

1-BrendaPlatt-ILSR HB1139 Testimony-FAV.pdf

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Position: FAV

**TESTIMONY TO THE MARYLAND HOUSE OF DELEGATES
COMMITTEE ON ENVIRONMENT & TRANSPORTATION**

HB1139 – Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

Position: Support

March 8, 2023 Public Hearing

Brenda Platt, Director, Composting for Community Initiative, bplatt@ilsr.org
Institute for Local Self-Reliance 1200 18th Street, NW, Suite 700, Washington, DC 20036

Dear Chairman Barve, Vice Chair Stein, and Members of the Committee,

My name is Brenda Platt and I direct the Composting for Community Initiative at the Institute for Local Self-Reliance, a national nonprofit that has been advancing waste diversion in Maryland for many years.

The Institute for Local Self-Reliance urges a favorable report on HB1139 – Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use. This bill would establish significant and needed funding for waste diversion projects including reduction, reuse, repair, composting, and recycling.

Maryland has made significant legislative progress in promoting recycling and composting. What is still lacking is funding for more programs and infrastructure, for everything from education and outreach to equipment for farmers.

We thank Delegate Regina T. Boyce for bringing this legislation forward to establish funds and grant programs to support a wide range of eligible projects throughout the state of Maryland.

Key reasons to support this bill include:

- Maryland’s recycling level has stagnated and landfills are approaching capacity.
- Maryland’s landfills are emitting four times more methane than previously estimated.
- More programs focused on waste prevention, reuse, repair, and composting are needed in Maryland. For instance, less than 18% of wasted food in Maryland is recycled,¹ and a major report found that policies on funding and incentives for food waste reduction and composting in Maryland are weak.²
- HB264, passed in the 2021 session, requires large food waste generators to divert their food waste if capacity exists. HB1139 now creates a tremendous opportunity to support farmers in creating some of that needed capacity and in using compost produced in the state. An influx of diverted food waste will require expanded processing capacity at all levels (including community-scale and farm composters).

¹ Source: Maryland Dept. of the Environment website, [“Solid Waste Management - Organics Recycling and Waste Diversion - Food Residuals”](#): in 2020, 167,000 tons of food waste were recycled, while 774,000 tons were landfilled or incinerated.

² Source: Natural Resources Defense Council, [Maryland Food Waste Policy Gap Analysis and Inventory](#). October 2021 (p. 13).

- We have heard first-hand testimony from other states (including Ohio, Pennsylvania, New Jersey, Wisconsin, Indiana, Minnesota, North Carolina and Iowa) who have a similar disposal surcharge to waste diversion mechanism in place. These states have shared that their programs have had positive impacts on their local communities, economies, and the environment. Wisconsin's \$7 per ton recycling fee, for instance, generates \$37 million to \$40 million per year in funding. In 2021, Iowa created \$8 million in grant funding based on its surcharge applied to 3.9 million tons of waste. In North Carolina, during the peak of its program, the State provided funding for 35 to 80 public and private projects per year. Even states such as Indiana with a small per ton fee have had tremendous impact. In 2020, its \$1.8 million in grant funding created 47 new jobs and diverted 85,000 tons in new material from disposal. (See presentations from five of these state agencies on our February 2022 webinar, [Funding Recycling Infrastructure via Disposal Surcharges](#).) Why not Maryland too?
- The grant programs will help Maryland businesses develop and expand their waste diversion efforts. It will also provide direct funding to counties to fund a wide range of projects from waste prevention to repair, composting, and countering illegal dumping.
- The proposed grant programs have a built-in funding mechanism. This is not an unfunded mandate on the state.
- This bill complements HB 1089 – Maryland Beverage Container Recycling Refund and Litter Reduction Program, which would establish a deposit on beverage containers in the state.
- Expanding waste prevention, reuse, repair, recycling, and composting brings myriad benefits and co-benefits to Maryland: jobs, Bay protection, cleaner air and water, climate protection (see, for example, the attached infographic: [How Composting Combats the Climate Crisis](#)).

Further, since the bill's first introduction in the 2022 session, we have met with numerous stakeholders to address their concerns and/or suggestions to improve this bill, including the MD Farm Bureau, Maryland Association of Counties (MACO), and Prince George's County Dept. of Environment. As a result of this feedback, the major changes this year's bill includes are:

- Dropping the per-ton surcharge from \$5/ton to \$2/ton
- Adjusting the percentage distribution of revenue via grants so that Counties receive 50%, on-farm compost and compost use gets 25% and the final 25% is allotted to competitive waste reduction grants throughout the state (see the pie chart in the attached factsheet),
- A new opt-out option for Counties, which would like to instead set up their own surcharge-to-grants program. This gives Counties more flexibility and control over the program should they choose to invest the resources into running it themselves instead of participating in the statewide program. Opted-out Counties would not be eligible for Waste Reduction or On-Farm Composting grants from the statewide fund.

Sincerely,



Brenda Platt

Director, Composting for Community Project, Institute for Local Self Reliance

Attachments: (1) Fact Sheet on HB1139, (2) FAQs on HB1139, and (3) Infographic on climate benefits

2-HB 1139 Fact Sheet 2023.pdf

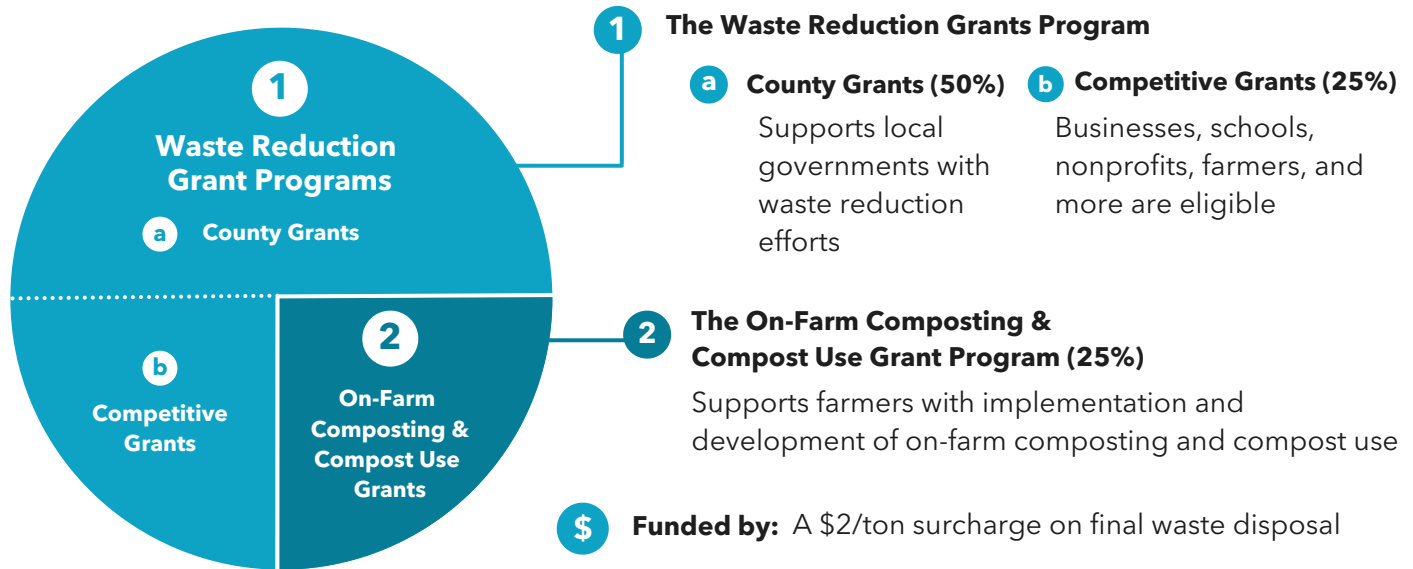
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Position: FAV

Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

This bill establishes funding for waste reduction projects including reuse, repair, composting, and recycling.

The Waste Reduction Grants Fund:



Why NOW?

- ▶ Maryland's organic waste diversion mandate took effect on January 1, 2023 and will expand next year. This bill will support expansion of processing capacity required by the influx of diverted food waste.
- ▶ A 2021 report revealed that Maryland landfills are emitting four times more methane than previously estimated, underscoring the need to divert wasted food from landfills.¹
- ▶ Enormous amounts of U.S. resources are wasted due to food waste, with critical environmental implications.²
- ▶ A 2019 MDE study group report recommends the provision of statewide education and support for on-farm composting, to increase manure management efficiency and build agricultural soil health.³

How will the bill support small businesses and local communities?

- ▶ Grant funds will be accessible to small businesses (e.g., restaurants, multi-family housing properties, and haulers) interested in developing or expanding their waste reduction efforts.
- ▶ Priority funding will go to low-income, socially disadvantaged, female, and veteran farmers, business owners, and communities.
- ▶ Maryland composters are eager to expand and work with farmers, businesses, and communities.
- ▶ Helping farmers improve their composting systems means they can create a product that improves their soil health and farm profitability.

What's in it for Maryland Counties?

- ▶ The share of funds going directly to Counties for waste reduction activities is 50% (doubled from last year's bill).
- ▶ Increased recycling and overall waste diversion rates will extend the life of landfills.
- ▶ Counties may opt-out of the statewide surcharge and grants program if they set up their own disposal surcharge to fund waste reduction.

[1] https://environmentalintegrity.org/wp-content/uploads/2021/06/MD-Landfill-Methane-Report-6.9.2021-unembargoed_with-Attachments.pdf

[2] <https://www.epa.gov/land-research/farm-kitchen-environmental-impacts-us-food-waste>

[3] <https://mde.maryland.gov/programs/LAND/RMP/Documents/HB%20171%20final%20report.pdf>

3-FAQs_HB1139_ILSR.pdf

Uploaded by: Brenda Platt

Position: FAV

Frequently Asked Questions

HB 1139 – Solid Waste Diversion and Disposal and On-Farm Composting and Compost Use Bill

Why is funding for waste reduction and healthy soils practices needed in Maryland?

- Maryland is in need of expanded access to and capacity of recycling, reduction, reuse, and composting programs and infrastructure. One main obstacle to more infrastructure and programs is lack of funding.
- Expansion of composting infrastructure and availability of high-quality compost is crucial to supporting agriculture in Maryland¹ by building healthier soils, reducing the need for synthetic nitrogen fertilizers, and increasing soil organic matter, all while diverting organic waste from landfills, where its anaerobic decomposition produces methane, a potent greenhouse gas.
- A nominal per-ton waste surcharge will provide a source of funding to support and expand waste diversion throughout the state while also disincentivizing final solid waste disposal in landfills and incinerators.
- Maryland has passed numerous policies supporting healthy soils, food waste recovery, recycling, and composting but funding is sorely lacking.

What does this bill do?

- This bill would create needed grant programs for (1) waste reduction (including reuse, recycling, and composting), and (2) on-farm composting and compost use.
- This bill incorporates a funding mechanism to support the grant programs via a nominal surcharge on waste disposal. The \$2 per-ton surcharge will apply to waste disposed at Maryland's landfills and trash incinerators. This mechanism would mobilize an estimated \$12 million to build alternatives to waste disposal by supporting infrastructure, program development, education, and creation of jobs.
- The bill would make waste diversion more accessible and more competitive by using funds from waste disposal to build waste reduction and composting projects.

How did this bill get to be 23 pages long?

- We've adopted and included the best features of the best existing state programs out there. Some of this detail, while making the bill long, does not add complexity but rather clarification on key aspects.
- The bill includes details on the disposal surcharge mechanism, a flexible and effective opt-out option for counties, and project and entity eligibility details for the grant programs in order for the Legislature to provide clear implementation guidance to the administrative agencies (MDE and MDA).

¹ Via, Sara. 2021. [Increasing Soil Health and Sequestering Carbon in Agricultural Soil: A Natural Climate Solution](#). Izaak Walton League of America and National Wildlife Federation.

- As two agencies would be responsible for administering portions of the grants, the bill also includes some repetitive text in addressing each agency's responsibilities.

What changes have been made to this bill since it was first introduced in 2022?

- With the updated apportionment of grant funds, more money will go directly to County governments to use on waste reduction projects (50% of the total revenue with the updated bill as opposed to 25% as previously written).
- Alternatively, Counties (including Baltimore City and the Mid-Shore) may apply to opt out of the statewide program if they set up their own disposal surcharge to fund waste reduction in the county. Opted-out Counties would have the flexibility to tailor their program to their needs.
- The disposal surcharge has been lowered to \$2 per ton of waste landfilled or incinerated.

What will the grant programs funded by the fees support?

- The three Waste Reduction Grant Fund grant programs proposed by this bill are:
 - An On-Farm Composting and Compost Use competitive grant program, to support Maryland farmers with implementation and development of on-farm composting and compost use.
 - A Waste Reduction competitive grant program, to fund projects for the development, maintenance, and/or expansion of local reuse, repair, recycling and composting programs and infrastructure, including projects that address illegal dumping.
 - A County Waste Reduction grant program, to provide financial support to Maryland Counties for reuse, repair, recycling and composting programs and infrastructure, as well as management and prevention of illegal dumping. The grant funds are awarded based on population.

Who will be eligible for funding under the created grant programs?

- The On-Farm Composting and Compost Use grant program will be accessible to: units of local government that have not opted-out of the statewide program, local educational agencies, institutions of higher education, non-profit organizations, and farmers including urban farmers.
- The competitive Waste Reduction grant program will be accessible to units of local government, local educational agencies, institutions of higher education, non-profit organizations, for-profit businesses, and farmers including urban farmers. This includes waste haulers looking to move their businesses toward waste reduction activities.
- The County Waste Reduction grant program is available to all Maryland Counties, including Baltimore City and the Mid-Shore, except those that have opted out of the statewide disposal surcharge and granting program.

Does this disposal surcharge mechanism exist in other states?

- Yes, most states levy some surcharge on waste disposal to landfills, incinerators, and/or transfer stations. At least eight states have disposal surcharges that directly fund recycling, compost, conservation, and other environmental initiatives. They include New Jersey, Indiana, Pennsylvania, Minnesota, Ohio, Iowa, North Carolina, and Wisconsin. The average per-ton surcharge among these states is \$4.82/ton.
- Some examples of surcharge policies administered at the local level include Alameda, San Mateo, and Santa Clara Counties in California.

How have these other states benefited from this program?

- ILSR produced an [article](#) last year featuring examples of this program's results in other states and municipalities. Some notable investments and impacts on waste diversion include:
 - Ohio's [Community and Litter](#) grant program awarded \$3.4 million was awarded to 77 projects in 2021, ranging from organics composting, to public space litter cleanups, to recycling equipment like organic material chippers.
 - Indiana's [Recycling Market Development Grants](#) and the [Community Recycling Grant Program](#) awarded over \$1.8 million in grant funding in 2020, creating up to 47 new jobs and increasing the amount of recycled materials by almost 85,000 tons.
 - Pennsylvania's Environmental Stewardship Fund supports [agricultural best management practices and watershed protection efforts](#) in addition to waste reduction projects.
 - In North Carolina, almost \$1 million in recycling grant funding was awarded to 47 recipients in Fiscal Year 2019-2020, resulting in 45 new jobs created, 8 million additional tons of plastic recycled, and 55,000 tons of organic material diverted from landfills.

Will this program work in Maryland, where most landfills are publicly owned?

- Yes, there's no reason it will not work in Maryland.
- Once implemented, the bill will extend the life of publicly-owned landfills, avoiding capital-intensive landfill replacement costs, which would result in counties incurring more capital debt.
- The surcharge applies to waste generated, which comes from both the public and private sectors. The landfill/incinerator facilities simply serve as collectors of the surcharge, remitting the funds to the State for granting purposes.
- Counties will directly receive surcharge funds to create alternatives to landfill disposal.

How will the surcharge be collected?

- The owner or operator of each refuse disposal facility is responsible for collecting the disposal surcharge at their facility and submitting the collected monies to the State. The Maryland Department of Environment will set specific guidelines for reporting.
 - Maryland's Recycling Act [Tonnage Report survey](#) can be used as guidance for format.
 - New Jersey uses an online filing system as described [here](#)
- The monies collected will be deposited into the Waste Reduction Grants Fund, to be used for the Waste Reduction and On-Farm Composting grant programs, as described below.

Who will be administering the grant programs?

- Maryland Department of Environment will hold and administer the Waste Reduction Grants fund that distributes grants to Counties and to other eligible entities for waste reduction activities.
- 25% of total funds after administrative costs (up to 10%) will be transferred to the Maryland Department of Agriculture to administer the on-farm composting and compost use grants to farmers and other eligible entities.

Why are the County grants allocated based on population?

- The County Waste Reduction grant program is established in order to ensure that funds collected from the disposal surcharge are distributed equitably throughout the state to Counties that remain part of the statewide granting and surcharge program. This will encourage waste reduction and ensure that those who are potentially affected by higher waste disposal fees have access to affordable alternative waste management resources and education, as supported by the grants.
- This is best accomplished by allocating County Waste Reduction grant money based on population.

How will the surcharge increase?

- In order to ensure a steady annual revenue as waste disposal tonnages (ideally) decrease over time, the fee may need to increase over time. Successful waste reduction and diversion will decrease tonnage disposed.
- The surcharge will be updated every two years beginning on or before January 1, 2026 to adjust for any changes in the Consumer Price Index for the US Mid-Atlantic Division (accounting for inflation), and at the same time the surcharge will be reviewed to determine if an increase is recommended.

How does this bill address illegal dumping?

- Projects addressing illegal dumping are eligible for grant funding (including, but not limited to, debris clean-ups, support for haulers, surveillance, drop-off bins, and recycling centers that accept a wide range of materials).

4-Compost-Climate-Infographic.pdf

Uploaded by: Brenda Platt

Position: FAV

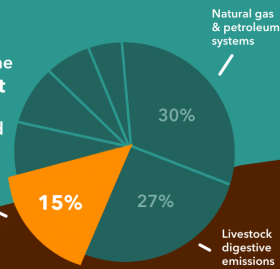
HOW COMPOSTING COMBATS THE CLIMATE CRISIS

1 AVOIDS WASTE OUTCOMES WITH HIGH EMISSIONS

Landfilling food scraps produces **20x** the CO₂e emissions (as methane) as composting

...and when used, compost's net emissions become negative!

Landfills are the **third-largest** source of human-related methane emissions in the U.S.



2 ENHANCES SOIL QUALITY

Compost increases:



Nutrients in soil

- Grows healthier, more nutritious plants & food
- Reduces use of synthetic nitrogen & fossil-fuel-intensive fertilizers

Synthetic nitrogen accounts for **80%** of human-related nitrous oxide emissions



Water holding capacity

Increases soil resiliency to extreme heat & flooding

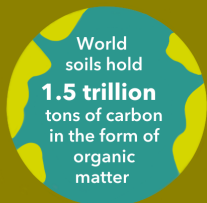


Soil aggregation

Prevents erosion & runoff, thus protecting & restoring waterways

Normally it takes **1,800 years** to build **6 inches** of topsoil but with compost, it takes only **6 months**

3 SEQUESTERS CARBON



What's one of the best ways to build soil organic matter?

Compost!

Degraded soil actually **RELEASES** carbon

But a **1-time** application of compost can make soil a carbon sink again!

Just 1 acre amended with compost can sequester up to



of a car's annual emissions

Compost also increases crop yield & vegetation, leading to even more carbon sequestration

4 BUILDS COMMUNITY RESILIENCY

Healthy soil =

- Food security
- Profitable farms
- Enhanced habitat & biodiversity
- Resilient ecosystems

Degraded soil has been linked historically to the fall of civilization!

Community composting =



- Local jobs
- Environmental education
- Community bonds & safety
- Physical activity & healthy diets
- Social inclusion & empowerment

Support of HB 1139 - Solid Waste Disposal and Dive

Uploaded by: Colby Ferguson

Position: FAV



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

March 8, 2023

To: House Environment & Transportation Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of HB 1139 - Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use**

On behalf of our member families, I submit this written testimony in support of HB 1139, legislation that will create grant programs to divert compostable waste from landfills as well as on-farm composting and compost use. Funded by a nominal surcharge on waste disposed at landfills, incinerators, and waste transfer stations, this grant program could generate as much as \$30 million per year to be made available to mobilize investments in waste prevention, reuse, repair, recycling, and composting. A significant amount of the grant funds would be earmarked to support on-farm composting and compost use.

Expanding the ability to compost on farms is essential for farmers to generate the needed organic matter and natural fertilizer to improve soil health and make farm fields more resilient. Programs like this one would inject money into a fledgling industry that would help divert compostable materials from the landfill and to a farm for a much better and more sustainable use.

MDFB Policy: We support the right for Maryland farmers to make and process mulch and compost from both on and off the farm sources.

MARYLAND FARM BUREAU SUPPORTS HB 1139 AND REQUEST A FAVORABLE REPORT

A handwritten signature in black ink, appearing to read "Colby Ferguson".

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

HB1139_IndivisibleHoCoMD_FAV_CrystalKonny.pdf

Uploaded by: Crystal Konny

Position: FAV



HB1139 – Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

**Testimony before House Environment & Transportation Committee
March 8, 2023**

Position: Favorable

Mr. Chair, Mr. Vice Chair and members of the committee, my name is Crystal Konny, and I represent the 750+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today in **support of HB1139**, Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use. We appreciate the leadership of Delegate Boyce for sponsoring this important legislation.

This bill creates needed grant programs for waste reduction (including reuse, recycling, and composting) and on-farm composting and compost use. A nominal surcharge on waste disposal at landfills and incinerators will fund grants. This funding will mobilize an estimated \$12 million to build alternatives to waste disposal by supporting infrastructure, program development, education, and creation of jobs.

Maryland landfills are emitting four times more methane than was previously estimated. There is an *immediate* need to divert food waste from landfills. Howard County is shipping waste out of County because our landfill is filled. We're in desperate need of solutions other than landfills. This program will disincentivize solid waste disposal in landfills and incinerators and will create alternatives.

Expansion of composting infrastructure and availability of high-quality compost is crucial for agriculture in Maryland. Compost builds healthier soils, reduces the need for synthetic nitrogen fertilizers, and increases organic matter in soil. The main obstacle to composting infrastructure and compost programs is a lack of funding. This bill overcomes that obstacle.

Maryland needs to create waste diversion programs more aggressively. This bill will make waste diversion more accessible and competitive, and will support innovation and economic competition. Grants will be accessible to local government, local educational institutions, non-profit organizations, farmers, and for-profit businesses. Haulers wanting to move into waste reduction activities will be eligible for grants. And Marylanders need to be better educated on waste issues to understand the full scope of the problem and what they can do as citizens. Similar programs have benefited several other states, most notably Ohio, Indiana, Pennsylvania, and North Carolina.

For all of these reasons, we urge you to pass the Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use bill.

Thank you for your consideration of this important legislation. **We respectfully urge a favorable committee report.**

Crystal Konny
Columbia, MD 21044H

Solid Waste Diversion and Disposal and On-Farm Com

Uploaded by: Daniela Ochoa

Position: FAV

Solid Waste Diversion and Disposal and On-Farm Composting and Compost Use Bill
([HB 1139](#))

March 6, 2023

Dear Chair Feldman and Members of the Committee,

As a mother of 2 children, as a new resident in Montgomery County's Agricultural Reserve, as and a first generation Mexican-American, and as a member of the [North American Food Systems Network leadership circle](#), I am writing to express my **support for HB1139**. HB1139 is a crucial step towards stronger and healthier local food systems. Well made composting makes Maryland soils more fertile. Many of my neighbor farmers have plenty of space for decentralized composting, but lack the infrastructure, the know-how and the staff to do it. Composting also helps us recover nutrients embedded in avocado pits, pineapple rinds, vegetable peels, and other food scraps from products we are all importing from California, Florida, México and then squandering and an sending them to landfills and incinerators, where its anaerobic decomposition produces methane, potent greenhouse gas and other toxic gasses.

What is a nominal per-ton waste surcharge? Picture it as a mindfulness reminder to the solid waste companies that "we can do better" This modest surcharge will give Maryland's numerous policies supporting healthy soils, food waste recovery, recycling, and composting a real chance to blossom! HB1139 is the fertilizer we all need!

This bill will also help us share tips for reducing food waste, which can save the average family in MD up to \$1,800 dollars a year! Please pass HB1139, you will be glad you did! It's a nudge towards the massive deep climate adaptation solutions we desperately need.

With gratitude,

Daniela Ochoa González.
d092@cornell.edu C: 512-906-9880

HB1139-ET_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



House Bill 1139

Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

MACo Position: **SUPPORT**

To: Environment and Transportation
Committee

Date: March 9, 2023

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1139. The bill would create several grant funds to encourage composting, environmental stewardship, and recycling.

Addressing climate change will require bold vision and investment. One of the most pressing questions in environmental policy is how to reimagine waste infrastructure to turn this liability into a sustainable asset. The programs funded under HB 1139 will serve as the spark to this necessary and long overdue transformation. Waste that can be diverted and put to other uses means less material taking up space in landfills, less methane emissions, and less need for new materials.

Under HB 1139, the State will charge a \$2 per ton tipping fee on waste haulers at landfills. This fee will then be distributed among three funds with the purpose of funding new waste reduction infrastructure. If counties already established a similar waste reduction program with a similar funding mechanism, they may opt out of the program and the \$2 per ton fee at their landfills. This approach strikes a balance, allowing counties to go above and beyond state programs, but at the same time providing resources to those jurisdictions who may be in the early stages of reimagining their waste systems.

Counties praise the vision of HB 1139 and its novel approach to funding waste reduction infrastructure. Accordingly, MACo urges the Committee to give HB 1139 a **FAVORABLE** report.

TESTIMONY TO THE MARYLAND HOUSE OF DELEGATES COMMI

Uploaded by: Keith Ohlinger

Position: FAV

TESTIMONY TO THE MARYLAND HOUSE OF DELEGATES COMMITTEE:
ENVIRONMENT AND TRANSPORTATION HB1139 - SOLID WASTE DISPOSAL AND
DIVERSION AND ON-FARM COMPOSTING AND COMPOST USE

POSITION: FAVORABLE MARCH 6, 2023

KEITH T. OHLINGER, OWNER, FARMER - PORCH VIEW FARM LLC,
KOHLINGER05@VERIZON.NET

2790 Florence Road,
Woodbine, MD, 21797-7841
(240) 893-1718

Dear Chair Barve, Vice Chair Stein and Members of the Environment and Transportation Committee, as a lifelong farmer and owner of Porch View Farm LLC, a 22 acre farm in Western Howard County that raises diverse, heritage breeds of cattle, sheep, pigs, geese, rabbits, and honey bees. I am also a leader and advocate for better farming methods in Maryland. Porch View Farms LLC works with the land and animals without the use of chemical fertilizers and pesticides. Being able to compost on the farm is a key element to the success of these methods, for example, composting animal waste to use as fertilizer.

While regenerative agriculture is an important way to support healthy soils and conserve the natural environment, it can be a costly undertaking. This bill would enable farmers like me to access grant funding for composting and compost application. Encouraging more of this work in Maryland is key to building Maryland's healthy soils and maintaining Maryland's food system.

This bill has added strengths of including language making it easier for farmers to apply for this funding, listing a wide range of projects that are eligible for funding, and giving priority to on-farm composting and compost use projects that engage small or diverse farming operations. This language will help to ensure that Maryland farmers are supported widely and equitably. Maryland also has a regulatory roadmap for on-farm compost sites but no dedicated funding to help farmers. If passed, this unique and ground-breaking bill would make Maryland a leader in supporting farmers in this field.

I strongly support HB1139 to establish crucial funding to support Maryland farmers in building healthy soils and healthy farm operations. Please move HB1139 forward for our farmers, local economies, and environment.

Keith T. Ohlinger Owner and Farmer
Porch View Farms LLC

HB1139 Surcharge Bill 2023 - CC Written Testimony

Uploaded by: Kristie Blumer

Position: FAV

March 6, 2023

House Environment and Transportation Committee



Dear Honorable Committee Members:

Compost Crew (CC) supports a favorable report of Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use bill (HB 1139).

CC is a local mission-driven food scrap recycling and composting business that has been helping to make food waste recycling convenient and impactful since 2011. We currently service over 8,000 homes, businesses, and municipalities in the Maryland, Virginia, and Washington, D.C. region, diverting over one million pounds of food scraps each month. In addition, we partner with local farms to recycle food scraps and make high-quality local compost, which enriches the soil, supports local food production and benefits the environment. In making an organic soil amendment, farms do not need to rely on inorganic chemical inputs much of which are currently in short supply and exorbitant costs.

A solid waste disposal surcharge would be beneficial. Our goal is to build organics recycling infrastructure to support recycling and environmental objectives while benefiting farms. Farmers are interested in locally-made, high-quality, and economical compost to increase crop yield and the longevity of their farm land. However, purchasing compost can be difficult since there are not many local options and shipping high-quality compost in bulk is expensive. In addition, on-farm composting is financially-prohibitive and time-consuming: systems require site improvements, equipment, regulatory hurdles, and trained staff to be run properly.

We're competing with the traditional trash industry, and we need to work hard to build a professionally managed, economically viable system. Anything that makes trash more expensive allows us to increase collections and composting of food waste. This Bill would boost demand & infrastructure that would help farmers and healthy soils. In addition, this bill would help restaurants and other food waste generators participate in food scrap recycling programs.

We respectfully request a favorable report of HB1139.

Sincerely,

A handwritten signature in black ink that reads "Kristie Blumer".

Kristie Blumer
Senior Director of Composting, Compost Crew

HB1139_MDSierraClub_fav 8March2023.pdf

Uploaded by: Martha Ainsworth

Position: FAV



Maryland Chapter
P.O. Box 278
Riverdale, MD 20738

Committee: Environment and Transportation

Testimony on: HB1139 – Solid Waste Disposal & Diversion and On-Farm Composting & Compost Use

Position: Support

Hearing Date: March 8, 2023

The Maryland Chapter of the Sierra Club urges you to support HB1139. This bill would create an Environmental Stewardship Fund to finance two grant programs aimed at increasing waste diversion, recycling, and composting infrastructure, financed by a \$2 per ton surcharge on waste disposal. The owner or operator of each refuse disposal facility is responsible for collecting the disposal surcharge at their facility and submitting the collected monies to the State. A quarter of the Fund would be allocated to the On-Farm Composting & Compost Use Grant Program, supporting farmers' investments, development, and implementation of on-farm composting and compost use. Another 25 % would be allocated to a new Waste Diversion Grant Program, providing competitive waste reduction grants throughout the state to businesses, schools, non-profit organizations, farmers, and others for waste diversion efforts. The remaining half of the Fund would be allocated to counties (including Baltimore City) for waste diversion efforts. An opt-out option would be available for counties that would prefer to set up their own surcharge-to-grants program; this would give counties more flexibility and control over their own resources and programs should they choose to opt-out of eligibility for Waste Reduction or On-Farm Composting grants from the statewide fund.

Reducing waste and its disposal in landfills and incinerators is one of several key strategies for reducing greenhouse gas emissions and fighting climate change. However, success at diverting waste depends critically on having in place the infrastructure for expanded composting and recycling. It requires investments in infrastructure by local government, farmers, businesses, schools, nonprofits, and other local entities.

HB1139 would generate the resources for these needed investments, while discouraging waste disposal. Solid waste surcharges ranging from 50 cents per ton to \$13 per ton at landfills, incinerators, and transfer stations have been funding recycling and waste reduction programs in Indiana, Minnesota, New Jersey, North Carolina, Ohio, Pennsylvania, and Wisconsin, as well as in local jurisdictions, since as early as the 1980's.¹ These investments pay for themselves, by reducing the amount of waste disposed.

Waste diversion investments are critical, and a waste disposal surcharge has proven to be a highly effective way of funding them across the country. The Sierra Club respectfully requests a favorable report on HB1139.

Ben Fischler
Chapter Zero Waste Team
brf57@yahoo.com

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

¹ Jones, Sophia. 2022. "Surcharges on Waste Disposal Fund Composting," *Institute for Local Self Reliance*.
<https://ilsr.org/disposal-surcharges-fund-composting/>.

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

HB 1139_CBF_FAV.pdf

Uploaded by: Matt Stegman

Position: FAV



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

House Bill 1139

Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

Date: March 8, 2023	Position: Support
To: House Environment and Transportation Committee	From: Matt Stegman
	Title: Maryland Staff Attorney

Chesapeake Bay Foundation (CBF) **SUPPORTS** HB 1139 which establishes funding for projects that reduce the amount of waste burned in incinerators and collected in landfills through high performance reduction, reuse, and on-farm composting initiatives.

Food waste affects climate change

The diversion of food waste from incinerators and landfills through composting helps minimize the amount of carbon dioxide and methane released into the atmosphere by these traditional methods of waste management. Lower greenhouse gas emissions improve air quality, reduce impacts to human health, and increase resilience to the effects of climate change.

Soil health is key to the future of agriculture

Well-managed composting of waste adds biologically rich material to soils, feeding essential micro-organisms and fungi that improve soil health and enhance production of healthy, nutritious food. Healthier soils increase water holding capacity, facilitate nutrient cycling, and reduce soil loss, helping farmers maintain their land and minimizing risks to water quality and the Chesapeake Bay.

HB 1139 promotes on-farm composting

HB 1139 promotes on-farm composting and compost use through a nominal surcharge on waste disposed at landfills, incinerators, and waste transfer stations. More than \$30 million per year generated by the surcharge will be distributed statewide through grants that mobilize critical investment in waste prevention, reuse, repair, recycling, and composting.

This legislation will improve soil health, help fight the effects of climate change, and transition Maryland to a more effective, equitable, and environmentally sound waste management system.

CBF urges the Committee's FAVORABLE report on HB 1139.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403

The Chesapeake Bay Foundation (CBF) is a non-profit environmental education and advocacy organization dedicated to the restoration and protection of the Chesapeake Bay. With over 300,000 members and e-subscribers, including over 109,000 in Maryland alone, CBF works to educate the public and to protect the interest of the Chesapeake and its resources.

MD FoodSystem Resilience Council letter in support

Uploaded by: Michael J Wilson

Position: FAV

March 6, 2023

2023 SESSION SUPPORT TESTIMONY
HB1139 Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

COMMITTEE: Environment and Production
POSITION: Testimony of Support of House Bill 1139
BILL ANALYSIS: Establishes an On-Farm Composting and Compost Use Fund; Establishes a solid waste disposal surcharge by owners and operators of refuse disposal facilities; Establishes the Environmental Stewardship Fund as a nonlapsing fund
SIGNED: Maryland Food System Resiliency Council (FRSC)

Honorable Chair, Vice Chair, and Members of the Committee, thank you for the opportunity to submit this statement for the record **in SUPPORT of H.B. 1139**. I am submitting this letter on behalf of the Maryland Food System Resiliency Council (FSRC) on behalf of the Council and does not necessarily represent the views of the State of Maryland. The FSRC was established by the Maryland General Assembly in the 2021 legislative session to bring together 33 appointed council members from across the state, all with different points of entry and expertise to work toward a common goal of a more resilient food system and address the food insecurity crisis due to COVID-19. One of the key mandates of this council was to develop equity and sustainability policy recommendations to increase the long-term resiliency of the Maryland food system.

The FSRC believes this legislation will advance several of our priority goals, including:

- **Reducing food waste, increasing recycling, and encouraging other relevant environmental impacts, such as the use of organic inputs, such as compost, to build soil health and increase the sustainability of our food system.**

This legislation establishes an on-farm composting and compost use nonlapsing fund, the Environmental Stewardship Fund, which will receive money from a solid waste disposal surcharge by owners and operators of refuse disposal facilities. The proposed legislation in H.B.1139 aligns with the recommendations in the 2021 and 2022 FSRC reports, which details the importance of reducing food waste and expanding composting to build the long-term resilience and sustainability of our local food system and increase organic soil amendments to increase the sustainability of our agricultural systems. Passing H.B.1070 will strengthen the sustainability of our local food system by encouraging the production and use of composting, mulch, and organic soil amendments facilities, thereby, reducing food waste, enhancing the resiliency of our food systems and our soil health, and contributing to a more sustainable and circular food system within the state of Maryland.

This new legislation would also help support the Solid Waste Management – Organics Recycling and Waste Division – Food Residuals, Chapter 439 (law) passed by the Maryland General Assembly (H.B.264) during the 2021 legislative session by creating a assistance for providing funds to increase the numbers of food waste composting sites, as well as trained operators and equipment assistance to help operate these systems. The incentives provided here will be vital in increasing the number of composting facilities in Maryland.

In September 2015, US The USEPA and USDA announced a national goal to reduce food waste by 50% by 2030. To divert this food waste from reaching landfills, there must be adequate facilities in Maryland that accept food waste for composting. Currently in Maryland, there is composting of food scraps (15.5%) and yard trimmings (84%), but there are only 20 composting facilities covered under Maryland's composting permits, and only five of the proposed operations include the composting of food scraps, %, according to the Maryland Department of Environment. H.B.1139 would allow food waste, yard waste, and other organic-based composting and soil amendment production processing facilities to grow in Maryland, which is desperately needed to reach our goal of 50% food waste reduction by 2030.

The Maryland Department of Environment has stated that compostable materials comprise the largest portion of waste generated (33.7%), with food waste scraps, specifically, being 21.6% of Maryland's total waste generated or 54.1% of the compostable material. Instead of going to landfills, by increasing organic-based soil amendments and composting, the following benefits could be achieved: 1) reduction of greenhouse gas emissions, 2) extension of landfill/incinerator capacity, 3) production of soil conditioner that partially replaces the need for chemical fertilizers, 4) reduction of need for irrigation, 5), creation of jobs, and 6) improvement of water and air quality.

On behalf of the Maryland Food System Resiliency Council (FSRC), I would like to record SUPPORT of H.B. 1139.

Sincerely,

Michael J. Wilson
Chair, Coordination and Communication Committee
Food System Resilience Council

HB1139_FAV_Montgomery County Food Council.pdf

Uploaded by: Michelle Caruso

Position: FAV



March 8, 2023

**2023 SESSION SUPPORT TESTIMONY
HB1139: Solid Waste Disposal and Diversion**

BILL: HB1139: Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

COMMITTEE: Environment and Transportation

POSITION: Testimony in Support of House Bill 1139

BILL ANALYSIS: Establishing the On-Farm Composting and Compost Use Grant Fund as a special, nonlapsing fund; establishing a statewide solid waste disposal surcharge to be collected by owners and operators of refuse disposal systems and requiring that the surcharge revenue be remitted on a quarterly basis, to the Comptroller; establishing the Waste Reduction Grants Fund as a special, nonlapsing fund; authoring the Department of Environment to approve a certain local solid waste disposal surcharge program.

Dear Chair Barve and Members of the House Environment and Transportation Committee:

The Montgomery County Food Council (MCFC) urges you to **SUPPORT** this bill to establish the On-Farm Composting and Compost Use Grant Fund as a special, nonlapsing fund, as well as a statewide solid waste disposal surcharge, and the Waste Reduction Grants Fund.

In order to address the impending threats associated with climate change there is a need for investments in new solutions around many public service sectors. HB1139 would invest in new programs to complement existing state policies on food waste and healthy soils, as well as support local solutions and innovations to address waste issues. Dedicated funding for on-farm composting and compost use will also support Maryland farmers and enhance soil quality and food system resilience.

Through the establishment of these grant programs the State will be able to support programs that enable waste prevention, since the most effective way to reduce issues associated with waste is to create less waste. These grant funds will also strengthen the power of reuse programs and support food rescue activities, and support recycling and composting of food scraps to be able to add vital nutrients back into the soil. Composting has proven to be beneficial for the environment but also has social and economic benefits, and can be a means to create new jobs. Montgomery County, and Maryland as a whole, have many composting efforts underway, and this grant funding would help



P.O. Box 32212 | Bethesda, MD 20814 | 310-637-7071
mocofoodcouncil.org | info@mocofoodcouncil.org

programs to be able to continue and expand operations.

This legislation will promote composting within the State of Maryland and will increase the efforts to divert useful materials from landfills and support local communities through maximizing the use of resources, reducing pollution, and improving the economy . **For these reasons, the Montgomery County Food Council supports HB1139 and urges a FAVORABLE REPORT for this bill.**

The Montgomery County Food Council is a nonprofit organization that serves as the primary connection point for businesses, nonprofits, government agencies, and residents around food system issues in our County. We bring together over 2,000 local and regional partners in community-wide education, advocacy, and capacity building initiatives. Our work cultivates a more resilient, sustainable, and equitable local food system by enhancing food access for the over 100,000 at risk for hunger, expanding food education opportunities for all residents, supporting our County's farms and food and beverage businesses, and addressing the impact of local food production, distribution, consumption and recycling on our natural resources

For more information, please contact Massa Cressall, Interim Executive Director, at the email and phone number below.



P.O. Box 32212 | Bethesda, MD 20814 | 310-637-7071
mocofoodcouncil.org | info@mocofoodcouncil.org

ILSR - HB1139 Sign-On Testimony - FAV.pdf

Uploaded by: Sophia Jones

Position: FAV

**TESTIMONY TO THE MARYLAND HOUSE OF DELEGATES COMMITTEE ON
ENVIRONMENT & TRANSPORTATION**

HB1139 – Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

Position: Favorable

March 8, 2023 Public Hearing

Sophia Jones, Policy Associate, Composting for Community Initiative, sjones@ilsr.org

Institute for Local Self-Reliance 1200 18th Street, NW, Suite 700, Washington, DC 20036

Dear Chairman Barve, Vice Chair Stein, and Members of the Committee,

The undersigned 14 organizations support HB1139 and encourage the committee to pass this bill. We thank Delegate Boyce for bringing this legislation forward to establish needed funds and grant programs to support waste reduction and composting throughout the state of Maryland.

Maryland's stagnant recycling rate, severely underestimated greenhouse gas emissions from landfills, and shrinking landfill capacity, indicate the critical need for investment into waste reduction. Maryland has numerous policies supporting healthy soils, food waste recovery, recycling, and composting (e.g. HB 1063 on the Maryland Healthy Soils Program and HB 264 on Large Food Waste Generators in 2021) but funding for implementation and support is sorely lacking.

HB 1139 will establish significant funding for waste reduction projects and infrastructure including reduction, reuse, repair, composting, recycling, and anti-dumping by incorporating a nominal surcharge on waste disposal.

In addition, the dedicated funding for on-farm composting would support Maryland farmers, not only with their own farm materials management, soil quality, and farm resilience, but also with contributing to cleaner Maryland watersheds, increased resilience to extreme weather, and stronger Maryland food systems.

This model is successful in numerous other states (such as New Jersey, Pennsylvania, Iowa, Ohio, Indiana, Minnesota, Wisconsin, and North Carolina) and has had positive impacts on their local communities, economies, and the environment. We strongly believe this model will work successfully in Maryland.

We urge the Committee to support HB1139 to advance waste diversion, build necessary infrastructure, and support local governments, businesses, schools, farmers, and more in their efforts to divert waste from Maryland's polluting landfills and trash incinerators.

Sincerely,

[Blue Water Baltimore](#)

[Cedar Lane Environmental Justice Ministry](#)

[Chesapeake Bay Foundation](#)

[Echotopia LLC](#)

[Go Green OC](#)

[The Institute for Local Self-Reliance](#)

[Little Falls Watershed Alliance](#)

[Maryland Campaign for Environmental Human Rights](#)

[Maryland Clean Water Action](#)

[MLC - Climate Justice Wing](#)

[MOM's Organic Market](#)

[National Aquarium](#)

[Natural Resources Defense Council](#)

[Sustainable Hyattsville](#)

Attachment:

ILSR Article, Feb. 2022, [Surcharges On Waste Disposal Fund Composting](#)

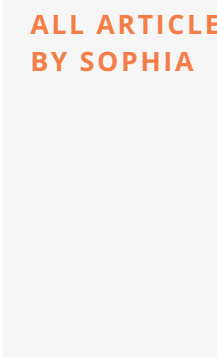
Surcharges On Waste Disposal Fund Composting – Ins

Uploaded by: Sophia Jones

Position: FAV



ABOUT THE AUTHOR



Sophia Jones is a Policy Fellow with ILSR's Composting for Community initiative, where she researches, analyzes and supports the building of US policy that advances local composting. Her background in sustainable development and agriculture reflects her interest in solutions-based, community-led development initiatives.

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Highlighting the importance of locally based composting solutions as a first priority over large-scale regional solutions.

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Neighborhood Soil Rebuilders Composter Training Program

The NSR program trains community leaders to run composting projects that engage and serve their communities.

Composting for Community Map

Our map provides an interactive illustration of how communities pursue locally based composting capacity and enterprises.

Community Composting Webinars

In our webinar series, we explore a variety of topics relevant to community composters, from climate to hauling permits.

Composting for Community Podcast

Our podcast brings you stories from the people doing this work on the ground and in the soil.

POLICY LIBRARY

Policy Library

Our library of local, state, and federal policies on composting and community development.

LISTEN AND WATCH



Catalyzing Greater Equity Through Composting



Cities' Exclusive Agreements With Trash Collectors Are Holding Back Community Composters



Through Pedal-Power, Community Composters Cultivate Deeper Connections with their Community



Composting Connects Black and Latinx Youth to their Roots



Compost Helps Local Farm Build Healthy Soils & Feed Their Community (Feat. Moon Valley Farm)

Surcharges On Waste Disposal Fund Composting

BY SOPHIA JONES | DATE: 4 FEB 2022 | [social icons]

More than 42 million tons of food scraps are landfilled or burned in the US each year, as estimated by the EPA. One reason among many is lack of adequate funding to prevent, rescue, and recycle wasted food. According to ReFED, an annual investment of \$14 billion over the next ten years is needed to reduce current levels of wasted food. Such investment would result in \$73 billion in annual net financial benefit, cut greenhouse gas emissions by 75 million metric tons, save 4 trillion gallons of water, and recover the equivalent of 4 billion meals for those in need. ReFED's Roadmap to 2030: Reducing U.S. Food Waste by 50% outlines myriad solutions that governments, business, philanthropic funders, and other stakeholders can take to accelerate change. Financing these solutions via grants, low-cost capital, commercial project financing, and other funding mechanisms is critical.

One funding mechanism with a proven track record of raising funds to reduce and recycle waste is the establishment of a per-ton surcharge on waste landfilled or incinerated. A waste disposal surcharge is typically a fee added to the per-ton tipping fees charged for waste disposal at waste disposal sites. Some state and local governments levy waste disposal surcharges to solely support agency costs for solid waste facility licensing, permitting, registration or operation. Others use these per-ton surcharges to also support the establishment, expansion, and maintenance of recycling and composting projects.

This article features ten examples of existing regulations that allocate revenue from waste disposal surcharges to fund waste diversion, reuse, recycling, composting, and other sustainability efforts, and extracts best practices and possible roadblocks that may help to guide the development of new legislation to fund composting and divert waste.

Does "Recycling" Include Composting?

In existing legislation, the term "recycling" is often used broadly and includes composting, whether implicitly or explicitly. Recycling has a broad definition involving the process of transforming waste into reusable items, therefore composting, the process of transforming organic waste into a valuable soil amendment, is understood to be included in most definitions of recycling. Wisconsin is one state in which the absence of composting-specific language in the legislation actually restricts grant funds from being available for composting projects. This demonstrates the significance of specifying composting in addition to recycling where possible in order to emphasize its value as a waste diversion method.

Examples of Existing Regulation

The ten frameworks featured here exhibit clear paths for funding to flow from disposal surcharge revenue to recycling and composting programs, projects, infrastructure, and education. Featured states include New Jersey, Pennsylvania, Minnesota, Wisconsin, North Carolina, Iowa, Ohio, and Indiana. Alameda County and Santa Clara County in California are also great examples of surcharge policies and waste diversion grant programs administered at the local level. While this article features states with surcharges that fund waste diversion, other states (e.g. Arizona, Illinois, Michigan, Mississippi, Colorado, West Virginia) have similar programs that may focus on more general waste management.

The overview tables below summarize key data of each state or local program. See our Composting Rules Library for more detailed descriptions of each policy.

Table 1: Overview of Disposal Surcharges. Columns: State/Local policy, Surcharge Amount, Surcharge applies at (Landfills, Incinerators, Transfer Stations), Designated fund, Year Est.

Table 1: Overview of Disposal Surcharges Source: ILSR 2022

Table 2: Disposal Surcharge Revenue and Administration. Columns: State/County, Annual Surcharge Revenue (data year), Grant Program Administrator.

Table 2: Disposal Surcharge Revenue and Administration Source: ILSR 2022

Table 3: Overview of Grant Programs. Columns: State/County, Grants to Local Governments?, Other Grants (to Whom?), Other Environmental Programs.

Table 3: Overview of Grant Programs Source: ILSR 2022

In general, waste haulers pay the disposal surcharges at the disposal site. In the unique case of Minnesota, the surcharge is collected at the generator-level; households and businesses are billed directly based on waste generated (Table 1). Surcharge collection and resulting grant programs are typically administered by the state or local government's designated environmental agency (Table 2). As shown in Table 3, most of the example states and counties use surcharge revenue to provide financial assistance to local governments for waste diversion. Some also use surcharge revenue to administer competitive grants for waste diversion projects by various non-government entities such as academic institutions, nonprofits, for-profit businesses, and other organizations. Another way that states and counties use surcharge revenue is to fund other environmental programs such as land conservation and remediation, water quality management, litter prevention and cleanup, greenhouse gas reduction, and environmental education.

Investment and impact on in-state waste diversion

These surcharge-funded grant programs have each provided significant investment into waste diversion programs and infrastructure, demonstrating tangible impact on waste reduction, reuse, recycling, and composting. In Indiana, 2020 grant awards from both the Community Recycling Grant Program and the Recycling Market Development Program totaled over \$1.8 million, efforts which created up to 47 new jobs and increased the amount of recycled materials by almost 85,000 tons. In Minnesota, SCORE grants to counties provide support for county compliance with the state-mandated 35%-minimum recycling rate, with 50% of the grant funds to be used for organics recycling programs. Iowa's Solid Waste Alternatives Program (SWAP) provides financial assistance to various projects including community education and training on composting, on-campus food waste composting program, a concrete pad for school waste composting, and purchase and use of compost spreaders to encourage lawn application of compost. Also, Iowa's Food Storage Capacity Grant Initiative awarded over \$400,000 to 80 entities in 2020 and 2021 to expand food storage capacity and avoid wasted food.

On the East Coast, New Jersey's DEP awarded \$16 million in grants to fund municipal and county recycling programs in 2021. And, in 2020, Pennsylvania's Food Recovery Infrastructure Grant provided \$9.6 million to 145 projects focused on diverting edible food waste from landfills, rescuing almost 1 million pounds of food from landfills, distributing edible food to over 25,000 Pennsylvania residents over the course of the year. At the local level, StopWaste Waste Prevention Grants in Alameda County allocated over \$580,000 in 2021 to local nonprofits and businesses for waste reduction and diversion, in addition to allocating almost \$5 million to municipalities for municipal recycling program expansion. These examples illustrate the wide array of projects that can be supported by waste disposal surcharges. They demonstrate concrete and widespread impact on not only waste diversion projects and infrastructure, such as for composting, but also on the economy by empowering small businesses, creating jobs, strengthening communities, and building the circular economy.

Beyond waste diversion

Some states extend their investment of waste surcharge revenue beyond waste diversion to include support for other environmental programs. Many use funds to address litter control and land remediation, such as Pennsylvania's Growing Greener Plus watershed restoration and mining reclamation projects, North Carolina's cleanups of hazardous sites, Wisconsin's land cleanup and remediation programs, Minnesota's landfill cleanup and environmental monitoring, and Ohio's litter prevention and cleanup projects.

Other examples of environmental programs supported by disposal surcharge revenue include Alameda County's support for carbon farm planning, sustainable landscaping, and energy efficiency programs, Ohio's \$8.9 million in annual operational grants to Ohio Soil and Water Conservation Districts, and Iowa's Solid Waste Environmental Management System Program, which allows local solid waste planning areas to participate in training and technical assistance for continuous improvement in six environmental program areas, ranging from recycling to water quality improvements to greenhouse gas reduction, incentivized by a reduced waste disposal surcharge rate. These states provide examples of how supporting environmental projects using surcharge revenue can extend this funding mechanism beyond the polluter pays principle, with further reinvestment into environmental conservation, regeneration, and sustainability.

Lessons Learned: Using Surcharges to Fund Waste Diversion

Each disposal surcharge policy and its relationship to recycling, composting, and other environmental efforts is unique, with its own pros and cons. These surcharges serve as a self-funding mechanism to both build recycling infrastructure and disincentivize waste disposal in landfills. This is a major incentive to pass laws like this for other states and localities that experience lack of funding as a hindering factor for the passage or long-term success of sustainability-related legislation. As a 2021 report by Eunomia, the states featured here all boast recycling rates ranking in the top 3/5 of states, with four of them in the top 1/5.

Furthermore, supplementing fees on waste disposal with incentives to reduce and recycle waste encourages a transition from disposal habits toward behavior that prioritize reduction and diversion. A 2015 study on landfill tipping fees found that higher per-ton tipping fees at landfills correlate with lower percentages of total generated solid waste that is landfilled (see Figure 1). Provisions of accessible incentives to reduce and divert waste paves a clearer direction for the efforts of households, businesses, waste facilities, and communities toward greater reduction and diversion.

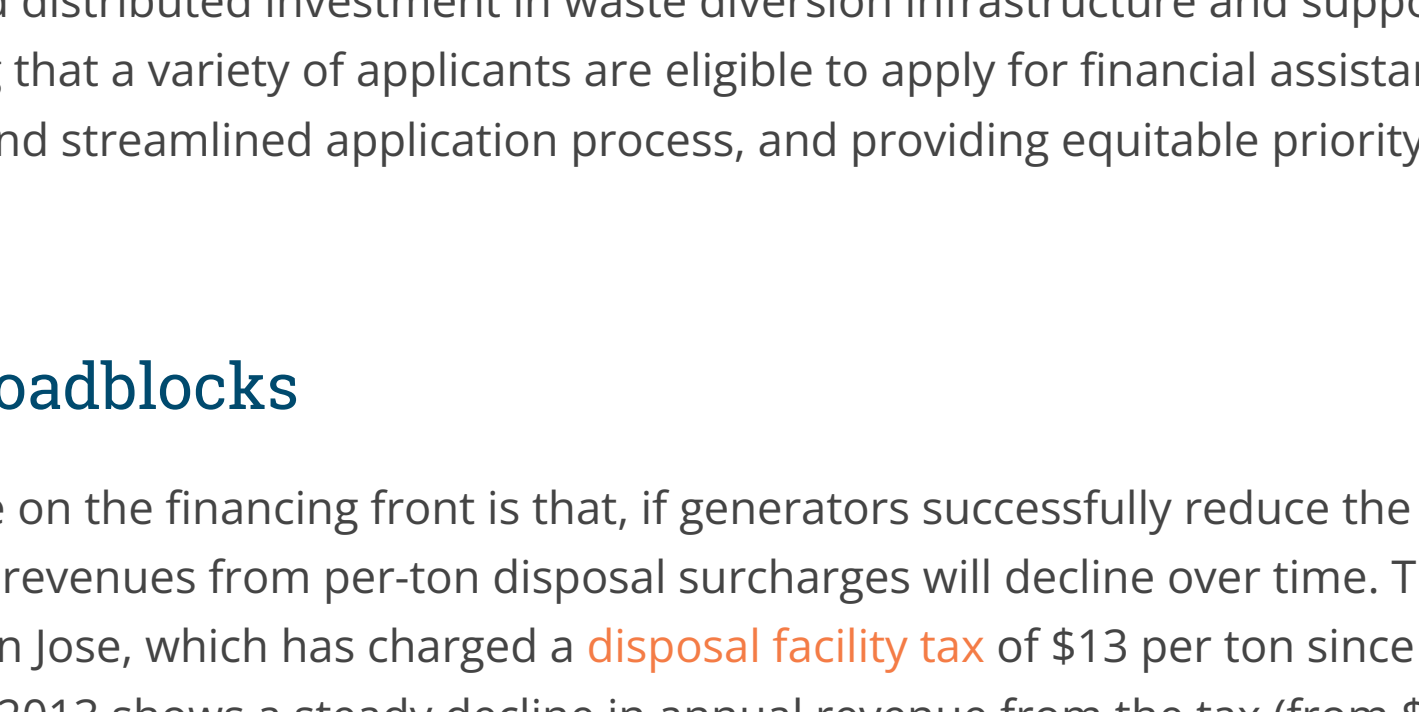


Figure 1: U.S. State Tipping Fees and Landfilled Percentage Source: Landfill Tipping Fees in California (CalRecycle 2015)

Based on ILSR's analysis and comparison of various policies, we note the following considerations for others interested in constructing similar policies:

- Having a designated fund that collects revenue from the surcharge ensures commitment of funds to composting/recycling efforts. Protecting and responsibly managing the revenue is imperative in order to avoid unnecessary fund diversion, as observed with Pennsylvania's Environmental Stewardship and Recycling Funds. Responsible management should ensure that funding is targeted at appropriate environmental and sustainability efforts, from compost and recycling infrastructure, to education efforts, to community composting projects. The fund may also receive funding from other sources (e.g. direct donations).
- Ensuring the funding and resulting recycling/composting/waste reduction efforts are directed locally, toward the same communities that the surcharge affects. This will encourage maximum waste diversion and ensure that those potentially affected by higher waste disposal fees have access to alternatives to waste disposal as well as resources and education.
- Ensuring that waste generators (e.g. businesses, households, commercial facilities) are aware of and educated on the surcharges so that they are incentivized to reduce their waste disposal and are able to negotiate with their waste haulers for lower trash disposal fees (as they reduce and recycle more waste). Education by local and state governments is critical.
- Ensuring that grants are accessible to smaller, community-scale projects can help to ensure a wide and distributed investment in waste diversion infrastructure and support. This looks like ensuring that a variety of applicants are eligible to apply for financial assistance, having a simple and streamlined application process, and providing equitable priority factors.

Potential Roadblocks

A potential issue on the financing front is that, if generators successfully reduce the amount of waste sent to landfills, revenues from per-ton disposal surcharges will decline over time. This is exemplified by the City of San Jose, which has charged a disposal facility tax of \$13 per ton since 1992. Revenue data from 2002-2013 shows a steady decline in annual revenue from the tax (from \$16.3 million in 2002-2003, to \$10.7 million in 2012-2013) as annual landfill disposal tonnage decreased. However, recent landfill disposal has increased with higher waste generation levels and population growth, creating a steady annual revenue of \$12-13 million per year since 2013. Ideally, waste reduction and diversion efforts would yield consistent reductions in waste disposal rates, resulting in lower annual revenue year-to-year given a consistent per-ton surcharge rate.

One way to mitigate this effect is to implement a surcharge or fee that increases every few years, both disincentivizing waste disposal in favor of reduction or recycling and maintaining the revenue flowing in to ensure continued funding to recycling and composting projects and infrastructure. Alternatively, legislative text might include a clear mechanism for reviewing and updating the surcharge or fee, as exemplified by Alameda County and Ohio's Soil and Water Management District waste generation fees.

Other issues associated with increased costs of disposal may arise. For example, while passing off costs to individual, household, and business waste generators can disincentivize wasteful habits of waste generators, not all individuals have the means to pay for the costs of waste production in a society that doesn't necessarily give them options other than to produce said waste. There should be a certain level of responsibility on organizations and governments to support restorative and sustainable projects and practices in addition to paying the appropriate costs for waste disposal.

Another challenge concerning some communities is illegal dumping. Concerns that even slightly higher costs associated with waste disposal would exacerbate illegal dumping may hinder the establishment of a waste disposal surcharge. In this case, it is important that revenue from the surcharge is being managed responsibly and in part directed toward community-oriented efforts that will address and mitigate illegal dumping. This may include expanding capacity for waste management, expanding waste reduction and diversion programs to make reuse/recycling/composting more accessible, litter cleanup and maintenance efforts, and providing education and technical assistance. Ideally, with greater education, litter prevention capacity, and community support for and access to waste diversion and reduction options, the benefits of a waste disposal surcharge on illegal dumping issues will outpace and eliminate any potential exacerbation of the problem.

Conclusions

Waste disposal tipping fees are in place to support and maintain waste disposal systems. Adding a surcharge to existing tipping fees is one successful mechanism to fund solutions to the burn-and-bury paradigm. Waste disposal surcharges penalize "the bad," while incentivizing "the good." The state and local examples featured in this article demonstrate the viability of this funding method to support a wide range of needed solutions from food rescue, to public recycling and organics collection services, to pollution prevention, to farmland and watershed preservation. The present widespread adoption of and consistent increases in disposal site tipping fees indicate that tipping fees are here to stay. Why not utilize a surcharge to direct revenue toward building alternatives to waste disposal systems?

More Information

Watch our webinar "Funding Recycling Infrastructure via Disposal Surcharges", as part of the Recycling is Infrastructure Too Campaign, to learn more! It features a panel of state agency representatives from Pennsylvania, Wisconsin, Iowa, and North Carolina. ILSR also helped to introduce a bill in Maryland's 2022 legislative session based on this research. Use our model legislation template to introduce a policy like these in your own state or locality.

- ILSR Composting Rules Library – Waste Surcharges to Fund Composting and More
- Carton Council – "Using Disposal Surcharges as a Funding Mechanism to Support Recycling Programs"
- EPA – "State Funding Mechanisms for Solid Waste Disposal and Recycling Programs"
- National Conference of State Legislatures – "States with Landfill Tipping Surcharges"

Featured image: Surcharges on composting can help invest in local composting efforts that empower local communities, build circular economies, and protect the environment. Credit: iStock by Getty Images



community composting, compost infrastructure, composting, disposal, featured, homepage feature, initiative feature, policy, waste surcharges



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HB1139_UNF_NWRA_Solid Waste Disposal & Diversion &

Uploaded by: Pam Kasemeyer

Position: UNF

Maryland-Delaware Solid Waste Association

a chapter of the

**National
Waste & Recycling
AssociationSM**

Collect. Recycle. Innovate.

TO: The Honorable Kumar P. Barve, Chair
Members, House Environment and Transportation Committee
The Honorable Regina T. Boyce

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Andrew G. Vetter
410-244-7000

DATE: March 8, 2023

RE: **OPPOSE** – House Bill 1139 – *Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use*

The Maryland Delaware Solid Waste Association (MDSWA), a chapter of the National Waste and Recycling Association, is a trade association representing the private solid waste industry in the State of Maryland. Its membership includes hauling and collection companies, processing and recycling facilities, transfer stations, and disposal facilities. MDSWA and its members **oppose** House Bill 1139.

House Bill 1070 proposes to establish an On-Farm Composting and Compost Use Grant Fund and a Waste Reduction Grant Fund, which are funded by imposing a disposal surcharge of \$2 per ton to be paid by refuse disposal facilities. The On-Farm Composting Fund will be utilized to provide grants for a variety of objectives related to On-Farm Composting and compost use. The Waste Reduction Grant Fund will be utilized for a variety of purposes, including grants to various entities to address waste reduction, recycling, composting, illegal dumping, and other related waste management objectives. The bill also authorizes a local jurisdiction to enact its own surcharge program, which then exempts the jurisdiction from participation in the State surcharge program.

While MDSWA does not object to the intent of this legislation, which is to address various aspects of waste disposal, recycling, and composting continuum that could be enhanced, incentivized, or managed differently. However, many of the issues the bill proposes to address through grant programs cannot be resolved by a simple grant program, nor are they related to lack of funding per se. Furthermore, all of the municipal solid waste landfills in the State are publicly owned and operated and many of the other waste facilities, such as transfer stations and material recovery facilities, are a mix of both public and private ownership and operation. Applying a disposal surcharge on these facilities in order for them to be a possible grantee from one of the programs will not produce the intended outcome and in fact will likely lead to unintended consequences that undermine the objectives of the legislation. Increased disposal fees

will lead to more out of state waste disposal; higher collection rates and transportation costs, which will be passed down to the consumers and businesses; and will further challenge the efficient and effective operation of the State's current recycling facilities as they seek to manage market volatility and work to increase the effectiveness of their material processing functions.

Finally, MDSWA is very supportive of on-farm composting and enhancing the use of compost. However, the biggest challenge to expanded composting in the State is the barriers to the development of commercial grade composting facilities capable of accepting large volumes of compostable materials. To date, facility development is hampered by zoning restrictions and facility siting objections by affected communities. These barriers must be addressed if the State is to have sufficient compost infrastructure to meet demand. Unfortunately, on-farm composting does not offer the potential capacity to meet the State's needs. For the reasons stated, MDSWA, while acknowledging the sponsor for her notable objectives, must respectfully request an unfavorable report.

MDE (HB1139) LOI.pdf

Uploaded by: Tyler Abbott

Position: INFO



March 08, 2023

The Honorable Kumar P. Barve
House Environment and Transportation Committee
House Office Building, Room 251
Annapolis, Maryland 21401

Re: HB 1139 - Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

Dear Chair Barve and Members of the Committee:

The Maryland Department of the Environment (Department or MDE) has reviewed House Bill 1139 and would like to provide the following information.

House Bill 1139 would establish a solid waste \$2 per ton disposal surcharge imposed on refuse disposal systems to fund a grant program. The grants are to be used to assist recipients with the costs of developing, implementing, or expanding equipment, infrastructure, and education relating to: (1) reducing the amount of solid waste generated in the state; (2) reusing, repairing, recycling, and composting solid waste; (3) edible food rescue; (4) on-farm composting; and (5) minimizing illegal dumping.

House Bill 1139 would require the Maryland Department of the Environment (MDA) to consult with MDE in its administration of the On-Farm Composting and Compost Use Grant Fund. Also, by January 1, 2026 and every 2 years thereafter, MDE would need to adjust the solid waste disposal surcharge to match the consumer price index. The Department, in consultation with MDA, will also need to report annually to the General Assembly beginning in December 2025 on the grants awarded under this bill, including the number of grants awarded and their impact on job creation, waste reduction, and the quantity of compost used by farmers. Lastly, the bill does not include enforcement provisions for MDE if a county does not remit the fees collected to the Comptroller.

Thank you for your consideration. We will continue to monitor HB 1139 during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-453-3235 or by e-mail at gabrielle.leach@maryland.gov.

Sincerely,

Gabrielle Leach
Deputy Director
Legislative and Intergovernmental Relations

Cc: The Honorable Regina Boyce
Tyler Abbott, Director, Land and Material Administration

HB 1139, INFO, FCG Solid Waste and Recycling, LS23

Uploaded by: Victoria Venable

Position: INFO



FREDERICK COUNTY GOVERNMENT

DIVISION OF SOLID WASTE & RECYCLING

Jessica Fitzwater
County Executive

Phillip S. Harris, Director

HB 1139 - Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use

DATE: March 8, 2023
COMMITTEE: House Environment and Transportation Committee
POSITION: Letter of Information
FROM: Phil Harris, Director, Division of Solid Waste & Recycling,
Frederick County Government

Thank you for your consideration of HB 1139 – Solid Waste Disposal and Diversion and On-Farm Composting and Compost Use. As the Director of the Division of Solid Waste & Recycling in Frederick County, I am writing to provide additional information regarding the potential impact of HB 1139.

There are many potential benefits to the creation of an On-Farm Composting and Compost Use Grant Fund. However, the creation of a mandatory statewide solid waste disposal surcharge could have a significant impact on county revenues and costs. Frederick County's location, bordering both Virginia and Pennsylvania, makes our jurisdiction uniquely vulnerable to lost revenues due to haulers taking their waste to out-of-state facilities that do not levy a \$2 surcharge. Frederick County facilities are allowed to only accept waste from Frederick County and nowhere else. However, haulers have a choice as to where they haul waste for disposal, meaning our competitiveness as a facility is largely dependent on the cost to haulers.

Two of the largest haulers in Frederick County are Republic Services and Waste Management. Republic Services has a large transfer station outside Leesburg, VA, and is only forty-five minutes away from most of Frederick County. Waste Management has a landfill outside Greencastle, PA, and is only about an hour away from most of Frederick County. A \$2 per ton surcharge will likely incentivize haulers to take the waste collected in Frederick County to their out-of-state facilities. This loss of volume would significantly impact revenues for Frederick County's Division of Solid Waste and Recycling.

Additionally, if HB 1139 were adopted, haulers could cite a change in the law to justify passing costs back to Frederick County Government and/or their individual customers. This would result in higher fees for constituents.

To mitigate the unintended impacts of HB 1139 on county governments, we recommend the committee consider some changes to the bill. Amendments that exclude certain activities would help reduce the increased costs and lost revenue. We recommend the following:

- Exclude recycling collection and transport to Materials Recovery Facilities (MRF) or Markets;

- Exclude waste transportation from the SW System to another SW System for final disposal;
- Exclude haulers that the local government Solid Waste systems are paying for services;
- Exclude Recycling from the Definition of Solid Waste in this subtitle.

While these amendments may mitigate the financial impact of this bill on local governments, this policy may still cause some haulers to haul their waste out of state for lower prices, resulting in less revenue for Frederick County's Division of Solid Waste & Recycling in Frederick County.

Thank you for the opportunity to provide information on HB 1139 on behalf of Frederick County Government.

Respectfully,

Phil Harris
Director, Division of Solid Waste & Recycling
Frederick County Government
Email: PHarris@FrederickCountyMD.gov
Phone: 301-600-2923