

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1146 (Delegate Hill)
 Environment and Transportation

Environment - Office of Recycling - Mattresses and Box Springs

This bill requires local governments and the Maryland Department of the Environment’s (MDE) Office of Recycling to take several actions related to (1) the diversion of mattresses and box springs from landfills and incinerators and (2) the promotion of mattress and box spring recycling. First, by December 31, 2024, each county must update its solid waste and recycling plan to include a plan for decreasing the number of mattresses and box springs disposed of in landfills. Second, the bill requires the number of mattresses and box springs disposed of in landfills to be reduced by 15% by 2026 and by 90% by 2035. Third, the bill prohibits a person from burning or incinerating a mattress or box spring as an alternative means of disposal. Fourth, MDE must conduct specified outreach and provide specified information to local communities that relate to mattress and box spring diversion and recycling programs. Finally, the bill modifies an existing reporting requirement and establishes new reporting requirements that generally relate to mattress and box spring waste, landfill capacity, and recycling, including a specified cost benefit analysis.

Fiscal Summary

State Effect: General fund expenditures increase by at least \$100,000 in FY 2022 only, subject to specified assumptions and the Additional Comments described below. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Potential significant increase in local expenditures to revise county plans. Any changes to the waste stream is likely to affect local finances, as discussed below. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: MDE's Office of Recycling must (1) encourage local communities to consider implementing programs that divert mattresses and box springs from disposal in landfills and incinerators; (2) provide local communities with current information on local and national programs for the recycling and reuse of mattresses and box springs; and (3) provide local communities with examples of mattress and box spring recycling programs that create specified jobs. In its current annual report to the Governor and the General Assembly, which is produced in coordination with the Maryland Environmental Service (MES), the office must also report on the progress made in the State on diverting mattresses and box springs from disposal in landfills and incinerators.

By December 1, 2021, MDE, in coordination with the Office of Recycling, the Maryland Department of Labor (MDL), the Department of Commerce (Commerce), and the Governor's Office of Small, Minority, and Women Business Affairs (GOSBA), must report to the General Assembly on:

- how each county manages mattress and box spring waste;
- the projected lifespan of landfill capacity in each county;
- how the landfill capacity will be affected if mattresses and box springs are no longer disposed of in landfills;
- a cost benefit analysis of (1) a statewide versus county approach for the management of mattress and box spring waste; (2) the effectiveness of diverting mattress and box spring waste from incineration and refuse to recyclables and reusable materials; and (3) the potential for a statewide program versus county programs to promote innovation and industry for recycling and reuse of the component parts of mattresses and box springs; promote workforce development, as specified; and promote markets for the recyclables and reusable materials that are derived from the component parts;
- a projection for the types of jobs that would be created under a statewide program and county programs;
- a recommendation on how to implement a statewide mattress and box spring recycling plan;
- an analysis on the use of gate fees and advance recovery fees, as specified;

- how the recommended statewide plan will work toward the goal of reducing incineration waste and increasing recyclables; and
- an analysis of other states' recycling programs, as specified.

MDE must submit an updated report to the General Assembly by December 1, 2022, and annually thereafter.

Current Law: The solid waste infrastructure in Maryland consists of both permitted and nonpermitted facilities, and solid waste is managed through a combination of recycling, composting, landfilling, energy recovery, and exporting for disposal or recycling.

Maryland's recycling policy is guided by the Maryland Recycling Act, which sets mandatory recycling rates for State government and local jurisdictions, as well as a voluntary statewide waste diversion goal of 60% and a voluntary statewide recycling goal of 55% 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.

MDE's Office of Recycling submits annual reports, in coordination with MES, to the Governor and the General Assembly on specified information related to recycling in Maryland. Beginning in 2009, MDE has combined the *Maryland Waste Diversion Activities Report* and the *Solid Waste Managed in Maryland Report* into one report, the *Maryland Solid Waste Management and Diversion Report*.

State Expenditures: General fund expenditures for MDE increase by at least \$100,000 in fiscal 2022 only to hire a consultant to assist MDE, in conjunction with the Office of Recycling, Commerce, MDL, and GOSBA, to conduct the required studies and develop the initial report due by December 1, 2021. MDE notes that even with a consultant, it may be difficult to meet the bill's initial reporting deadline. In addition, consultant costs may exceed \$100,000, although that is unclear without actual experience under the bill.

Assuming that MDE is the lead agency in developing the annual report, Commerce, MDL, and GOSBA can contribute to this effort on an ongoing basis using existing budgeted resources. Depending on the level of coordination and actual amount of staff effort required

to develop the report each year, MDE may need additional resources in future years. To the extent that MDE is unable to meet the bill's reporting requirements with existing staff, MDE may request additional resources through the annual budget process.

This analysis assumes that MDE can review county plans and conduct the required outreach to local communities with existing resources. This assumes that providing "encouragement" to local communities does not include providing financial assistance to them. The Maryland Department of Planning, which reviews county plans for consistency with local master plans, can review the revised plans using existing resources.

Local Fiscal Effect: County expenditures may increase between fiscal 2022 and 2025 to revise their 10-year county solid waste and recycling plans, as required by the bill, by December 31, 2024. If the changes to such plans are relatively minor, and can be accomplished within a county's normal update and review schedule, these costs could be minimal. On the other hand, to the extent that county plans must be revised earlier than they otherwise would be, some counties may need to hire consultants, resulting in additional costs, which could be significant.

Any impacts resulting from the diversion of mattresses and box springs from landfills and incinerators depend on the current processes in place in each jurisdiction for managing such waste, the recommendations developed by MDE and the other State agencies pursuant to the bill, and the plans ultimately included in the revised county plans. The overall effect on local finances cannot be estimated at this time. However, some of the potential effects are described below.

Local government expenditures for waste management activities could be affected depending on the programs identified by the counties in their revised plans. Depending on the number of mattresses and box springs diverted from landfills and incinerators as a result of the bill, local transportation and recycling costs may increase, and local solid waste disposal costs may decrease. In addition, increased collection opportunities could reduce the illegal dumping of mattresses, thereby decreasing local expenditures for litter collection. Local revenues generated from tipping fees and the sale of recyclable materials at landfills and resource recovery facilities could also be affected. For example and context:

- Charles County estimates annual costs of about \$30,000 to hire a processor to pick up discarded mattresses and box springs from the county's facility and recycle them.
- Anne Arundel County advises that the county has researched alternative methods of disposal for mattresses and box springs, but has not had any success finding a local business that is willing to recycle the volume of mattresses collected by the county. Thus, the county anticipates that it may need to ship mattresses out of the State for disposal as a result of the bill.

- Frederick County anticipates a decrease in revenues from landfilled materials as well as a decrease in solid waste disposal hauling and landfill costs.
- The City of Havre de Grace anticipates that the bill could result in a significant fiscal impact depending on the alternative disposal methods identified and implemented.

If more mattresses and box springs are recycled because of the bill, it could assist counties in meeting their mandatory recycling rates under MRA.

Small Business Effect: Small businesses engaged in mattress and box spring recycling or reuse may benefit from new business opportunities. However, small business waste disposal companies that do not specialize in the handling of those recyclable materials may incur a loss of business. Small businesses that sell or manufacture mattresses and box springs may incur additional costs related to end-of-life product management. Finally, small businesses that own mattresses and box springs (such as hotels) may be affected by the bill's changes to the extent the bill affects disposal costs otherwise incurred. Any impact on small businesses ultimately depends on the programs identified and implemented by counties in their revised county recycling plans.

Additional Comments: This analysis does not include any impact on the State and local governments as owners of mattresses and box springs. Government agencies, such as institutions of higher education, correctional facilities, and hospitals, may be affected by the bill's changes to the extent the bill affects disposal costs otherwise incurred.

Additional Information

Prior Introductions: HB 502 of 2019, a bill with similar provisions, passed the House and received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. HB 850 of 2018, a similar bill, received an unfavorable report from the House Environment and Transportation Committee.

Designated Cross File: None.

Information Source(s): Anne Arundel, Baltimore, Charles, and Frederick counties; Department of Commerce; Governor's Office of Small, Minority, and Women Business Affairs; Northeast Maryland Waste Disposal Authority; City of Havre de Grace; Maryland Municipal League; Maryland Department of the Environment; Maryland Department of Labor; Maryland Department of Planning; Department of Legislative Services

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