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Education, Energy, and the  
Environment Committee  
Energy Subcommittee

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**TESTIMONY IN SUPPORT OF SB642**  
**Maryland Beverage Container Recycling Refund and Litter Reduction Program**

Education, Energy and the Environment Committee  
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Chair Feldman, Vice-Chair Kagan and Members of the Committee

Thank you for the opportunity to testify before you on SB642– Maryland Beverage Container Recycling Refund and Litter Reduction Program. The purpose of this bill is to create a beverage container deposit program in Maryland to reduce beverage container litter, improve environmental quality, and reduce costs for local governments.

Of the 5.2 billion beverage containers sold in Maryland each year, only 23% are recycled. The other four billion containers a year are left to waste: in landfills, on roadsides, in waterways or even incinerated. Beverage container litter is pervasive. More than half of the trash captured in traps on the Anacostia River is beverage containers. The Environmental Protection Agency has declared the Anacostia watershed and Baltimore Harbor to be impaired with trash. Our state, with the largest estuary in the country – the Chesapeake Bay – also has two of the three water bodies in the country that are impaired by trash and regulated by the EPA under the Clean Water Act. Plastic litter floating down our waterways is contributing to a plastic pollution crisis. This debris breaks into smaller pieces that threaten both wildlife and human health.

To reduce litter wastage, and recover more of these containers for recycling, ten other states have implemented successful beverage container deposit programs. These programs aim to change consumer behavior by adding a small refundable deposit to the price of beverage containers. The deposit is fully refunded when the containers are returned for recycling. Two states– Michigan and Oregon - have even achieved recycling rates of 90% with a 10-cent deposit. Programs like this reduce littering and encourages recycling by providing consumers an incentive to return containers for refunds rather than discarding them.

**How the Program Would Work**

SB642 would add a 10-15 cent deposit on the price of beverages in glass, plastic, and metal beverage containers, depending on the size of the container. The deposits would be fully refunded when the empty containers are returned for recycling. The program would be designed to make return of empty containers and availability of refunds as convenient as possible to consumers and businesses.

Customers would return bottles with retailers at dedicated redemption facilities or at a retailer's place of business using reverse vending machines, a bag drop, or other redemption method. Based on experience in other states, the most convenient location to return containers for a refund is at a

retailer that sells beverages in redeemable beverage containers. This reduces the need for a separate trip to return them.

- Reverse vending machines accept individual containers, one at a time, counting and verifying that the containers were subject to a deposit, crushing them in the back of the machine, and issuing a scrip to the customer for the amount of the refund owed, which can be cashed in at the retailer's checkout. They also help to prevent fraud.
- Bag drops take the redemption outside of the retail establishment and are usually located in parking lots. Customers create an account and may leave multiple unsorted containers of different types in a program drop-off bag with their personal bar code affixed. The bags are collected by the system operator, counted and sorted off-site, and the customer receives the refunded deposits in their account.

Restaurants, bars, hotels, and large venues where customers consume beverages on the premises would be able to obtain a refund when the empty containers are picked up by the system operator. Both retail establishments and "on premises" sellers of beverage containers will receive a small handling fee per container for collection and preliminary sorting.

The program would be operated by a nonprofit Beverage Container Stewardship Organization selected by the Maryland Department of the Environment (MDE), representing all producers that sell or distribute beverages in the state. MDE would provide substantial oversight, approving stewardship plans and annual reports, and setting the program's convenience standards and handling fees for redemption points. An Advisory Council of stakeholders will advise MDE on plan approval, implementation, and performance.

The program would be self-financed from fees paid by producers, revenue from the sale of raw materials, unclaimed deposits, and penalties. The program pays for itself and is budget-neutral, as documented in the Fiscal and Policy Note. A portion of unclaimed deposits will fund a Beverage Container Recycling Refund Grant program, administered by MDE to finance projects to develop reusable and refillable beverage container systems, public water fountains and refill stations, and projects to reduce beverage container litter. This program is entirely budget neutral.

There would be no obligations for implementation or enforcement by local governments in the program. They will be eligible to set up their own redemption centers and receive a handling fee for returned containers, if they choose to. Most would realize cost savings from not having to finance the collection or processing of beverage container waste or recycling, or the cost of financing litter clean-ups. However, in the event that a local government can document a net loss that attributable to the deposit program, this initiative would provide compensation during the first two years of operation.

### **The Program's Targets**

The deposit would be enforced beginning on January 1, 2027. Based on experience in other states, the program should reduce beverage container litter by at least 70-84%. Overall, this objective aims to achieve a 70% redemption and 65% recycling rate for beverage containers by December 2028 and a 90% redemption and 85% recycling rate by December 2031. At least 10% of all beverage containers sold in Maryland will be refillable by December 2034.

## **The Program's Benefits**

SB642 would capture more than 3 billion additional beverage containers annually in Maryland, including 2 billion plastic bottles, thus reducing litter and plastic pollution while diverting those containers to recycling. There are many other benefits it would inspire:

- Quadruple Maryland's recycling rate for beverage containers, from about 23% to at least 90% of beverage containers sold in the state.
- Increase the availability of high quality, food-grade materials that can be used in the manufacture of new beverage containers and reduce greenhouse gas emissions. By reducing the production of new cans and bottles from virgin materials, the additional recycling from this program would eliminate 195,000 metric tons of CO<sub>2</sub> equivalent annually, the equivalent of removing the emissions of 42,000 cars from the road.
- Provide cost savings for taxpayers and local governments. Beverage producers would finance the costs of collection and processing of the three-quarters of beverage containers currently being disposed of in the waste stream or littered.
- Create lots of new jobs in recycling and servicing redemption technologies. Recycling generated by a deposit program creates five times as many jobs as landfilling or incineration of beverage containers.
- Serve as a launching pad for investments in reusable and refillable beverage containers, further promoting a circular economy and zero waste.
- Pose no burden on taxpayers. The program is budget neutral.

## **Conclusion**

SB642 would make producers responsible for reducing beverage container litter and diverting empty beverage containers from disposal, increasing their recovery for recycling. Additional legislation is needed to hold producers responsible for reducing packaging, redesigning hard-to-recycle packaging for recyclability, and reducing its toxicity. These two measures complement each other, and both need to be passed.

We do not need to wait for completion of the Recycling Needs Assessment authorized as part of last year's Extended Producer Responsibility (EPR) for Packaging bill to take action. The Recycling Needs Assessment will evaluate policies affecting Maryland's recycling system; it will not assess programs to reduce litter. We already know that Maryland has a beverage container litter and plastic pollution crisis and that bottle bills are a proven and effective solution for reducing beverage container litter. Three of the four states with an EPR for Packaging program already have independent bottle bills.

Maryland should extract best practices from other states in solving its beverage container, litter and waste challenges. SB642 has the potential to transform our State. Not only will it help reduce litter, but it will also improve environmental quality and reduce costs for local government.

For these reasons I am requesting a favorable report on SB642.

With kindest regards,



Benjamin Brooks