

Department of Legislative Services
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FISCAL AND POLICY NOTE
Revised

House Bill 240
Economic Matters

(Delegate Lafferty)

Education, Health, and Environmental Affairs

Environment - Solid Waste Management Practices - Maryland Recycling and
Landfill Diversion Task Force

This bill authorizes each county and the Maryland Department of the Environment (MDE) to adopt a solid waste management hierarchy consistent with that of the U.S. Environmental Protection Agency's (EPA). The bill also states the intent of the General Assembly relating to recycling goals and rates and landfill disposal rates. Finally, the bill establishes a Maryland Recycling and Landfill Diversion Task Force staffed by MDE. The task force must report final findings and recommendations by December 31, 2014, except that, if the task force has not finished its work by that date, it must instead report its preliminary findings and recommendations by that date and its final findings and recommendations by December 31, 2015.

The bill's provisions relating to the task force take effect June 1, 2014, and terminate December 31, 2015.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for MDE are assumed to be absorbable within existing budgeted resources. Because existing resources are limited, and staff assigned to the task force are diverted from other activities, it is assumed that the task force's final report is not completed until December 31, 2015. Finally, it is assumed that the voluntary adoption of the solid waste management hierarchy has no material effect on State operations or finances.

Local Effect: The bill is not anticipated to materially affect local operations or finances. It is assumed that the voluntary adoption of the solid waste management hierarchy does not significantly affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill states that the General Assembly finds that EPA has ranked the most environmentally sound strategies for solid waste, and that the following solid waste management practices are listed in order of preference: (1) source reduction, including reuse; (2) recycling, including composting and anaerobic digestion; (3) energy recovery; and (4) treatment and disposal. The bill also authorizes each county and MDE to adopt a solid waste management hierarchy consistent with that of EPA.

The bill states that it is the intent of the General Assembly that the State (1) set an aspirational statewide recycling goal; (2) mandate minimum recycling rates and maximum landfill disposal rates; (3) in the development of recycling and landfill disposal rate requirements, consider a rate structure that accounts for differences in the population of the counties and includes municipal corporations; (4) assist counties and municipal corporations in meeting recycling and landfill disposal rate requirements by stimulating business opportunities and the development of the waste management industry, identifying appropriate methods of funding for counties and municipal corporations, and identifying appropriate incentives; and (5) consider imposing disincentives, which may include a system of compliance fees, on counties for noncompliance with the recycling and landfill disposal rate requirements, taking into consideration appropriate exemptions from the disincentives and appropriate uses of any revenue.

The task force established under the bill must:

- determine whether an aspirational statewide recycling goal of 80% should be set in statute based on the recycling achievements of other states and countries;
- determine a recycling and landfill diversion portfolio standard (RLDPS) that will reduce the amount of solid waste being sent to landfills;
- determine whether recycling rate and landfill disposal rate requirements should be uniform for counties based on specified populations;
- consider appropriate and realistically achievable minimum recycling rates and maximum landfill disposal rates that could be incorporated into an RLDPS for counties of at least, or less than, a population of 150,000;
- determine how solid waste is currently being handled;
- determine the appropriate definition of “solid waste” for RLDPS;
- evaluate how a RLDPS will affect recycling and comprehensive solid waste plans;

- determine how to integrate municipal recycling and waste management into county plans;
- evaluate and identify county infrastructure needs, including potential siting issues;
- determine how a RLDPS would apply to counties that have existing landfill debt;
- review best practices in other states and countries;
- determine whether new technologies may assist counties in achieving a RLDPS;
- determine how the Department of Business and Economic Development may stimulate opportunities the industry of revising, recycling, composting, and otherwise managing waste;
- identify appropriate methods of providing funding for local governments to achieve RLDPS;
- consider municipal eligibility for State funds if it would assist in achieving RLDPS;
- consider requiring any recycling rate requirement to be adjusted for noninclusion of a municipal corporation if the municipal corporation does not cooperate with the county;
- determine whether a disincentive such as a system of compliance fees is appropriate to achieve the applicable RLDPS requirements and evaluate specified aspects pertinent to the creation of a compliance fee;
- examine whether other incentives or disincentives should be considered; and
- determine whether legislation is appropriate to implement RLDPS.

Task force members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations.

Current Law/Background:

Waste Diversion, Recycling, and Composting in Maryland

MDE promotes and encourages waste diversion across the State. Waste diversion combines both recycling and source-reduction activities. The Maryland Recycling Act, as amended by Chapter 692 of 2012, requires all counties and Baltimore City to recycle 20% or 35% of their waste generated, depending on population. Additionally, Chapter 692 established a new statewide recycling rate goal of 55% and a waste diversion rate goal of 60% by 2020.

Counties have flexibility to determine the best way to reach the required recycling rates. The county recycling plan, revised on a triennial basis, must address specified issues such as the feasibility of composting mixed solid waste, methods for the separate collection and composting of yard waste, and methods of financing county recycling efforts, among

other issues. Chapters 264 and 265 of 2009 added to this list a strategy for collecting, processing, marketing, and disposing of recyclable materials from county public schools, and Chapter 430 of 2010 added to this list a strategy for the collection and recycling of fluorescent lights containing mercury.

Chapters 191 and 192 of 2012 also require the property owner or manager of an apartment building or the council of unit owners of a condominium containing 10 or more units to provide for the collection and removal of recyclable materials by October 1, 2014.

Generally recognized benefits of composting include diverting waste from landfills; reducing emissions of methane, a greenhouse gas; and providing an inexpensive source of natural fertilizer. Chapter 363 of 2011 required MDE, in consultation with the Maryland Department of Agriculture and the Maryland Environmental Service, to study composting in Maryland and make recommendations about how to promote composting. The workgroup made several recommendations for establishing a conceptual framework for the future regulation of composting facilities, and Chapter 686 of 2013 requires MDE to adopt such regulations; the regulations were published for public comment in the January 10 issue of the *Maryland Register*. In addition, by altering the definition of “solid waste” and several other definitions, Chapter 686 allows compost and composting facilities to be regulated separately from other solid waste facilities and in a manner that likely encourages additional composting and reduces barriers to the construction of new facilities.

The State Recycling Trust Fund within MDE is used to provide grants to counties and municipalities to support local recycling activities and now comprises primarily computer manufacturer registration fees under the State’s electronic waste recycling law.

Municipal Solid Waste Management Hierarchy

EPA has developed a municipal solid waste management hierarchy to help educate the public on the relative value of waste disposal methods. From the top of the hierarchy to the bottom, in order of most preferred to least preferred, EPA lists (1) source reduction and reuse; (2) recycling and composting; (3) energy recovery *including anaerobic digestion*; and (4) treatment and disposal.

Renewable Energy Portfolio Standard

Maryland’s Renewable Energy Portfolio Standard requires that renewable sources generate specified percentages of Maryland’s electricity supply each year, increasing to 20% by 2022. Energy sources are classified as either Tier I or II, and examples of Tier I

energy sources include qualifying biomass; methane from anaerobic decomposition of organic materials in a landfill or wastewater treatment plant; poultry litter-to-energy; waste-to-energy; refuse-derived fuel; and thermal energy from a thermal biomass system.

Zero Waste and Maryland Climate Change Plan

Pursuant to the Greenhouse Gas Reduction Act of 2009 (Chapters 171 and 172), MDE published a final greenhouse gas reduction plan in July 2013. The extensive plan includes numerous strategies, programs, and initiatives that, in combination, are projected to achieve a 25% reduction of greenhouse gas emissions from 2006 levels by 2020. One of the major strategies included in the plan is a “zero waste” initiative, which is estimated to provide 8.7% of the emissions reductions – the fourth largest component of the plan. According to the plan, zero waste is a concept that calls for the near complete elimination of solid waste sent to landfills or incinerators for disposal, and where, instead, the vast majority of Maryland’s solid waste is reused, recycled, composted, or prevented through source reduction. Waste-to-energy is recognized as a “bridge technology” and generally preferable to landfilling.

Additional Information

Prior Introductions: SB 799 of 2013, which was similar as amended, passed the Senate and was referred to the House Economic Matters Committee, but no further action was taken. Its cross file, HB 1266, received a hearing in the House Economic Matters Committee, but no further action was taken.

Cross File: SB 56 (Senator Middleton) - Education, Health, and Environmental Affairs.

Information Source(s): Baltimore, Charles, Frederick, and Montgomery counties; Maryland Department of the Environment; Maryland Association of Counties; Northeast Maryland Waste Disposal Authority; U.S. Environmental Protection Agency; Department of Legislative Services

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