

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1164

(Delegate Niemann)

Health and Government Operations and Education, Health, and Environmental Affairs
Environmental Matters

Green Maryland Act of 2010

This bill promotes the use of environmentally preferable purchasing throughout State government through a variety of study and reporting requirements and the establishment of the Maryland Green Purchasing Committee. It also increases the percentage of paper purchased by the Department of General Services (DGS) that must be recycled from 40% to 90%.

Fiscal Summary

State Effect: State procurement costs for the purchase of paper may increase slightly. DGS can conduct and report the results of the mandated study of composting practices with existing resources. State procurement units and the committee can meet the bill's reporting requirements and State officials can participate on the Green Purchasing Committee with existing resources. Other provisions have no direct effect on State finances, although the environmentally preferable best purchasing practices developed by the committee and required to be incorporated in purchasing specifications under the bill may result in higher State expenditures for products and supplies. Items purchased under those guidelines may, in some cases, reduce State energy and fertilizer costs over the long term.

Local Effect: None.

Small Business Effect: Potential meaningful for small businesses that market or sell recycled products, including paper, to the State.

Analysis

Bill Summary: By December 1, 2010, DGS must study and report on the use of compost as a fertilizer on State property that it operates to develop a baseline estimate of the share of landscaped property that is fertilized by compost. The bill establishes a goal for DGS to compost all landscape waste on State property that it operates, to the extent practicable, and to increase the percentage of landscaped property that is fertilized by compost each year.

The Maryland Green Purchasing Committee must provide information and assistance regarding environmentally preferable purchasing by, among other things, developing and implementing a strategy that may include statewide policies, guidelines, programs, and regulations; and developing a “best practices manual” that may be adopted from other governmental or nongovernmental institutions. The bill includes several options that the committee must consider in developing the manual and strategy. Each year, State agencies must review their purchasing practices and revise them in accordance with the best practices manual and strategy.

The committee must designate a single point of contact for State agencies, suppliers, and others to contact regarding environmentally preferable purchasing issues. By October 1 of each year, the committee must report to the General Assembly on its activities and progress made in implementing the bill’s provisions. Also, by April 1, 2011, the committee must develop green purchasing guidelines to address practices, products, services, and food that reduce negative impacts on human health and the environment. The guidelines must include consumption changes and a list of contracts that include human health and environmental specifications for at least five prioritized categories of goods or services.

The bill does not limit or supersede recycled content requirements under any other provision of law, and does not require State agencies to purchase goods that do not perform adequately, exclude adequate competition, or are not available at a reasonable price in a reasonable amount of time. Bidders or offerors must certify in writing that any environmental claims made in the bid or proposal are consistent with the Federal Trade Commission’s guidelines for the use of environmental marketing terms.

Current Law: DGS is the procurement control agency for State purchases of commodities, including paper. However, the Maryland Department of Transportation and University System of Maryland control their own procurements. At least 40% of paper purchased by DGS must be recycled paper. All three agencies must also use a 5% percentage price preference for materials made from recycled products, meaning that responsible and responsive bidders or offerors offering materials made from recycled products can be awarded a State contract if their bid or offer is not more than 5% higher than the next highest competitor that does not offer materials made from recycled products.

Each State unit must report by September 1 of each year to MDE on their procurement of recycled materials and use of the percentage price preference.

Any State or local unit responsible for the maintenance of State-owned lands must, to the maximum extent practicable, give consideration and preference to the use of compost in any land maintenance activity that is paid for with public funds.

Background: There are currently two leading standard-setters and certifiers of “green” products. Green Seal, a District of Columbia-based nonprofit organization, establishes minimum standards for “environmentally responsible” products and certifies products that meet their standards. The Environmental Choice Program’s EcoLogo certification program, launched by the Canadian government in 1988 and administered by TerraChoice Environmental Marketing, offers a competing certification. Though they differ somewhat, their standards generally require that ingredients used in certified products be biodegradable and nontoxic to humans and that packaging be recyclable.

An energy performance contract with Johnson Controls, Inc., approved in December 2008, is expected to reduce energy consumption costs in 37 buildings managed by DGS by \$29 million over 13.5 years. The contract includes lighting retrofits, water consumption retrofits, heating and air conditioning upgrades, and more.

Additional Information

Prior Introductions: None.

Cross File: SB 693 (Senator Raskin, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Baltimore, Carroll, Harford, and Montgomery counties; Town of Bel Air; Town of Leonardtown; City of Salisbury; Maryland Department of Agriculture; Board of Public Works; Department of Budget and Management; Department of Natural Resources; Maryland Department of the Environment; Department of General Services; Department of Health and Mental Hygiene; Maryland Energy Administration; Maryland Department of Transportation; University System of Maryland; Department of Legislative Services

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