

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 420 (Senator Giannetti, *et al.*)
Education, Health, and Environmental Affairs

Recycling - Apartment Buildings and Complexes

This bill requires each owner of an apartment building or complex with five or more units to provide for the collection and separation of recyclable materials from tenants and for the removal of those materials for further recycling. This must be provided in accordance with the county recycling plan. The bill establishes a civil penalty of up to \$50 per day for violations.

The bill takes effect September 1, 2006.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues beginning in FY 2007 as a result of the bill's civil penalty provision. Because the bill does not specifically require the Maryland Department of the Environment (MDE) to conduct enforcement activities, it is assumed that the bill could be handled with existing budgeted resources.

Local Effect: Local expenditures could increase to ensure that the bill's recycling requirements are provided in accordance with county recycling plans.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The Office of Recycling within MDE was established in 1988. At that time, each county was required to submit a recycling plan addressing several specified items. Jurisdictions with over 150,000 residents were required to reduce their solid waste

by 20%, and jurisdictions with less than 150,000 residents were required to reduce their solid waste by 15%. Legislation enacted in 2000 established a voluntary statewide diversion goal of 40% by 2005 (consisting of a 35% recycling rate and a 5% source reduction credit). Counties have the flexibility to determine the best way to reach the required recycling rates. State law does not require recycling in apartment buildings or complexes.

Background: In 2003, the statewide recycling rate was 36.8% and the voluntary waste diversion rate was 39.6%. Recycling rates ranged from 18.9% in Garrett County to 54.5% in Harford County. According to MDE, all counties exceeded their required recycling rates.

Montgomery and Prince George's counties have implemented multifamily recycling programs. Prince George's County requires each owner of a multifamily rental facility with three or more units to provide recycling opportunities for its tenants. Each complex is required to have designated drop boxes for recyclables. Montgomery County requires all multifamily properties to recycle certain materials. Dwellings with six or fewer units must comply with the regulations applicable to single-family homes. Property owners and managers of multifamily dwellings with more than six units must provide recycling services for specified materials and must submit an annual report to the county. Owners and managers of multifamily dwellings with 101 or more units must also submit a waste reduction and recycling plan.

State Revenues: The bill could result in a minimal increase in general fund revenues beginning in fiscal 2007 due to the bill's civil penalty provision for those cases heard in the District Court.

State Expenditures: Because the bill does not specifically require MDE to conduct enforcement activities, it is assumed that the bill's changes could be handled with existing budgeted resources. If MDE were required to conduct inspections or other enforcement activities, an additional sanitarian would need to be hired; the Office of Recycling does not currently conduct enforcement activities.

Local Expenditures: Local expenditures could increase to ensure that the bill's recycling requirements are provided in accordance with county recycling plans. Although the bill does not specify how these activities should be evaluated, it would likely require local governments to perform some review of multi-unit dwelling recycling activities. Local governments might also need to amend their recycling plans to include information about such activities. In addition, although enforcement is not addressed in the bill, MDE advises that it might determine that it would be best for local governments

to be delegated the authority to enforce the bill. Accordingly, local expenditures would likely increase, although the magnitude of such an increase is unclear at this time.

Given that the bill's directive is aimed at owners of apartment buildings and complexes, it is assumed that local jurisdictions would not be required to provide the recycling services required by the bill.

Small Business Effect: Owners of affected apartment buildings and complexes would be required to provide for the collection and separation of recyclable materials and for the removal of those materials for further recycling. Owners would likely contract with waste and recycling contractors for the collection of recyclable materials, which would increase their costs. On the other hand, due to a reduction in solid waste, costs associated with landfill tipping fees would decrease; MDE advises that average tipping fees total \$51.73 per ton statewide. Waste and recycling contractors, which could be small businesses, would likely benefit from an increase in the demand for their services.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Baltimore City, Carroll County, Cecil County, Harford County, Montgomery County, Prince George's County, St. Mary's County, Department of Legislative Services

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