

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



SB686 Environment - Covered Electronic Devices Recycling Program - Establishment Education, Energy, and the Environment Committee February 20th, 2024

Position: Unfavorable

Background: SB686 would create a statewide recycling program for electronic devices which would include levying a fee to be paid by consumers on the purchase of all electronic devices.

Comments: The Maryland Retailers Alliance (MRA) does not oppose the intent of increasing recycling rates for electronic devices but has serious concerns about the establishment of stewardship programs which increase costs for consumers and reduce responsibility for manufacturers. SB686 as introduced would, in an effort to reform Maryland’s laws surrounding recycling of e-waste, establish a Covered Electronic Device Recycling Program within the Department of the Environment, which could then freely hand the functioning of the program to a private recycling entity, and would establish fees for consumers to pay for the recycling program.

SB686 would both cause confusion for the retail industry and drastically increase household costs for consumers through its extremely open-ended definition of covered electronic devices. Before potential change through regulation, it would levy a fee of \$5 per item for the purchase of not only laptop computers, tablets and e-readers, cell phones, computer central processing units, printers, scanners, and copiers, but also “any other computer or electronic device or accessory that has a plug or battery that is designated as a Tier II covered electronic device by the Department”. Without the ability to review undrafted regulations that will result from this legislation, we must respond to the proposed language as though it already meets its full potential of applying a fee to every small device or household appliance from alarm clocks and digital thermostats to gaming systems and even air purifiers, space heaters, and devices like toasters and blenders. Retailers will have to remain hyper vigilant to ensure that every employee is trained for every regulation update regarding the list of Tier II devices, and must be prepared to respond to consumer complaints when the State mandate increases costs for household goods that already have a large price tag.

SB686 explicitly excludes manufacturers from the definition of both “authorized collector” and “authorized recycler”, removing manufacturers from the chain of responsibility and potentially reducing the pool of collectors and recyclers due to the overlap between manufacturers and retailers through branded retail stores and private label brands. Many manufacturers and retailers already maintain take-back programs, and

the cost of these programs is factored into the price of goods. This bill's omission of manufacturers in the collection and recycling process allows those entities to walk away from the responsibility and cost of recycling with no incentive to reduce prices, while simultaneously increasing those prices by putting the cost of recycling on consumers.

The fiscal analysis of this bill has resulted in additional concerns regarding fairness between brick-and-mortar and online businesses. The section of the analysis reviewing the positions that would be required to administer this law notes that management and auditing would focus primarily on physical stores, and that enforcing the law for online retailers is not feasible. MRA has always advocated for fairness between online retail and brick-and-mortar stores, and must strongly oppose any policy that would target enforcement toward businesses operating in Maryland simply because it is easier or more cost-effective for the State to ignore online retailers.

MRA has consistently opposed bills that would establish stewardship programs on the principal that we cannot support increasing costs for consumers and allocating the associated fees to private management entities with minimal oversight. Our position on SB686 is in line with that belief and reflects our concerns regarding cost, fairness, and the role of manufacturers. For these reasons, we would urge an unfavorable report on SB686. Thank you for your consideration.