M3 HB 307/22 – ENT & ECM 3lr0665 CF 3lr0666

#### By: **Senators Augustine, Elfreth, and Hettleman** Introduced and read first time: January 23, 2023 Assigned to: Education, Energy, and the Environment

### A BILL ENTITLED

#### 1 AN ACT concerning

#### 2 Environment – Reducing Packaging Materials – Producer Responsibility

3 FOR the purpose of requiring certain producers of packaging materials to individually or 4 as part of a producer responsibility organization submit a certain packaging  $\mathbf{5}$ materials producer responsibility plan to the Department of the Environment for 6 review and approval on or before a certain date and in accordance with certain 7 requirements; prohibiting, on or after a certain date, a producer of certain packaging 8 materials from selling, offering for sale, distributing, or importing certain packaging 9 materials unless the producer, individually or as part of a producer responsibility organization, has an approved producer responsibility plan on file with the 1011 Department; requiring a producer responsibility organization to pay certain costs to 12the Department; requiring a producer responsibility organization to implement a 13producer responsibility plan within a certain amount of time after the Department 14approves the producer responsibility plan; establishing a producer responsibility 15plan advisory council; authorizing a local government to request reimbursement from a certain producer that has an approved producer responsibility plan on file 1617with the Department for certain costs in a certain manner; requiring the Office of 18 Recycling in the Department to conduct certain statewide recycling needs 19assessments in a certain manner and to submit certain reports on the results of the 20assessments to the Governor and the General Assembly on or before certain dates; 21 and generally relating to producer responsibility for packaging materials.

- 22 BY repealing and reenacting, with amendments,
- 23 Article Environment
- 24 Section 9–1702 and 9–1707(f)
- 25 Annotated Code of Maryland
- 26 (2014 Replacement Volume and 2022 Supplement)
- 27 BY adding to
- 28 Article Environment
- 29 Section 9–1702.2; and 9–2501 through 9–2510 to be under the new subtitle "Subtitle

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



	2 SENATE BILL 222
$egin{array}{c} 1 \\ 2 \\ 3 \end{array}$	25. Producer Responsibility for Packaging Materials" Annotated Code of Maryland (2014 Replacement Volume and 2022 Supplement)
$\frac{4}{5}$	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
6	Article – Environment
7	9–1702.
8	(a) There is an Office of Recycling created within the Department.
9 10 11	(b) The Secretary shall appoint a Director and sufficient staff to perform the functions of the Office. After July 1, 1989, the number of staff shall be as provided in the budget.
12 13	(c) The Secretary may adopt regulations to carry out the provisions of this subtitle.
14	(d) The Office shall:
$\begin{array}{c} 15\\ 16\\ 17\end{array}$	(1) Assist the counties in developing an acceptable recycling plan required under § $9-1703$ of this subtitle and § $9-505$ of this title, including technical assistance to the local governments;
18 19	(2) Coordinate the efforts of the State to facilitate the implementation of the recycling goals at the county level;
$20 \\ 21 \\ 22$	(3) Review all recycling plans submitted as part of a county plan as required under § 9–505 of this title and advise the Secretary on the adequacy of the recycling plan;
$\frac{23}{24}$	(4) Administer the Statewide Electronics Recycling Program under Part IV of this subtitle; [and]
$\begin{array}{c} 25\\ 26 \end{array}$	(5) Promote the development of markets for recycled materials and recycled products in the State in accordance with $9-1702.1$ of this subtitle;
27 28	(6) CONDUCT A STATEWIDE RECYCLING NEEDS ASSESSMENT IN ACCORDANCE WITH § 9–1702.2 OF THIS SUBTITLE; AND
29 30 31 32	(7) REVIEW AND APPROVE, IN CONSULTATION WITH THE PRODUCER RESPONSIBILITY PLAN ADVISORY COUNCIL ESTABLISHED UNDER § 9–2505 OF THIS TITLE, PRODUCER RESPONSIBILITY PLANS AND ANNUAL REPORTS SUBMITTED IN ACCORDANCE WITH SUBTITLE 25 OF THIS TITLE.

1 (e) Beginning on January 1, 1990, and biannually thereafter, the Office shall, in 2 coordination with the Maryland Environmental Service, study and report to the Governor 3 and, subject to § 2–1257 of the State Government Article, the General Assembly on:

4 (1) The identification and location of recycling centers, including an 5 analysis of existing recycling centers and the need to expand these facilities or construct 6 new recycling centers;

7 (2) Programs necessary to educate the public on the need to participate in 8 recycling efforts;

9 (3) The economics and financing of existing and proposed systems of waste 10 disposal and recycling;

11

(4) State procurement policies for the purchase of recycled materials;

12 (5) Programs necessary to reduce the amount of solid waste generated for 13 disposal by a State agency or unit;

14 (6) The liaison role with local governments, the federal government, and 15 the private sector;

16 (7) The percentage reduction in the amount of solid waste that has been 17 achieved by each county; and

18 (8) Economically feasible methods for the recycling of scrap automobile 19 tires, batteries, and white goods.

20 (f) (1) By December 1, 1988, the Office shall, in coordination with the 21 Maryland Environmental Service and the Governor's Task Force on Solid Waste, make 22 recommendations to the General Assembly for the financing of a comprehensive system of 23 recycling at the State and local level, including funding for recycling centers, recycling 24 equipment, recycling education, and marketing strategies.

25 (2) After the financing recommendations are made under paragraph (1) of 26 this subsection, each county may submit to the Office and the Governor a detailed request 27 for funds necessary to assist in the development and implementation of a recycling plan 28 under guidelines developed by the Office.

(g) In studying feasible methods for the management and recycling of used tires
 under subsection (e)(9) of this section, the Office of Recycling shall consult with the
 appropriate industry, including representatives of:

- 32 (1) Tire manufacturers;
- 33 (2) Tire dealers; and

(3) Tire recyclers.

2 **9–1702.2.** 

3 (A) IN THIS SECTION, "ADVISORY COUNCIL" AND "PRODUCER 4 RESPONSIBILITY ORGANIZATION" HAVE THE MEANINGS STATED IN § 9–2501 OF THIS 5 TITLE.

6 (B) IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION AND TO CARRY 7 OUT THE REQUIREMENTS OF § 9–1702(D)(6) OF THIS SUBTITLE, THE OFFICE SHALL 8 CONDUCT A STATEWIDE RECYCLING NEEDS ASSESSMENT AT LEAST ONCE EVERY 10 9 YEARS OR AS RECOMMENDED BY THE ADVISORY COUNCIL THAT INCLUDES:

10 (1) AN EVALUATION OF THE CURRENT INFRASTRUCTURE AND 11 CAPACITY RELATED TO, NEED FOR, AND ASSOCIATED COSTS OF:

12

(I) **RECYCLING ACCESS AND AVAILABILITY;** 

13(II) COLLECTING AND HAULING RECYCLABLE OR14COMPOSTABLE MATERIALS IN THE STATE;

15 (III) PROCESSING RECYCLABLE OR COMPOSTABLE MATERIALS 16 IN THE STATE;

(IV) TAKING ADVANTAGE OF FAVORABLE MARKET CONDITIONS
 OR OTHER OPPORTUNITIES FOR INCREASING RECYCLING OR ORGANICS RECYCLING
 IN THE STATE;

(V) IN COORDINATION WITH LOCAL GOVERNMENTS, CONSUMER
 EDUCATION REGARDING RECYCLING, ORGANICS RECYCLING, AND CONTAMINATION
 REDUCTION;

- 23 (VI) REUSE INFRASTRUCTURE; AND
- 24 (VII) ORGANICS RECYCLING INFRASTRUCTURE;

25 (2) AN EVALUATION OF COMMINGLED RECYCLING PROCESSING 26 FACILITY WORKER CONDITIONS, WAGES, AND BENEFITS;

27(3)AN EVALUATION OF OPPORTUNITIES IN THE RECYCLING SYSTEM28FOR WOMEN AND MINORITY INDIVIDUALS;

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1(4) AN EVALUATION OF LOCAL GOVERNMENT REQUIREMENTS2RELATED TO MULTIFAMILY RECYCLING SERVICES AND THEIR IMPLEMENTATION;

- 3 (5) THE SUFFICIENCY OF RECYCLING EDUCATION PROGRAMS 4 RELATIVE TO DESIRED EQUITY OUTCOMES;
- 5 (6) AN EVALUATION OF OPPORTUNITIES IN THE RECYCLING SYSTEM 6 FOR BUSINESSES IN THE STATE; AND

7 (7) RECOMMENDATIONS FOR IMPROVING EQUITY AND EQUITABLE 8 OUTCOMES FOR UNDERSERVED POPULATIONS IN THE STATE'S RECYCLING SYSTEM, 9 INCLUDING RECOMMENDATIONS FOR NEW RESPONSIBILITIES OF PRODUCER 10 RESPONSIBILITY ORGANIZATIONS AND RECOMMENDATIONS FOR FUNDING THE NEW 11 RESPONSIBILITIES.

12 (C) ON OR BEFORE APRIL 1, 2025, AND EACH APRIL 1 EVERY 10 YEARS 13 THEREAFTER OR AS RECOMMENDED BY THE ADVISORY COUNCIL, THE OFFICE 14 SHALL REPORT ON THE RESULTS OF THE MOST RECENT ASSESSMENT CONDUCTED 15 UNDER THIS SECTION TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF 16 THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

17 (D) IN CONDUCTING THE ASSESSMENT REQUIRED UNDER THIS SECTION, 18 THE OFFICE SHALL CONSULT WITH PRODUCER RESPONSIBILITY ORGANIZATIONS, 19 THE PRODUCER RESPONSIBILITY PLAN ADVISORY COUNCIL ESTABLISHED UNDER § 20 9–2505 OF THIS TITLE, APPROPRIATE LOCAL GOVERNMENTAL ENTITIES, AND 21 REGIONAL SOLID WASTE ORGANIZATIONS IN THE STATE.

(E) THE OFFICE SHALL ESTABLISH AND COLLECT A FEE TO BE PAID BY
 PRODUCER RESPONSIBILITY ORGANIZATIONS TO COVER THE COSTS ASSOCIATED
 WITH CONDUCTING THE ASSESSMENTS REQUIRED UNDER THIS SECTION.

25 9–1707.

- 26 (f) (1) There is a State Recycling Trust Fund.
- 27 (2) The Fund shall consist of:

28 (i) The newsprint recycling incentive fee;

(ii) The telephone directory recycling incentive fee collected under §
 9–1709 of this subtitle;

31 (iii) The covered electronic device manufacturer registration fee 32 collected under § 9–1728 of this subtitle;

1 (IV) ANY FEES COLLECTED FROM PRODUCER RESPONSIBILITY  $\mathbf{2}$ ORGANIZATIONS UNDER § 9–1702.2 OF THIS SUBTITLE OR SUBTITLE 25 OF THIS 3 TITLE; All fines and penalties collected under this subtitle AND § 4 (iv)] (V)  $\mathbf{5}$ **9–2510** OF THIS TITLE; 6 **(**(v)**] (VI)** Money appropriated in the State budget to the Fund; and 7 (vi)] (VII) Any other money from any other source accepted for the 8 benefit of the Fund. 9 (3)The Secretary shall administer the Fund. 10 (4) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund. 11 12(5)At the end of each fiscal year, any unspent or unencumbered balance in the Fund that exceeds \$2,000,000 shall revert to the General Fund of the State in 13 accordance with § 7-302 of the State Finance and Procurement Article. 1415In accordance with the State budget, the Fund shall be used only: (6)16 To provide grants to the counties to be used by the counties to (i) 17develop and implement local recycling plans; 18 (ii) To provide grants to counties that have addressed methods for the separate collection and recycling of covered electronic devices in accordance with § 19 209-1703(c)(1) of this subtitle; 21To provide grants to municipalities to be used by the (iii) 22municipalities to implement local covered electronic device recycling programs; [and] 23(IV) IN ACCORDANCE WITH PARAGRAPH (7) OF THIS 24SUBSECTION, TO COVER THE COSTS OF THE STATEWIDE RECYCLING NEEDS ASSESSMENT CONDUCTED UNDER § 9–1702.2 OF THIS SUBTITLE; 2526**(**V**)** IN ACCORDANCE WITH PARAGRAPH (7) OF THIS 27SUBSECTION, TO COVER THE COSTS OF PRODUCER RESPONSIBILITY PLAN REVIEW, 28OVERSIGHT, AND ENFORCEMENT UNDER SUBTITLE 25 OF THIS TITLE; AND 29(iv)] (VI) To carry out the purposes of the land management 30 administration.

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1	(7) (I) THERE SHALL BE A SEPARATE ACCOUNT WITHIN THE FUND.
2	(II) THE SEPARATE ACCOUNT SHALL CONSIST OF:
3 4 5	1. ANY FEES COLLECTED FROM PRODUCER RESPONSIBILITY ORGANIZATIONS UNDER § 9–1702.2 OF THIS SUBTITLE OR SUBTITLE 25 OF THIS TITLE; AND
$6 \\ 7$	2. All fines and penalties collected under § 9–2510 of this title.
8 9 10 11	(III) THE SEPARATE ACCOUNT SHALL BE USED ONLY FOR THE COSTS OF THE STATEWIDE RECYCLING NEEDS ASSESSMENT CONDUCTED UNDER § 9–1702.2 OF THIS SUBTITLE AND PRODUCER RESPONSIBILITY PLAN REVIEW, OVERSIGHT, AND ENFORCEMENT UNDER SUBTITLE 25 OF THIS TITLE.
12 13	[(7)] (8) (i) The Treasurer shall invest the money in the Fund in the same manner as other State money may be invested.
$\begin{array}{c} 14 \\ 15 \end{array}$	(ii) Any investment earnings of the Fund shall be credited to the General Fund of the State.
16	SUBTITLE 25. PRODUCER RESPONSIBILITY FOR PACKAGING MATERIALS.
17	9–2501.
18 19	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
$\begin{array}{c} 20\\ 21 \end{array}$	(B) "ADVISORY COUNCIL" MEANS THE PRODUCER RESPONSIBILITY PLAN ADVISORY COUNCIL ESTABLISHED UNDER § 9–2505 OF THIS SUBTITLE.
22 23	(C) "BEVERAGE CONTAINER" MEANS A PREPACKAGED BEVERAGE CONTAINER:
24 25 26	(1) MADE OF ANY MATERIAL, INCLUDING GLASS, PLASTIC, METAL, CARTON, POUCH, OR ASEPTIC PACKAGING, SUCH AS A DRINK BOX, OR OF MULTIMATERIALS; AND
27	(2) THE VOLUME OF WHICH IS NOT MORE THAN 5 LITERS.
28	(D) "LOCAL GOVERNMENT" MEANS:
29	(1) A COUNTY; OR

1	(2) A MUNICIPALITY.
$2 \\ 3 \\ 4 \\ 5 \\ 6$	(E) (1) "PACKAGING MATERIALS" MEANS, REGARDLESS OF RECYCLABILITY, ANY PART OF A PACKAGE OR CONTAINER, INCLUDING MATERIAL THAT IS USED FOR THE CONTAINMENT, PROTECTION, HANDLING, DELIVERY, AND PRESENTATION OF A PRODUCT THAT IS SOLD, OFFERED FOR SALE, IMPORTED, OR DISTRIBUTED IN THE STATE.
7	(2) "PACKAGING MATERIALS" INCLUDES:
8 9	(I) PRIMARY, SECONDARY, AND TERTIARY PACKAGING INTENDED FOR THE CONSUMER MARKET;
10 11	(II) SERVICE PACKAGING DESIGNED AND INTENDED TO BE FILLED AT THE POINT OF SALE, INCLUDING:
12	1. CARRY-OUT BAGS;
13	2. BULK GOODS BAGS; AND
$\begin{array}{c} 14 \\ 15 \end{array}$	3. TAKE-OUT AND HOME DELIVERY FOOD SERVICE PACKAGING; AND
16	(III) BEVERAGE CONTAINERS.
17 18	(3) "PACKAGING MATERIALS" DOES NOT INCLUDE ANY PART OF A PACKAGE OR CONTAINER THAT IS SOLD OR SUPPLIED IN CONNECTION WITH:
19 20 21	(I) A PESTICIDE PRODUCT REGULATED BY THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT UNDER 7 U.S.C. § 136 ET SEQ. OR ANY OTHER APPLICABLE FEDERAL LAW, RULE, OR REGULATION;
$\begin{array}{c} 22\\ 23 \end{array}$	(II) A FEDERALLY REGULATED DRUG, MEDICAL DEVICE, BIOLOGIC, OR DIAGNOSTIC, INCLUDING ITEMS INTENDED FOR ANIMALS; OR
$24 \\ 25 \\ 26$	(III) A MEDICAL PRODUCT THAT IS REQUIRED TO BE STERILE OR ENCLOSED IN PACKAGING WITH TAMPER-RESISTANT SEALS TO PROTECT PUBLIC HEALTH, INCLUDING MEDICAL PRODUCTS INTENDED FOR ANIMALS.
$\frac{27}{28}$	(F) (1) "PRODUCER" MEANS A PERSON THAT IS RESPONSIBLE FOR COMPLYING WITH THIS SUBTITLE UNDER § $9-2503$ of this subtitle.

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1	(2) "PRODUCER" DOES NOT INCLUDE:
2	(I) A LOCAL GOVERNMENT;
3	(II) A NONPROFIT CHARITABLE ORGANIZATION; OR
4	(III) AN ENTITY THAT MANUFACTURES A DRUG OR DEVICE
5	AUTHORIZED FOR SALE BY THE U.S. FOOD AND DRUG ADMINISTRATION UNDER THE
6	FEDERAL FOOD, DRUG, AND COSMETIC ACT.
7	(G) "PRODUCER RESPONSIBILITY ORGANIZATION" MEANS:
8	(1) A PRODUCER THAT INDIVIDUALLY SUBMITS A PRODUCER
9	RESPONSIBILITY PLAN TO THE DEPARTMENT UNDER § 9-2504 OF THIS SUBTITLE;
10	OR
11	(2) A NONPROFIT ORGANIZATION THAT IS:
12	(I) EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE
13	INTERNAL REVENUE CODE; AND
14	(II) CREATED BY A GROUP OF PRODUCERS TO IMPLEMENT A
$\frac{15}{16}$	PRODUCER RESPONSIBILITY PLAN IN ACCORDANCE WITH § 9–2504(A) OF THIS SUBTITLE.
10	SUBITILE.
17	(H) "PRODUCER RESPONSIBILITY PLAN" MEANS A PACKAGING MATERIALS
18	PRODUCER RESPONSIBILITY PLAN SUBMITTED TO THE DEPARTMENT BY A
19	PRODUCER OR PRODUCER RESPONSIBILITY ORGANIZATION IN ACCORDANCE WITH
20	§ 9–2504 OF THIS SUBTITLE.
21	9–2502.
22	IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THIS SUBTITLE PROVIDE
23	A FRAMEWORK FOR:
24	(1) MODERNIZING AND IMPROVING WASTE AND RECYCLING SYSTEMS
25	IN THE STATE, INCLUDING BY FACILITATING:
26	(I) THE IMPROVEMENT OF REUSE, ORGANICS RECYCLING, AND
27	RECYCLING;
28	(II) THE IMPROVEMENT OF RECYCLING MARKETS;

	10 SENATE BILL 222
1	(III) THE REDUCTION OF WASTE; AND
2	(IV) AN INCREASE IN RECYCLING RATES; AND
$\frac{3}{4}$	(2) <b>Reimbursing local governments for costs associated</b> With transporting, collecting, and processing packaging materials.
5	9–2503.
6 7	(A) (1) (I) THIS PARAGRAPH APPLIES TO ITEMS SOLD IN PACKAGING MATERIALS AT A PHYSICAL RETAIL LOCATION IN THE STATE.
8 9 10 11	(II) IF THE ITEM IS SOLD UNDER THE MANUFACTURER'S OWN BRAND OR IS SOLD IN PACKAGING MATERIALS THAT LACK IDENTIFICATION OF A BRAND, THE PRODUCER OF THE PACKAGING MATERIALS IS THE PERSON THAT MANUFACTURES THE ITEM.
$12 \\ 13 \\ 14 \\ 15 \\ 16$	(III) IF THE ITEM IS MANUFACTURED BY A PERSON OTHER THAN THE BRAND OWNER, THE PRODUCER OF THE PACKAGING MATERIALS IS THE PERSON THAT IS THE LICENSEE OF A BRAND OR TRADEMARK UNDER WHICH AN ITEM IS SOLD, OFFERED FOR SALE, OR DISTRIBUTED IN THE STATE, WHETHER OR NOT THE TRADEMARK IS REGISTERED IN THE STATE.
17 18 19 20 21	(IV) IF THERE IS NO PERSON DESCRIBED IN SUBPARAGRAPHS (II) OR (III) OF THIS PARAGRAPH LOCATED WITHIN THE UNITED STATES, THE PRODUCER OF THE PACKAGING MATERIALS IS THE PERSON THAT IMPORTS THE ITEM INTO THE UNITED STATES FOR USE IN A COMMERCIAL ENTERPRISE THAT SELLS, OFFERS FOR SALE, OR DISTRIBUTES THE ITEM IN THE STATE.
$22 \\ 23 \\ 24$	(2) (I) THIS PARAGRAPH APPLIES TO ITEMS SOLD OR DISTRIBUTED IN PACKAGING MATERIALS IN THE STATE THROUGH REMOTE SALE OR DISTRIBUTION.
$25 \\ 26 \\ 27$	(II) THE PRODUCER OF THE PACKAGING MATERIALS USED TO DIRECTLY PROTECT OR CONTAIN THE ITEM IS THE SAME AS THE PRODUCER ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION.
28 29 30	(III) THE PRODUCER OF THE PACKAGING MATERIALS USED TO SHIP THE ITEM TO A CONSUMER IS THE PERSON THAT PACKAGES AND SHIPS THE ITEM TO THE CONSUMER.
31	(IV) FOR ANY PACKAGING MATERIALS NOT IDENTIFIED UNDER

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$egin{array}{c} 1 \\ 2 \\ 3 \end{array}$	SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH, THE PRODUCER OF THE PACKAGING MATERIALS IS THE PERSON THAT FIRST DISTRIBUTES THE PACKAGED ITEM IN THE STATE.
4	(B) THIS SUBTITLE DOES NOT APPLY TO A PERSON THAT:
5 6	(1) (I) GENERATED LESS THAN \$5,000,000 IN GROSS REVENUE DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR;
7 8 9	(II) SOLD, OFFERED FOR SALE, OR DISTRIBUTED FOR SALE IN THE STATE DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR LESS THAN 1 METRIC TON OF PACKAGING MATERIALS;
10 11	(III) 1. Owns or operates a restaurant, food cart, or similar establishment that:
12	A. IS HEADQUARTERED IN THE STATE; AND
$\begin{array}{c} 13\\14\\15\end{array}$	B. PRIMARILY SELLS TO MEMBERS OF THE PUBLIC FOOD THAT IS GENERALLY INTENDED TO BE CONSUMED IMMEDIATELY AND WITHOUT THE NEED FOR FURTHER PREPARATION, EITHER ON OR OFF THE PREMISES; AND
16	2. IS NOT A PRODUCER OF FOOD SERVICEWARE;
17 18	(IV) OWNS OR OPERATES A SINGLE RETAIL SALES ESTABLISHMENT THAT:
19	1. HAS NO ONLINE SALES; AND
$\begin{array}{c} 20\\ 21 \end{array}$	2. IS NOT SUPPLIED OR OPERATED AS PART OF A FRANCHISE OR A CHAIN; OR
$\begin{array}{c} 22\\ 23 \end{array}$	(V) 1. IS LICENSED UNDER TITLE 2 OF THE ALCOHOLIC BEVERAGES ARTICLE; AND
$\begin{array}{c} 24 \\ 25 \end{array}$	2. GENERATED LESS THAN \$10,000,000 IN GROSS REVENUE DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR; AND
26 27 28	(2) ON REQUEST BY THE DEPARTMENT, PROVIDES TO THE DEPARTMENT SUFFICIENT INFORMATION TO DEMONSTRATE THAT THE PRODUCER MEETS THE CONDITIONS OF THIS SECTION.
29	(C) THIS SUBTITLE DOES NOT AFFECT THE AUTHORITY OF THE STATE OR A

1 LOCAL JURISDICTION TO REGULATE THE SALE OR USE OF ANY PACKAGING 2 MATERIAL.

3 (D) THIS SUBTITLE DOES NOT PROHIBIT A PRODUCER RESPONSIBILITY 4 ORGANIZATION FROM ESTABLISHING A DEPOSIT-RETURN SYSTEM AS ONE 5 STRATEGY FOR INCREASING THE CAPTURE AND RECYCLING OF BEVERAGE 6 CONTAINERS OR OTHER PACKAGING MATERIALS.

7 **9–2504**.

8 (A) (1) (I) BEGINNING JULY 1, 2024, AND EACH YEAR THEREAFTER, A 9 PRODUCER RESPONSIBILITY ORGANIZATION SHALL FILE A REGISTRATION FORM 10 WITH THE DEPARTMENT.

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#### (II) THE REGISTRATION FORM SHALL INCLUDE:

121.ALISTOFTHERESPONSIBLEPARTIES13PARTICIPATING IN THE PRODUCER RESPONSIBILITY ORGANIZATION;

142.A LIST OF THE BRANDS OF EACH RESPONSIBLE PARTY15PARTICIPATING IN THE PRODUCER RESPONSIBILITY ORGANIZATION;

163. A LIST OF THE COVERED MATERIALS OF EACH17RESPONSIBLE PARTY PARTICIPATING IN THE PRODUCER RESPONSIBILITY18ORGANIZATION; AND

194.THE NAME, ADDRESS, AND CONTACT INFORMATION20OF A PERSON RESPONSIBLE FOR ENSURING THE PRODUCER RESPONSIBILITY21ORGANIZATION'S AND THE MEMBER RESPONSIBLE PARTIES' COMPLIANCE WITH22THIS SUBTITLE.

(III) AT THE TIME OF FILING THE REGISTRATION FORM, A
 PRODUCER RESPONSIBILITY ORGANIZATION SHALL PAY TO THE DEPARTMENT AN
 ANNUAL REGISTRATION FEE TO COVER THE COSTS OF RECORD KEEPING, NOT TO
 EXCEED \$1,000.

(IV) AT THE TIME OF THE INITIAL SUBMISSION OF THE
REGISTRATION FORM BY A PRODUCER RESPONSIBILITY ORGANIZATION, THE
ORGANIZATION SHALL HAVE 60 DAYS TO PAY TO THE DEPARTMENT THE ESTIMATED
COST OF CONDUCTING THE INITIAL STATEWIDE RECYCLING NEEDS ASSESSMENT
REQUIRED UNDER § 9–1702.2 OF THIS TITLE.

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(V) IF MORE THAN ONE PRODUCER RESPONSIBILITY

ORGANIZATION REGISTERS WITH THE DEPARTMENT, THE DEPARTMENT SHALL 1  $\mathbf{2}$ EQUALLY DIVIDE THE COST OF THE STATEWIDE RECYCLING NEEDS ASSESSMENT. 3 (2) ON OR BEFORE APRIL 1, 2026, EACH PRODUCER SHALL, **(I)** INDIVIDUALLY OR AS PART OF A PRODUCER RESPONSIBILITY ORGANIZATION, 4 SUBMIT A PRODUCER RESPONSIBILITY PLAN TO THE DEPARTMENT FOR REVIEW  $\mathbf{5}$ 6 AND APPROVAL. 7 (II) IF MORE THAN ONE PRODUCER RESPONSIBILITY 8 SUBMITS RESPONSIBILITY PLAN ORGANIZATION Α PRODUCER TO THE 9 **DEPARTMENT:** 10 1. THE PRODUCER RESPONSIBILITY ORGANIZATIONS SHALL COORDINATE WITH THE DEPARTMENT AND LOCAL GOVERNMENTS TO 11 12**ENSURE THAT:** 13A. **RECYCLING SERVICES FOR RESIDENTS IN THE STATE** 14 ARE PROVIDED IN A SEAMLESS MANNER; AND **B**. PUBLIC 15OUTREACH, EDUCATION, AND 16 COMMUNICATION ARE PROVIDED IN A CONSISTENT MANNER; AND 2. 17THE PRODUCER RESPONSIBILITY ORGANIZATIONS 18 **REPRESENTATIVE ORGANIZATION** ТО MAY CREATE A REPRESENT ALL PARTICIPATING PRODUCER RESPONSIBILITY ORGANIZATIONS TO IMPLEMENT THE 19 20**REQUIREMENTS OF THIS SUBTITLE.** (III) BEFORE SUBMITTING THE PLAN REQUIRED UNDER THIS 21SUBSECTION TO THE DEPARTMENT, A PRODUCER OR PRODUCER RESPONSIBILITY 2223**ORGANIZATION SHALL:** 241. CONSULT WITH THE ADVISORY **COUNCIL** 25ESTABLISHED UNDER § 9–2505 OF THIS SUBTITLE; AND CONSIDER THE WRITTEN RECOMMENDATIONS OF 26 2. 27THE ADVISORY COUNCIL PROVIDED UNDER § 9–2505(G)(6) OF THIS SUBTITLE AND **RESPOND IN WRITING TO THE ADVISORY COUNCIL.** 2829(3) **ON OR AFTER A DATE ESTABLISHED IN REGULATIONS ADOPTED** BY THE DEPARTMENT UNDER § 9–2509 OF THIS SUBTITLE, A PRODUCER MAY NOT 30 SELL, OFFER FOR SALE, DISTRIBUTE, OR IMPORT FOR SALE OR DISTRIBUTION 31PACKAGING MATERIALS FOR USE IN THE STATE UNLESS THE PRODUCER, 32INDIVIDUALLY OR AS PART OF A PRODUCER RESPONSIBILITY ORGANIZATION, HAS 33

	14SENATE BILL 222
1	AN APPROVED PRODUCER RESPONSIBILITY PLAN ON FILE WITH THE DEPARTMENT.
2	(B) A PRODUCER RESPONSIBILITY PLAN SHALL:
$3 \\ 4 \\ 5$	(1) IDENTIFY THE PRODUCERS COVERED BY THE PLAN, INCLUDING THE CONTACT INFORMATION FOR EACH PARTICIPATING PRODUCER AND THE PRODUCER RESPONSIBILITY ORGANIZATION;
6 7	(2) IDENTIFY EACH BRAND OF PACKAGING MATERIALS COVERED BY THE PLAN;
8 9 10 11	(3) REQUIRE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION, ACHIEVEMENT WITHIN 5 YEARS AFTER THE DATE ON WHICH THE FIRST VERSION OF THE PLAN IS APPROVED AND ESTABLISH THE FOLLOWING PERFORMANCE GOALS, AS RELEVANT, FOR EACH PACKAGING MATERIAL TYPE:
12	(I) <b>POSTCONSUMER RECYCLED CONTENT GOALS;</b>
13	(II) <b>RECYCLABILITY AND RECYCLING RATE GOALS;</b>
14	(III) REUSE GOALS;
15	(IV) PACKAGING REDUCTION GOALS;
$\begin{array}{c} 16 \\ 17 \end{array}$	(V) COMPOST ACCESS OR COMPOST RATE GOALS, IF APPLICABLE AND TECHNOLOGICALLY AND ENVIRONMENTALLY FEASIBLE;
18	(VI) CONTAMINATION REDUCTION RATE GOALS;
19	(VII) GREENHOUSE GAS REDUCTION GOALS; AND
$\begin{array}{c} 20\\ 21 \end{array}$	(VIII) ANY OTHER GOAL THAT REDUCES PACKAGING MATERIAL WASTE AND IS JUSTIFIED IN THE PLAN;
22 23 24 25	(4) REQUIRE EACH PARTICIPATING PRODUCER TO REDUCE ALL PACKAGING MATERIAL WASTE TO THE MAXIMUM EXTENT PRACTICABLE, AND BY NOT LESS THAN 25% FOR EACH PACKAGING MATERIAL TYPE, WITHIN 5 YEARS AFTER THE DATE ON WHICH THE FIRST VERSION OF THE PLAN IS APPROVED;
$\frac{26}{27}$	(5) DESCRIBE, IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION, THE FINANCING METHOD THAT WILL BE USED TO IMPLEMENT THE PLAN;
28	(6) <b>DESCRIBE HOW THE PERFORMANCE GOALS ESTABLISHED UNDER</b>

1	ITEM (3) OF THIS SUBSECTION WILL BE MET OR EXCEEDED;
$\frac{2}{3}$	(7) DESCRIBE HOW STAKEHOLDER COMMENTS WERE CONSIDERED IN THE DEVELOPMENT OF THE PLAN;
4	(8) DESCRIBE HOW STAFFING AND ADMINISTERING THE
5	IMPLEMENTATION OF THE PLAN WILL BE HANDLED;
6	(9) DESCRIBE THE STRATEGY FOR REDUCING PACKAGING
$\overline{7}$	MATERIALS IN THE STATE, INCLUDING HOW PRODUCERS PARTICIPATING IN A PLAN
8	WILL WORK TOGETHER TO REDUCE PACKAGING THROUGH PRODUCT DESIGN AND
9	PROGRAM INNOVATIONS;
10	(10) DESCRIBE THE ACTIONS TAKEN OR THAT WILL BE TAKEN FOR
11	PUBLIC OUTREACH, EDUCATION, AND COMMUNICATION, TAKING INTO ACCOUNT
12	THAT PUBLIC OUTREACH, EDUCATION, AND COMMUNICATION SHALL:
13	(I) <b>PROMOTE THE RESPONSIBLE END-OF-LIFE MANAGEMENT</b>
14	OF PACKAGING MATERIALS;
15	(II) PROVIDE INFORMATION ON HOW TO PREVENT LITTER OF
16	PACKAGING MATERIALS;
17	(III) <b>PROVIDE RECYCLING AND ORGANICS RECYCLING</b>
18	INSTRUCTIONS THAT ARE, TO THE EXTENT PRACTICABLE:
19	1. CONSISTENT STATEWIDE, TAKING INTO ACCOUNT
20	DIFFERENCES AMONG LOCAL LAWS AND PROCESSING CAPABILITIES;
21	2. EASY TO UNDERSTAND; AND
22	<b>3.</b> EASILY ACCESSIBLE; AND
23	(IV) <b>PROVIDE FOR OUTREACH AND EDUCATION THAT ARE:</b>
24	1. DESIGNED TO ACHIEVE PACKAGING MATERIALS
$\frac{24}{25}$	MANAGEMENT GOALS AND REQUIREMENTS, INCLUDING THE PREVENTION OF
$\frac{25}{26}$	CONTAMINATION OF PACKAGING MATERIALS;
20	CONTINUINATION OF LAURAUNAU MATERIALS,
27	2. COORDINATED ACROSS PROGRAMS TO AVOID
28	CONFUSION FOR CONSUMERS; AND
29	3. DEVELOPED IN CONSULTATION WITH LOCAL

### 1 GOVERNMENTS AND OTHER STAKEHOLDERS;

2 (11) DESCRIBE, IN ACCORDANCE WITH SUBSECTION (E) OF THIS 3 SECTION, THE AMOUNT OF FUNDING THAT WILL BE USED FOR IMPROVING REUSE, 4 ORGANICS RECYCLING, AND RECYCLING IN THE STATE;

5 (12) DESCRIBE THE PROCESS BY WHICH A LOCAL GOVERNMENT MAY 6 REQUEST REIMBURSEMENT FOR COSTS ASSOCIATED WITH TRANSPORTING, 7 COLLECTING, AND PROCESSING PACKAGING MATERIALS THAT ARE IDENTIFIED IN 8 THE PLAN, INCLUDING:

9 (I) THE PROCESS BY WHICH THE REQUEST WILL BE REVIEWED;

10 (II) THE PROCESS FOR APPROVING OR DENYING A REQUEST 11 FOR REIMBURSEMENT;

12(III) THE SCHEDULE FOR PROVIDING REIMBURSEMENT THAT13INCLUDES REIMBURSEMENT ON AT LEAST A QUARTERLY BASIS; AND

14(IV) THE PROCESS FOR PROVIDING REIMBURSEMENT FOR15MULTIPLE BRANDS OF PACKAGING MATERIALS;

16 (13) (I) PROVIDE THE WRITTEN RECOMMENDATIONS FROM THE 17 ADVISORY COUNCIL PROVIDED UNDER § 9–2505(G)(6) OF THIS SUBTITLE AND THE 18 PRODUCER RESPONSIBILITY ORGANIZATION'S WRITTEN RESPONSE TO THE 19 ADVISORY COUNCIL; AND

20 (II) DESCRIBE HOW THE WRITTEN RECOMMENDATIONS FROM 21 THE ADVISORY COUNCIL WERE CONSIDERED AND ADDRESSED IN THE 22 DEVELOPMENT OF THE PLAN; AND

23(14)INCLUDE ANY OTHER INFORMATION THAT IS REQUIRED BY THE24DEPARTMENT.

(C) BASED ON THE RESULTS OF THE STATEWIDE RECYCLING NEEDS
ASSESSMENT CONDUCTED UNDER § 9–1702.2 OF THIS TITLE, THE DEPARTMENT, IN
COORDINATION WITH A PRODUCER RESPONSIBILITY ORGANIZATION, SHALL
ESTABLISH PERFORMANCE GOALS FOR EACH PACKAGING MATERIAL TYPE USING A
BASELINE YEAR THAT IS INFORMED BY THE STATEWIDE RECYCLING NEEDS
ASSESSMENT, INCLUDING ESTABLISHING RECYCLING RATE GOALS FOR EACH
PACKAGING MATERIAL TYPE, AT 5–, 10–, AND 15–YEAR INTERVALS.

32 (D) (1) THE FINANCING METHOD THAT WILL BE USED BY A PRODUCER

1 RESPONSIBILITY ORGANIZATION TO IMPLEMENT A PRODUCER RESPONSIBILITY 2 PLAN SHALL:

3 (I) PROVIDE THE METHOD FOR EITHER DIRECT INVESTMENTS
4 OR REIMBURSEMENTS FOR IMPROVING INFRASTRUCTURE FOR REUSE, ORGANICS
5 RECYCLING, AND RECYCLING IN ACCORDANCE WITH SUBSECTION (B)(11) OF THIS
6 SECTION;

7 (II) PROVIDE A REASONABLE ANNUAL RATE PER TON OF 8 RECYCLED OR COMPOSTED PACKAGING MATERIALS FOR REIMBURSING LOCAL 9 GOVERNMENTS FOR COSTS ASSOCIATED WITH:

101.UP TO 50% OF THE COST OF COLLECTING PACKAGING11MATERIALS THAT ARE IDENTIFIED IN THE PLAN;

12 **2.** TRANSPORTING RECYCLABLE OR COMPOSTABLE 13 PACKAGING MATERIALS TO A RECYCLING OR ORGANICS RECYCLING FACILITY;

143.PROCESSING PACKAGING MATERIALS, INCLUDING15REMOVING CONTAMINATION; AND

16 **4. RECYCLING PACKAGING MATERIALS THAT ARE** 17 **DIVERTED TO BE RECYCLED OR COMPOSTED IN THE STATE;** 

18(III) ESTABLISH A FEE STRUCTURE FOR PARTICIPATING19PRODUCERS THAT IS SET IN A MANNER TO COVER COSTS ASSOCIATED WITH:

20 **1. IMPLEMENTING THE PLAN, INCLUDING THE** 21 ADMINISTRATIVE COSTS OF A PRODUCER RESPONSIBILITY ORGANIZATION;

22 **2. R**EIMBURSING LOCAL GOVERNMENTS FOR COSTS IN 23 ACCORDANCE WITH ITEM (II) OF THIS PARAGRAPH;

243.THE ADMINISTRATION, REVIEW, OVERSIGHT, AND25ENFORCEMENT OF THE PLAN BY THE DEPARTMENT;

264. IMPLEMENTING THE STRATEGY IN THE PLAN FOR27REDUCING PACKAGING MATERIALS IN ACCORDANCE WITH SUBSECTION (B)(9) OF28THIS SECTION; AND

5. IMPLEMENTING THE STRATEGY IN THE PLAN FOR IMPROVING REUSE, ORGANICS RECYCLING, AND RECYCLING IN THE STATE IN ACCORDANCE WITH SUBSECTION (B)(11) OF THIS SECTION; 1(IV) 1. DESCRIBE THE INCENTIVES TO ENCOURAGE2PARTICIPATING PRODUCERS TO ENGAGE IN WASTE REDUCTION AND RECYCLING3ACTIVITIES; AND

4 2. DESCRIBE THE DISINCENTIVES TO DISCOURAGE 5 DESIGNS OR PRACTICES THAT INCREASE THE COST OF MANAGING PACKAGING 6 MATERIALS;

7 (V) BE EVALUATED BY AN INDEPENDENT FINANCIAL AUDITOR, 8 AS DESIGNATED BY THE DEPARTMENT, TO ENSURE THAT THE COSTS OF 9 IMPLEMENTING THE PLAN ARE COVERED; AND

10(VI) MEET ANY OTHER REQUIREMENT ESTABLISHED BY THE11DEPARTMENT BY REGULATION.

12 (2) THE REIMBURSEMENT RATE ESTABLISHED UNDER PARAGRAPH 13 (1)(II) OF THIS SUBSECTION SHALL BE:

14 (I) **BASED ON:** 

15 **1.** THE POPULATION SIZE OF A LOCAL JURISDICTION;

16 **2.** The distance to the nearest recycling or 17 organics recycling facility;

183.THE COMMODITY VALUE OF RECYCLED PACKAGING19MATERIALS; AND

204. ANY SOCIOECONOMIC OR GEOGRAPHIC FACTOR, AS21DETERMINED BY THE DEPARTMENT; AND

(II) DISCOUNTED EQUIVALENT TO THE ESTIMATED ANNUAL
 VOLUME OF PACKAGING MATERIALS SOLD IN THE STATE TO A PERSON THAT IS
 EXEMPT FROM THE REQUIREMENTS OF THIS SUBTITLE UNDER § 9–2503(B) OF THIS
 SUBTITLE.

26 (3) THE FEE STRUCTURE ESTABLISHED UNDER PARAGRAPH (1)(III) 27 OF THIS SUBSECTION SHALL BE VARIABLE BASED ON:

28 (I) COSTS ASSOCIATED WITH TRANSPORTING, COLLECTING, 29 AND PROCESSING PACKAGING MATERIALS;

1	(II) AN ECO-MODULATION OF FEES, INCLUDING ESTABLISHING:
$\frac{2}{3}$	1. A HIGHER FEE FOR PACKAGING MATERIALS WITH LOW RECYCLABILITY OR RECYCLED CONTENT; AND
45	2. A DISCOUNTED FEE FOR PACKAGING MATERIALS WITH HIGH RECYCLABILITY OR RECYCLED CONTENT; AND
6 7	(III) ANY OTHER FACTOR, AS DETERMINED BY THE DEPARTMENT.
8 9	(4) (I) A PRODUCER RESPONSIBILITY ORGANIZATION SHALL RETAIN ANY FEE COLLECTED UNDER THIS SUBSECTION IN ITS OWN ACCOUNT.
10 11	(II) THE DEPARTMENT MAY REQUEST AT ANY TIME AN AUDIT OF THE FINANCIAL RECORDS OF A PRODUCER RESPONSIBILITY ORGANIZATION.
$12 \\ 13 \\ 14 \\ 15 \\ 16$	(E) THE FUNDING THAT WILL BE USED FOR IMPROVING REUSE, ORGANICS RECYCLING, AND RECYCLING SHALL INCLUDE INVESTMENT IN MARKET DEVELOPMENT AND EXISTING AND FUTURE REUSE, ORGANICS RECYCLING, AND RECYCLING INFRASTRUCTURE, GIVING PRIORITY TO INVESTMENT IN EXISTING INFRASTRUCTURE, INCLUDING:
17 18 19	(1) INSTALLING OR UPGRADING EQUIPMENT TO IMPROVE THE SORTING OF PACKAGING MATERIALS AT EXISTING SORTING AND PROCESSING FACILITIES;
20 21	(2) MITIGATING THE IMPACTS OF PACKAGING MATERIALS ON OTHER COMMODITIES AT EXISTING SORTING AND PROCESSING FACILITIES; AND
22 23 24	(3) CAPITAL EXPENDITURES FOR NEW TECHNOLOGY, EQUIPMENT, AND FACILITIES, BASED ON THE RESULTS OF THE STATEWIDE RECYCLING NEEDS ASSESSMENT CONDUCTED UNDER § 9–1702.2 OF THIS TITLE.
25	(F) THE DEPARTMENT SHALL REVIEW:
$\begin{array}{c} 26 \\ 27 \end{array}$	(1) THE PRODUCER RESPONSIBILITY PLAN REQUIRED UNDER SUBSECTION (A) OF THIS SECTION; AND
28 29 30 31	(2) THE WORK PRODUCT OF THE INDEPENDENT FINANCIAL AUDITOR DESIGNATED BY THE DEPARTMENT TO EVALUATE THE FINANCING COMPONENT OF THE PRODUCER RESPONSIBILITY PLAN UNDER SUBSECTION (D)(1)(V) OF THIS SECTION.

1 (G) (1) WITHIN 120 DAYS AFTER RECEIVING A PROPOSED PRODUCER 2 RESPONSIBILITY PLAN, THE DEPARTMENT SHALL APPROVE, APPROVE WITH 3 CONDITIONS, OR REJECT THE PLAN.

4 (2) IN MAKING A DETERMINATION UNDER PARAGRAPH (1) OF THIS 5 SUBSECTION, THE DEPARTMENT SHALL CONSIDER WHETHER:

6 (I) THE PRODUCER RESPONSIBILITY PLAN COMPLIES WITH 7 THE REQUIREMENTS OF THIS SECTION, INCLUDING WHETHER THE FINANCING 8 METHOD WILL COVER THE COSTS OF IMPLEMENTING THE PLAN; AND

9 (II) THE PRODUCER RESPONSIBILITY ORGANIZATION ENGAGED 10 SUFFICIENTLY WITH STAKEHOLDERS, INCLUDING LOCAL GOVERNMENTS, IN 11 DEVELOPING THE PLAN.

12 (3) NOT LATER THAN 60 DAYS AFTER THE DATE A PRODUCER 13 RESPONSIBILITY PLAN IS INITIALLY APPROVED UNDER THIS SECTION, A PRODUCER 14 RESPONSIBILITY ORGANIZATION SHALL PAY TO THE DEPARTMENT:

15

### (I) THE DEPARTMENT'S COST OF REVIEWING THE PLAN; AND

16 (II) THE DEPARTMENT'S ESTIMATED COSTS OF 17 ADMINISTERING, OVERSEEING, AND ENFORCING THE PLAN BETWEEN THE INITIAL 18 DATE OF APPROVAL AND THE DATE OF THE INITIAL ANNUAL REPORT REQUIRED 19 UNDER § 9–2507 OF THIS SUBTITLE.

20 (H) WITHIN 6 MONTHS AFTER THE DATE A PRODUCER RESPONSIBILITY 21 PLAN IS APPROVED UNDER THIS SECTION, A PRODUCER RESPONSIBILITY 22 ORGANIZATION SHALL IMPLEMENT THE PLAN.

(I) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION
 AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, AN APPROVED PRODUCER
 RESPONSIBILITY PLAN SHALL EXPIRE AFTER 5 YEARS.

26 (2) A PRODUCER RESPONSIBILITY PLAN MAY CONTINUE AFTER 5
 27 YEARS IF IT IS RENEGOTIATED, RENEWED, OR AMENDED AND APPROVED BY THE
 28 DEPARTMENT IN ACCORDANCE WITH THIS SUBTITLE.

29(3) THE DEPARTMENT MAY RESCIND APPROVAL OF A PRODUCER30RESPONSIBILITY PLAN AT ANY TIME FOR GOOD CAUSE.

31 (4) IF THE DEPARTMENT RESCINDS AN APPROVAL OF A PRODUCER

1 RESPONSIBILITY PLAN UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE 2 PRODUCER, OR IF APPLICABLE, THE PRODUCER RESPONSIBILITY ORGANIZATION 3 MAY AMEND THE PLAN AND SUBMIT IT TO THE DEPARTMENT FOR APPROVAL IN 4 ACCORDANCE WITH THIS SUBTITLE.

5 (5) IF, BASED ON THE ANNUAL REPORT SUBMITTED UNDER § 9–2507
6 OF THIS SUBTITLE, THE PERFORMANCE GOALS ESTABLISHED UNDER SUBSECTION
7 (B)(3) OF THIS SECTION HAVE NOT BEEN ACHIEVED, THE DEPARTMENT MAY:

8 (I) REQUIRE THAT A PRODUCER RESPONSIBILITY 9 ORGANIZATION AMEND THE PRODUCER RESPONSIBILITY PLAN; AND

10 (II) IMPOSE AN ADMINISTRATIVE PENALTY ON A PRODUCER 11 RESPONSIBILITY ORGANIZATION IN ACCORDANCE WITH § 9–2510(C) OF THIS 12 SUBTITLE.

13 (6) IF THE DEPARTMENT REQUIRES A PRODUCER RESPONSIBILITY 14 ORGANIZATION TO AMEND THE PRODUCER RESPONSIBILITY PLAN UNDER 15 PARAGRAPH (5) OF THIS SUBSECTION, THE PRODUCER RESPONSIBILITY 16 ORGANIZATION MUST COVER THE COST OF THE DEPARTMENT'S REVIEW AND 17 SUPPLEMENTAL WORK ON THE PLAN.

18 **9–2505.** 

19 (A) THERE IS A PRODUCER RESPONSIBILITY PLAN ADVISORY COUNCIL.

20 (B) THE PURPOSE OF THE ADVISORY COUNCIL IS TO PROVIDE ADVICE TO 21 THE DEPARTMENT AND PRODUCER RESPONSIBILITY ORGANIZATIONS FOR 22 DRAFTING, AMENDING, AND IMPLEMENTING PRODUCER RESPONSIBILITY PLANS.

23 (C) (1) THE ADVISORY COUNCIL SHALL CONSIST OF A BROAD RANGE OF 24 INTERESTED STAKEHOLDERS APPOINTED BY THE SECRETARY, INCLUDING:

25(I)**REPRESENTATIVES FROM THE FOLLOWING INDUSTRIES OR**26ENTITIES IN THE STATE:

271.LOCAL GOVERNMENT AGENCIES RESPONSIBLE FOR28RECYCLING PROGRAMS;

- 29 2. RECYCLABLES AND COMPOSTABLE MATERIALS 30 COLLECTORS;
- 31 **3. RECYCLING PROCESSORS;**

	22 SENATE BILL 222
1	4. ORGANICS RECYCLING PROCESSORS;
2	5. THE CONSUMER GOODS SECTOR;
3	6. <b>RETAIL AND SMALL BUSINESSES; AND</b>
4	7. MATERIAL–ORIENTED TRADE GROUPS;
$5\\6$	(II) A REPRESENTATIVE FROM EACH PRODUCER RESPONSIBILITY ORGANIZATION;
$7\\8$	(III) REPRESENTATIVES OF AT LEAST TWO NONPROFIT ORGANIZATIONS IN THE STATE WITH MISSIONS RELATED TO REDUCING WASTE;
$9\\10$	(IV) AT LEAST ONE REPRESENTATIVE OF AN ENVIRONMENTAL ADVOCACY ORGANIZATION;
$\begin{array}{c} 11 \\ 12 \end{array}$	(V) AT LEAST ONE REPRESENTATIVE OF AN ENVIRONMENTAL JUSTICE ADVOCACY ORGANIZATION; AND
$\begin{array}{c} 13 \\ 14 \end{array}$	(VI) AT LEAST TWO MEMBERS OF THE PUBLIC WHO RESIDE IN THE STATE.
$\begin{array}{c} 15\\ 16\\ 17\end{array}$	(2) IN APPOINTING MEMBERS TO THE ADVISORY COUNCIL, THE SECRETARY SHALL, TO THE EXTENT PRACTICABLE, ENSURE THAT THE MEMBERSHIP OF THE ADVISORY COUNCIL REPRESENTS:
18	(I) ALL GEOGRAPHIC REGIONS OF THE STATE;
19	(II) LARGE AND SMALL COUNTIES AND MUNICIPALITIES; AND
$\begin{array}{c} 20\\ 21 \end{array}$	(III) THE VARIABILITY IN HOW WASTE AND RECYCLABLE AND COMPOSTABLE MATERIALS ARE COLLECTED AND PROCESSED IN THE STATE.
22 23 24	(3) A REPRESENTATIVE FROM A PRODUCER RESPONSIBILITY ORGANIZATION MAY NOT SERVE AS A VOTING MEMBER OR AS COCHAIR OF THE ADVISORY COUNCIL.
$\frac{25}{26}$	(D) FROM AMONG THE ADVISORY COUNCIL MEMBERS, THE SECRETARY SHALL DESIGNATE TWO REPRESENTATIVES TO SERVE AS COCHAIRS.
27	(E) A MEMBER OF THE ADVISORY COUNCIL:

1 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE 2 ADVISORY COUNCIL; BUT

3 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE 4 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

- 5 (F) THE ADVISORY COUNCIL SHALL MEET AT LEAST QUARTERLY.
- 6 (G) THE ADVISORY COUNCIL SHALL:

(1) ON REQUEST BY A PRODUCER OR PRODUCER RESPONSIBILITY
 ORGANIZATION, PROVIDE ADVICE REGARDING THE DRAFTING OR AMENDING OF A
 PRODUCER RESPONSIBILITY PLAN REQUIRED UNDER § 9–2504 OF THIS SUBTITLE;

10 (2) RECEIVE AND REVIEW THE PRODUCER RESPONSIBILITY PLANS 11 SUBMITTED IN ACCORDANCE WITH § 9–2504 OF THIS SUBTITLE;

12 (3) RECEIVE AND REVIEW ANNUAL REPORTS SUBMITTED IN 13 ACCORDANCE WITH § 9–2507 OF THIS SUBTITLE;

14(4) Make recommendations to the Department regarding15PRODUCER RESPONSIBILITY PLAN APPROVAL;

16(5) Make recommendations to the Department and17 PRODUCER RESPONSIBILITY ORGANIZATIONSREGARDING PRODUCER18 RESPONSIBILITY PLAN IMPLEMENTATION; AND

19 (6) PROVIDE WRITTEN RECOMMENDATIONS REGARDING THE 20 PRODUCER RESPONSIBILITY PLAN, INCLUDING ANY UPDATE OR REVISION TO AN 21 APPROVED PLAN, TO A PRODUCER RESPONSIBILITY ORGANIZATION BEFORE THE 22 PRODUCER RESPONSIBILITY ORGANIZATION SUBMITS THE PLAN TO THE 23 DEPARTMENT.

24 **9–2506.** 

(A) IN ACCORDANCE WITH THE REQUIREMENTS OF A PRODUCER
RESPONSIBILITY ORGANIZATION, AS ESTABLISHED IN AN APPROVED PRODUCER
RESPONSIBILITY PLAN ON FILE WITH THE DEPARTMENT, AND ANY OTHER
REQUIREMENT ADOPTED BY THE DEPARTMENT, A LOCAL GOVERNMENT MAY
REQUEST REIMBURSEMENT FROM A PRODUCER RESPONSIBILITY ORGANIZATION
FOR COSTS ASSOCIATED WITH COLLECTING, TRANSPORTING, AND PROCESSING
PACKAGING MATERIALS THAT ARE IDENTIFIED UNDER THE PLAN, INCLUDING COSTS

1 ASSOCIATED WITH RECYCLING SERVICES FOR PUBLIC PLACES AND PUBLIC 2 HOUSING.

3 (B) (1) IF MULTIPLE PRODUCER RESPONSIBILITY ORGANIZATIONS 4 REGISTER APPROVED PRODUCER RESPONSIBILITY PLANS WITH THE DEPARTMENT 5 IN ACCORDANCE WITH THIS SUBTITLE, THE PRODUCER RESPONSIBILITY 6 ORGANIZATIONS SHALL COORDINATE REIMBURSEMENT REQUESTED UNDER THIS 7 SECTION.

8 (2) MULTIPLE PRODUCER RESPONSIBILITY ORGANIZATIONS MAY 9 ESTABLISH A THIRD-PARTY ENTITY TO COORDINATE REIMBURSEMENT IN 10 ACCORDANCE WITH THIS SUBSECTION.

11 (C) THIS SECTION DOES NOT AUTHORIZE A LOCAL GOVERNMENT TO 12 REQUEST REIMBURSEMENT FROM A PRODUCER RESPONSIBILITY ORGANIZATION 13 FOR COSTS ASSOCIATED WITH COMPOSTING MATERIALS THAT ARE NOT PACKAGING 14 MATERIALS, INCLUDING FOOD WASTE AND OTHER ORGANIC MATERIALS.

15 **9–2507.** 

16 (A) BEGINNING MARCH 1, 2027, EACH PRODUCER RESPONSIBILITY 17 ORGANIZATION THAT HAS AN APPROVED PRODUCER RESPONSIBILITY PLAN ON FILE 18 WITH THE DEPARTMENT SHALL REPORT ANNUALLY TO THE DEPARTMENT ON THE 19 PROGRESS TOWARD MEETING PLAN REQUIREMENTS AND GOALS FOR THE 20 IMMEDIATELY PRECEDING CALENDAR YEAR.

21 (B) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION 22 SHALL INCLUDE:

23 (1) A DETAILED DESCRIPTION OF THE REIMBURSEMENT METHODS 24 USED FOR COLLECTING, TRANSPORTING, AND PROCESSING PACKAGING 25 MATERIALS;

26(2)(1)THE STATUS ON ACHIEVING THE PERFORMANCE GOALS27ESTABLISHED UNDER § 9–2504(B)(3) OF THIS SUBTITLE; AND

(II) IF THE GOALS HAVE NOT BEEN ACHIEVED, A DESCRIPTION
OF THE ACTIONS PROPOSED TO ACHIEVE THE GOALS;

30 (3) THE AMOUNT OF EACH PACKAGING MATERIAL TYPE COLLECTED 31 IN THE STATE, INCLUDING THE METHOD OF DISPOSITION OF EACH PACKAGING 32 MATERIAL TYPE;

1 (4) THE NUMBER OF BEVERAGE CONTAINERS SOLD IN THE **(I)**  $\mathbf{2}$ STATE AND THE NUMBER COLLECTED, BY MATERIAL TYPE; 3 THE OVERALL REDEMPTION RATE AND EFFECTIVE RATE OF (II) 4 **RECYCLING OF BEVERAGE CONTAINERS BY MATERIAL TYPE, AFTER SUBTRACTING**  $\mathbf{5}$ CONTAMINATION RATES, AND BY NUMBER OF UNITS AND WEIGHT; AND 6 (III) **1**. A DESCRIPTION OF THE LOCATION OF COLLECTION 7 FACILITIES OR POINTS AND SORTING AND PROCESSING FACILITIES FOR BEVERAGE **CONTAINERS;** 8 9 2. A DESCRIPTION OF ANY IMPROVEMENTS MADE IN THE 10 **REPORTING YEAR TO INCREASE THE EASE AND CONVENIENCE FOR CONSUMERS TO** 11 **RETURN BEVERAGE CONTAINERS:** 123. A DESCRIPTION OF UNDERSERVED AREAS AND 13 ACTIONS THAT WILL BE TAKEN BY THE PRODUCER RESPONSIBILITY ORGANIZATION 14 TO IMPROVE THE AVAILABILITY OF COLLECTION FACILITIES OR POINTS IN 15**UNDERSERVED AREAS; AND** 16 4. ANY OTHER INFORMATION ON **BEVERAGE** 17CONTAINERS REQUIRED BY THE DEPARTMENT; 18 THE TOTAL COST OF IMPLEMENTING THE PLAN, AS DETERMINED (5) BY AN INDEPENDENT FINANCIAL AUDITOR INCLUDING: 19 20A COPY OF THE WORK PRODUCT OF THE INDEPENDENT **(I)** 21FINANCIAL AUDITOR; AND 22(II) FINANCIAL STATEMENTS DETAILING ALL PAYMENTS 23**RECEIVED AND ISSUED BY THE PRODUCERS COVERED UNDER THE APPROVED PLAN;** 24(6) SAMPLES OF ALL EDUCATIONAL MATERIALS PROVIDED TO 25**CONSUMERS OR OTHER ENTITIES;** 26A DETAILED DESCRIPTION OF THE ACTIONS TAKEN AND AN (7) 27EVALUATION OF THE METHODS USED TO DISSEMINATE EDUCATIONAL MATERIALS, 28INCLUDING RECOMMENDATIONS, IF ANY, FOR HOW THE EDUCATIONAL COMPONENT 29OF THE PLAN CAN BE IMPROVED; 30 (8) A DETAILED DESCRIPTION OF INVESTMENTS MADE IN MARKET 31DEVELOPMENT AND FOR IMPROVING REUSE, ORGANICS RECYCLING, AND 32**RECYCLING INFRASTRUCTURE;** 

	26 SENATE BILL 222
1	(9) <b>PROOF OF A THIRD–PARTY AUDIT OF:</b>
2	(I) THE REDUCTION IN PACKAGING REPORTED;
$\frac{3}{4}$	(II) THE DATA USED TO DETERMINE THE STATUS OF ACHIEVING PERFORMANCE GOALS;
$5 \\ 6$	(III) THE AMOUNT OF EACH PACKAGING MATERIAL TYPE COLLECTED IN THE STATE;
7 8	(IV) THE NUMBER OF BEVERAGE CONTAINERS SOLD, COLLECTED, AND REDEEMED IN THE STATE; AND
9 10	(V) THE OVERALL REDEMPTION RATE AND RECYCLING RATE OF BEVERAGE CONTAINERS IN THE STATE; AND
11	(10) ANY OTHER INFORMATION AS REQUIRED BY THE DEPARTMENT.
$12 \\ 13 \\ 14 \\ 15 \\ 16$	(C) WHEN PROVIDING THE DEPARTMENT WITH THE ANNUAL REPORT REQUIRED UNDER THIS SECTION, A PRODUCER RESPONSIBILITY ORGANIZATION SHALL PAY TO THE DEPARTMENT THE DEPARTMENT'S ESTIMATED COSTS OF ADMINISTERING, OVERSEEING, AND ENFORCING THE PLAN FOR THE 1 YEAR IMMEDIATELY FOLLOWING THE ANNUAL REPORT.
17 18 19 20	(D) FINANCIAL, PRODUCTION, OR SALES DATA REPORTED TO THE DEPARTMENT BY A PRODUCER RESPONSIBILITY ORGANIZATION SHALL BE KEPT CONFIDENTIAL BY THE DEPARTMENT AND MAY NOT BE SUBJECT TO PUBLIC INSPECTION.
21 22 23	(E) SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE REPORT SHALL BE POSTED ON THE WEBSITE OF THE DEPARTMENT AND THE PRODUCER RESPONSIBILITY ORGANIZATION.
24	9–2508.

ANY PERSON PARTICIPATING IN A PRODUCER RESPONSIBILITY PLAN IN
 COMPLIANCE WITH THIS SUBTITLE IS IMMUNE FROM LIABILITY UNDER STATE LAW
 RELATING TO ANTITRUST AND RESTRAINT OF TRADE FOR ANY COOPERATED
 ACTIVITIES ARISING OUT OF THE RECYCLING, REUSE, AND DISPOSAL OF PACKAGING
 MATERIALS.

30 **9–2509.** 

1 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS 2 SUBTITLE.

3 **9–2510.** 

4 (A) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTIONS (B) AND (C) OF 5 THIS SECTION, THE PROVISIONS OF §§ 9–334 THROUGH 9–344 OF THIS TITLE APPLY 6 TO ENFORCE VIOLATIONS OF:

7 (1) THIS SUBTITLE;

8 (2) ANY REGULATION ADOPTED UNDER THIS SUBTITLE; OR

9 (3) ANY ORDER ISSUED UNDER THIS SUBTITLE.

10 **(B) (1)** A PRODUCER OR PRODUCER RESPONSIBILITY ORGANIZATION 11 THAT VIOLATES THIS SUBTITLE IS SUBJECT TO:

12 (I) FOR A FIRST VIOLATION, A CIVIL PENALTY OF \$5,000;

13(II)FOR A SECOND VIOLATION, A CIVIL PENALTY OF \$10,000;14AND

15 (III) FOR A THIRD AND SUBSEQUENT VIOLATION, A CIVIL 16 PENALTY OF \$20,000.

17 (2) A PENALTY MAY NOT BE IMPOSED ON A PRODUCER UNDER THIS 18 SECTION UNLESS:

19 (I) THE DEPARTMENT FIRST ISSUES A WRITTEN NOTICE OF 20 VIOLATION TO THE PRODUCER; AND

21 (II) THE VIOLATION IS NOT CORRECTED WITHIN 60 DAYS OF 22 RECEIPT OF THE WRITTEN NOTICE.

(C) IF, BASED ON THE ANNUAL REPORT SUBMITTED UNDER § 9–2507 OF
THIS SUBTITLE, THE PERFORMANCE GOALS ESTABLISHED UNDER § 9–2504(B)(3) OF
THIS SUBTITLE HAVE NOT BEEN ACHIEVED, THE DEPARTMENT MAY IMPOSE AN
ADMINISTRATIVE PENALTY, NOT TO EXCEED \$5,000, ON THE PRODUCER
RESPONSIBILITY ORGANIZATION.

28 (D) ANY PENALTY COLLECTED BY THE DEPARTMENT UNDER THIS SECTION

# SHALL BE PAID INTO THE STATE RECYCLING TRUST FUND ESTABLISHED UNDER § 9–1707 OF THIS TITLE.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 4 October 1, 2023.