Diversion Activities Report* and the *Solid Waste Managed in Maryland Report* into one report.

**Local Revenues:** Local government revenues may increase for any jurisdiction that chooses to enforce the bill's provisions and subsequently collects civil penalties for violations.

**Local Expenditures:** Expenditures may increase beginning in fiscal 2021 for (1) local governments to enforce the bill's reporting requirements, if they choose to do so, and (2) for counties to review and process the reports submitted pursuant to the bill. For example, Baltimore County already collects recycling data and receives information from at least 100 businesses. However, there are 20,000 businesses in Baltimore County; to the extent that all of these businesses report recycling data under the bill, the county estimates that at least one additional employee must be hired to process the data, at an estimated cost of \$52,444 annually. Charles County estimates that to implement the bill, the county must hire a part-time employee, which is estimated to cost approximately \$17,573 annually.

Local governments may benefit to the extent that the required reports give counties additional data that can be used in meeting their mandatory recycling rates under MRA.

**Small Business Effect:** Affected small businesses may incur costs to collect the data required to be reported to counties under the bill. According to MDE, most businesses do not weigh the solid waste and recyclables they generate and may not have data on recyclables broken down by material. While they may need to obtain this information from their solid waste and recycling haulers, haulers may not have the capability of providing this data for individual customers since material from multiple customers is typically combined in a truck and not weighed until the end of the route. Affected businesses may incur costs to develop tracking systems to capture and report the required information.

## **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Anne Arundel, Baltimore, and Charles counties; Maryland Association of Counties; cities of Frederick and Havre de Grace; Maryland Municipal League; Maryland Department of the Environment; Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2020  
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