

JEN TERRASA
Legislative District 13
Howard County

Environment and Transportation
Committee

House Chair

Joint Committee on Children,
Youth, and Families



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 5, 2024

To: The Honorable Marc Korman
Chair, Environment and Transportation Committee

From: Delegate Jen Terrasa
District 13, Howard County

Re: Sponsor Testimony in Support of HB168, Environment - Plastic Products -
Postconsumer Recycled Content Program

Dear Chairman Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee,

Thank you for the opportunity to present HB168. This is a reintroduction of a bill from last year (HB342), which was not voted on by the Committee. We have updated this legislation during the Interim to address issues raised in 2023.

The Purpose of HB168

The goals of HB168 are to reduce the demand for virgin plastic; reduce greenhouse gas emissions; divert waste from landfills and incinerators; and to save energy by increasing the amount of recycled content in plastic containers. The focus of the legislation is plastic containers because plastic is the only recycled material that is more expensive than virgin material, so it has a limited market.

As you know, plastic is made from fossil fuels, and it generates greenhouse gas emissions at every stage of a product's life cycle, from extraction of fossil fuels to plastic production, and disposal. Substituting recycled PET for a percentage of virgin PET in plastic products would reduce the amount of fossil fuels needed and could lower the energy requirements and the resulting pollution by as much as 75%.

What HB168 Does:

The bill applies to producers of plastic beverage containers, rigid plastic food containers, rigid plastic household cleaning products, and plastic personal care

products. It requires those products that are sold, offered for sale, or distributed in the State to:

1. Meet minimum post-consumer recycled content requirements for affected products,
2. Register with the Maryland Department of the Environment (individually or as part of a representative organization) and
3. Pay annual registration fees to MDE to cover program costs.

Targets for recycled content are:

| | | | |
|--|-----------|-----------|-----------|
| Beverage containers | 2026: 15% | 2029: 25% | 2033: 50% |
| Rigid plastic food containers | 2027: 15% | 2030: 30% | 2033: 40% |
| Rigid plastic household cleaning products & personal care products | 2027: 25% | 2031: 30% | 2035: 35% |

These goals are in line with other states and the European Union that have enacted plastic PCR content legislation. MDE may grant a reduction in the administrative penalties for missing a target due to anomalous market conditions and disruption in supply, or lack of recycled plastics.

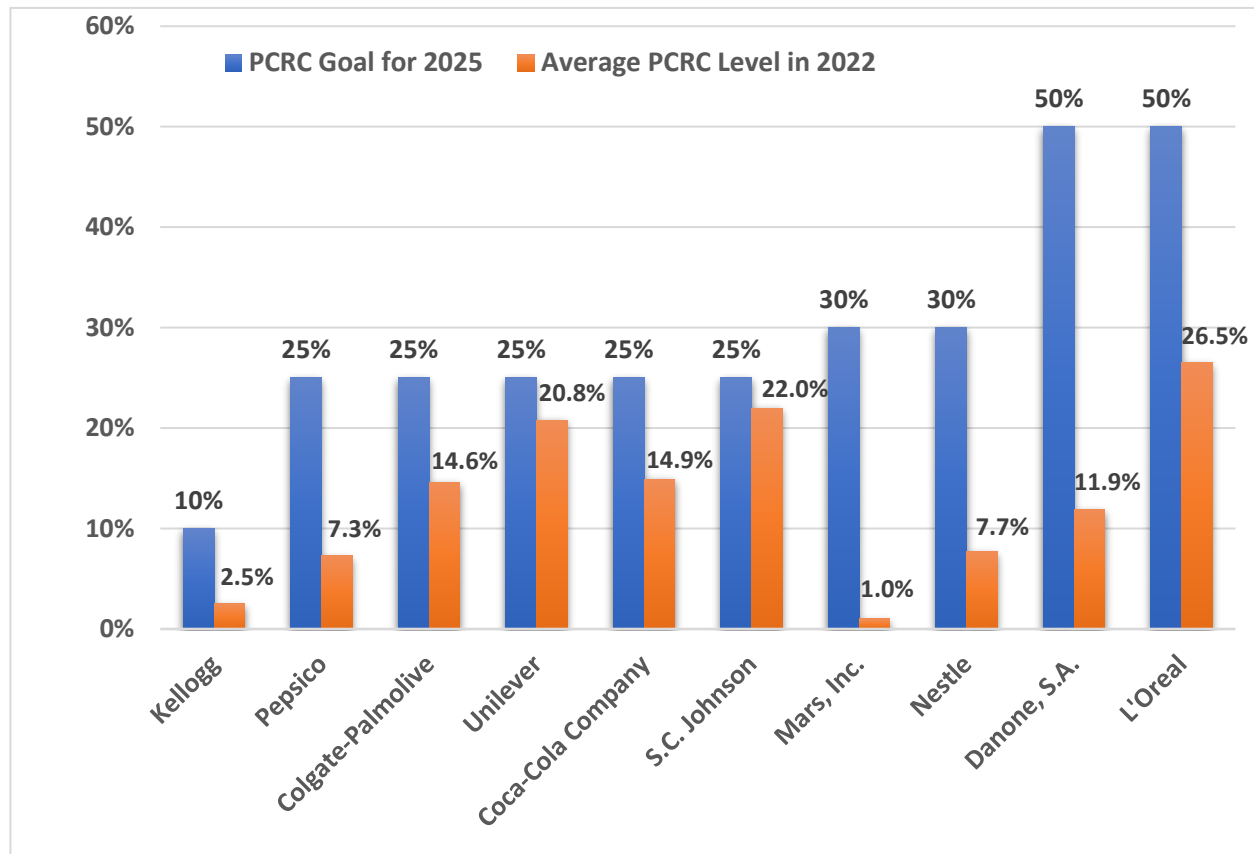
The program is self-financing with a dedicated fund. Implementation costs are estimated every year for the next year and paid for by the producers in their annual registration fee. The registration fee for each producer depends on the amount of plastic used within or imported into the state for each product category. The money goes into a dedicated account within the Recycling Fund to be used only for this program.

The bill has enhanced oversight by the Department. MDE may conduct audits and investigate for compliance, enter into contracts for services to implement the program, post the list of registered producers and covered brands online annually, and adopt regulations. Plus, MDE will conduct an evaluation of the implementation and effectiveness of the program after five years with recommendations for improvement. Existing and new enforcement and penalty provisions will apply. If the minimum percentage is not met, producers will face a penalty of 20 cents per pound of recycled content short of the target.

How HB168 Helps Recycling Markets

This bill helps further the goals of legislation passed in previous Sessions of the General Assembly. In 2021, HB164, sponsored by then Vice Chair Dana Stein, was enacted to promote the development of markets for recycled materials and products in the State. HB168 will provide stability and viability in the marketplace for recyclers by mandating recycled content. HB168 will also stimulate recycling businesses and create jobs.

While multinational corporations have advertised lofty sustainability goals and have pledged to reach recycled content targets by as much as 50% in 2025, they are far from reaching those global goals. Furthermore, there are no consequences for missing the mark. By requiring PCR content in HB168, Maryland will help these corporations achieve their stated goals:



Conclusion

HB168 will help reduce GHG emissions and fossil fuel extraction by replacing virgin plastic with recycled content. It will create incentives for producers to redesign their products to be more recyclable, and it will stimulate local markets for plastic recycling.

I respectfully urge a favorable report.