

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 987 (Delegate Smith, *et al.*)

Economic Matters and Environment and
Transportation

Environment - Recycling - Hotels

This bill requires an owner, an operator, or a manager of a hotel, by October 1, 2021, to (1) provide recycling for hotel guests, as specified and (2) recycle all glass, plastic, aluminum, paper, and paper products that are used by hotel staff or guests and are disposed of at the hotel. The recycling required under the bill must be carried out in accordance with the recycling plan for the county in which the hotel is located. A county may require a hotel owner, operator, or manager to report on recycling activities, and a local government may conduct inspections of a hotel to enforce the bill. A person who violates the bill is subject to a civil penalty of up to \$150 for each day the violation exists. Any penalties collected must be paid to the local government that brought the enforcement action.

Fiscal Summary

State Effect: The Maryland Department of the Environment (MDE) can implement the bill's changes with existing budgeted staff and resources. Revenues are not affected.

Local Effect: Local expenditures increase for some local jurisdictions if they choose to conduct inspections to enforce the bill. Local revenues may increase for local jurisdictions that choose to enforce the bill and collect penalties for violations, but local revenues from landfill tipping fees and the sale of recyclable materials may decrease.

Small Business Effect: Meaningful.

Analysis

Bill Summary: The bill does not affect the authority of a county, a municipality, or any other local government from enacting and enforcing recycling requirements (including establishing civil penalties) for a hotel that are more stringent than the bill's requirements. The bill also does not require a county to manage or enforce a hotel's recycling activities.

Current Law: Maryland's recycling policy is guided by the Maryland Recycling Act (MRA), which sets mandatory recycling rates for State government and local jurisdictions, as well as a voluntary statewide recycling goal of 60% by 2020. Each county (including Baltimore City) must prepare a recycling plan that addresses how the jurisdiction will achieve its mandatory recycling rate. The plan must be submitted to MDE's Office of Recycling for approval when the jurisdiction submits its water and sewerage plan at least every 10 years. At least every 2 years, each county must also submit a progress report to MDE, which must include any revision of or amendment to the county plan that has been adopted.

The county recycling plan must address a variety of topics, including methods to reduce the solid waste stream; the feasibility of source separation of the solid waste stream generated within the county; and the strategy for the collection, processing, marketing, and disposition of recyclable materials.

The Office of Recycling within MDE must submit biannual reports, in coordination with the Maryland Environmental Service, to the Governor and the General Assembly on specified information related to recycling in Maryland. Beginning in 2009, MDE combined the *Maryland Waste Diversion Activities Report* and the *Solid Waste Managed in Maryland Report* into one report. Counties are required to report to MDE on solid waste generation, incineration, and recycling tonnages by March 1 annually on data from the previous calendar year.

Local Revenues: Local government revenues may increase for any jurisdiction that chooses to enforce the bill's provisions and subsequently collects civil penalties for violations. On the other hand, the bill may result in a decrease in revenues for locally owned refuse disposal systems, such as landfills and resource recovery facilities, due to a decrease in the collection of materials discarded in landfills and a decrease in the sale of recyclable materials. Landfills are funded in significant part through the payment of tipping fees, and resource recovery facilities earn significant revenue from the sale of recyclable materials.

Local Expenditures: Local expenditures may increase beginning in fiscal 2022 to the extent local jurisdictions use the bill's authority to conduct inspections to enforce the bill's recycling requirements for hotels. For example, Calvert County estimates that costs

increase by approximately \$54,250 annually to enforce the bill. However, some counties already require recycling at hotels, including Montgomery and Prince George's counties.

Local governments may also benefit to the extent that any increase in hotel recycling under the bill assists counties in meeting their mandatory recycling rates under MRA.

Small Business Effect: Beginning October 1, 2021, any small business that owns an affected hotel may incur additional costs to provide recycling for the hotel as required by the bill. These additional costs may be offset to the extent that affected hotels realize savings from a reduction in the payment of tipping fees for the disposal of solid waste at landfills.

Small businesses engaged in the collection, transport, processing, or resale of specified recyclable materials may realize an increase in the demand for their services. However, small business waste disposal companies that do not specialize in the handling of those recyclable materials may incur a loss of business.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Calvert, Montgomery, and Prince George's counties; cities of Annapolis and Bowie; Maryland Municipal League; Maryland Department of the Environment; Department of Legislative Services

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Analysis by: Kathleen P. Kennedy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510