

**Department of Legislative Services**  
 Maryland General Assembly  
 2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 591 (Senator Augustine)  
 Education, Energy, and the Environment

**Environment - Covered Electronic Device Recycling Program - Establishment**  
**(Electronics Recycling Health and Safety Modernization Act)**

This bill modifies, and in some cases repeals, existing State law provisions relating to collection and recycling of “covered electronic devices” (CEDs) and establishes a Covered Electronic Device Recycling Program (CEDRP) in the Maryland Department of the Environment (MDE). The program’s administrative costs are funded by an existing annual manufacturer registration fee, which the bill modifies, and disbursements to authorized collectors and recyclers under the program are funded by a consumer fee on purchases of new CEDs in the State. The consumer fee is first imposed July 1, 2027, and disbursement of the fee revenues to authorized collectors and recyclers begins July 1, 2028.

**Fiscal Summary**

**State Effect:** State finances are significantly affected, particularly in the out-years, as summarized in the table below and discussed and shown in more detail in the Analysis section.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	\$481,900	\$481,900	\$12,398,500	\$13,481,900	\$13,481,900
GF Expenditure	\$117,500	\$117,500	\$117,500	\$117,500	\$117,500
SF Expenditure	(\$117,500)	(\$17,500)	\$688,100	\$12,394,100	\$13,490,500
Exp. (multiple)	\$0	\$0	-	-	-
Net Effect	\$481,900	\$381,900	\$11,592,900	\$970,300	(\$126,100)

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

**Local Effect:** Local government finances are affected, as discussed below.

**Small Business Effect:** Potential meaningful.

## Analysis

### Bill Summary/Current Law:

#### *Modification/Repeal of Existing Covered Electronic Device Provisions*

##### *Existing Manufacturer Registration/Fee and Takeback Programs*

Under existing law referred to as the “Statewide Electronics Recycling Program,” a manufacturer of a CED may not sell or offer for sale to any person in the State a new CED (by any means, including transactions conducted through sales outlets, catalogs, or the Internet) unless (1) it is labeled with the manufacturer’s name or brand label and (2) the manufacturer has registered with MDE and, if applicable, submitted a registration fee. A retailer may not sell or offer for sale a manufacturer’s CEDs if the manufacturer has not submitted a registration and fee. A manufacturer’s registration and fee must be submitted to MDE by March 1 of each year. Among other things, the registration must include the brand names under which the manufacturer sells or offers for sale CEDs in the State and the number of CEDs sold in the State in the prior year.

Under existing law, a CED is defined as a computer or video display device that is greater than four inches measured diagonally.

Under existing law, with the exception of manufacturers that sold less than 100 CEDs in the State in the prior year (for whom there is no registration fee), the registration fee is \$5,000, unless the manufacturer had an implemented CED takeback program in the prior year, in which case the registration fee is \$500. For any new registrants, the fee the first year is \$10,000 for a manufacturer that sold at least 1,000 CEDs in the State in the prior year and \$5,000 for a manufacturer that sold at least 100 but not more than 999 CEDs in the State in the prior year. The fee is paid into the State Recycling Trust Fund (SRTF).

Under existing law, “CED takeback program” means a program, established by a CED manufacturer, or a group of CED manufacturers, for the collection and recycling, refurbishing, or reuse of a CED labeled with the manufacturer’s name or brand label, including (1) providing, at no cost to the returner, a method of returning a CED to the manufacturer; (2) contracting with a recycler, local government, other manufacturer, or any other person; or (3) any other program approved by MDE.

##### *Repeal of Takeback Program Provisions and Modification of Fee Amount*

The bill repeals provisions relating to CED takeback programs and sets the manufacturer registration fee at (1) \$10,000 for a manufacturer that sold at least 1,000 CEDs in the State in the prior year and (2) \$5,000 for a manufacturer that sold at least 100 but not more than

999 CEDs in the State in the prior year. The bill also authorizes MDE to adjust the fee by regulation.

By December 1, 2025, MDE must notify CED manufacturers of (1) the termination of existing CED takeback programs in the State and (2) CEDRP (discussed below).

#### *Redirection of Fee Revenue into New Account*

Under current law and the bill, a manufacturer's registration and the manufacturer registration fee must be submitted to MDE by March 1 of each year. Under the bill, the fee is paid into a newly created CED manufacturer registration fee account that is established within SRTF along with a newly created CED recycling account that holds recycling fees paid by consumers (discussed below). Both new accounts support CEDRP (discussed below).

#### *Repeal of Local Government Electronics Recycling Grants*

Under existing law, SRTF may be used to provide grants to counties that have addressed methods for the separate collection and recycling of CEDs, as well as to municipalities to implement local CED recycling programs.

The bill repeals the authorizations for these grants.

#### *Definition of Covered Electronic Device*

The bill modifies the definition of a CED so that it means a Tier I or Tier II CED (discussed further below) or other tier of CED if established by MDE in regulation.

The bill also modifies existing law that defines what is not considered a CED. Under existing law, the definition of CED does not include a video display device that is part of a motor vehicle or that is contained within a household appliance, or commercial, industrial, or medical equipment. The bill clarifies that (1) the definition of a CED also does not include any other electronic device that is a part of a motor vehicle or that is contained within a household appliance, or commercial, industrial, or medical equipment and (2) a household appliance includes white goods. Under existing law, "white goods" include refrigerators, stoves, washing machines, dryers, water heaters, and air conditioners. The bill adds that white goods also includes any other appliances designated by MDE in regulation.

### *Covered Electronic Device Recycling Program*

The bill establishes CEDRP, in MDE, to facilitate the collection and recycling, refurbishing, or reuse of CEDs in the State.

#### *Administration of the Program*

MDE is given responsibility for administering the program but is also authorized to contract with a nonprofit organization, a B corporation, or any other entity that specializes in the private management of electronics recycling systems for governmental entities to administer the program.

MDE may adopt regulations to implement and administer the program, as specified.

#### *Funded by Consumer and Manufacturer Fees*

##### *Consumer Fees*

Disbursements to authorized recyclers and collectors under the program (discussed below) are funded by a recycling fee imposed on consumers of CEDs that is deposited (quarterly, by the Comptroller) into the newly created CED recycling account within SRTF.

Beginning July 1, 2027, a consumer must pay a recycling fee with the purchase of a new CED in the State. MDE, in consultation with the CED electronic device advisory council (discussed below), may, by regulation, determine reasonable recycling fees, which must be in an amount necessary to cover reimbursement of costs of authorized recyclers and collectors. MDE is also authorized to, in consultation with the CED advisory council, by regulation (1) amend or expand existing tiers of CEDs and the definition of “white goods” and (2) establish additional tiers of CEDs.

Beginning August 1, 2027, and each month thereafter, an electronics retailer must remit the fees collected during the immediately preceding month to the Comptroller. An electronics retailer that timely submits the fees is allowed a credit of up to 3% of the total amount of fees collected, for the expense of administering and paying the recycling fees.

“Tier I CED” means a computer monitor, television, or video display device that is not otherwise specified as a Tier II CED.

“Tier II CED” means (1) a laptop computer; (2) a personal digital assistant, notebook, reader, or tablet device; (3) a cell phone; (4) a central processing unit of a computer; (5) a printer; (6) a scanner; (7) a facsimile machine; (8) a copier; and (9) any other computer or electronic device or accessory that has a plug or battery that is designated as a Tier II CED by MDE.

### *Manufacturer Registration Fees*

The program is also funded by the existing (and modified) CED manufacturer registration fee (discussed above) that is deposited into the CED manufacturer registration fee account within SRTF and used to fund CEDRP and reimburse expenses of members of the CED advisory council. While not directly stated in the bill (though indirectly indicated under the advisory council provisions), this funding appears to be available, and intended, to support MDE's administration of the program (as well as expenses of CED advisory council members).

### *Disbursements to Authorized Recyclers and Collectors*

Beginning July 1, 2028, and each month thereafter, on receipt of accurate and reasonable reimbursement requests (as determined by MDE), MDE must disburse funds from the CED recycling account within SRTF (within 45 days of receipt of a reimbursement request) to:

- authorized recyclers as reimbursement for the costs of recycling, refurbishment, or reuse of CEDs in accordance with the program, including collection and transportation, such as the administration of mailback programs, curbside pickup programs, and collection from drop-off sites, as determined by MDE in regulation; and
- authorized collectors as reimbursement for the costs of storage, on-site collection, equipment, heat and fire detection and suppression and extinguishing systems and equipment, transportation, staffing, education, and, if applicable, the administration of mailback and curbside pickup programs, as determined by MDE in regulation.

An authorized recycler or collector that receives reimbursement (1) may not charge a person a fee for delivering or dropping off a CED on site and (2) must, if applicable, charge a CED manufacturer a fee for delivering or dropping off a CED on site. MDE, however, may authorize an authorized recycler or collector to charge a person a fee for dropping off a CED if the authorized recycler or collector submits a waiver justifying the need to charge the fee.

The bill establishes definitions of "authorized collector" and "authorized recycler," which do not include a manufacturer, except certain manufacturers (below) that are included in the definition of "authorized collector." "Authorized collector" includes (1) local governments; (2) nonprofit organizations; (3) electronics retailers; (4) a person authorized by a county, municipality, or district to collect CEDs under the terms of a contract, license, permit, or other written authorization; and (5) a manufacturer that is an electronics retailer with their own physical CED takeback location in the State that accepts and collects all makes and models of CEDs from the public at no cost.

MDE regulations adopted to implement and administer the program must establish application materials and procedures for authorized collectors and authorized recyclers.

### *Penalties*

Existing penalty provisions apply to violations of the program's requirements. The penalty provisions allow for (1) a civil penalty of up to \$10,000 for each day of a violation and (2) an administrative penalty of up to \$10,000 for each day of a violation, but not exceeding \$100,000 total. Penalties are deposited in SRTF.

### *Covered Electronic Device Advisory Council*

The bill establishes a CED advisory council to advise MDE on the implementation and administration of CEDRP. MDE must provide staff for the advisory council, and a member of the advisory council may not receive compensation but is entitled to reimbursement for expenses from the CED manufacturer registration fee account in SRTF.

The advisory council must study and make recommendations regarding:

- changes to the definition of CED;
- the amount of (1) recycling fees collected by electronics retailers each year to ensure costs borne by authorized collectors and authorized recyclers are covered and (2) CED manufacturer registration fees collected each year to ensure adequate funding for MDE's administration of CEDRP;
- reasonable caps on payments;
- standards to be used by MDE in developing application materials and procedures for authorized collectors and recyclers;
- the convenience and availability of drop-off sites for CEDs in the State, including an evaluation of the feasibility and costs of increasing public access to drop-off sites, mailback programs, and curbside pickup for purposes of developing adoption and convenience targets for each method;
- the reuse, reimbursement, and recyclability of CEDs and other electronic devices under consideration to be CEDs; and
- any other related topics requested by MDE.

The advisory council must report its findings and recommendations to MDE by December 1, 2026, and each December 1 thereafter. Recommendations do not need to be consensus recommendations. If multiple recommendations are submitted, each recommendation must indicate each member in favor of the recommendation.

**State Fiscal Effect:** The estimated State fiscal effect of the bill is summarized in **Exhibit 1** and discussed further below.

**Exhibit 1**  
**Estimated State Fiscal Effect of the Bill**

<u>Provision in Bill</u>	<u>Agency</u>	<u>Type</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Manufacturer Registration Fee - Redirected to CEDRP	MDE	SF Exp	(\$117,500)	(\$117,500)	(\$117,500)	(\$117,500)	(\$117,500)
	MDE	GF Exp	117,500	117,500	117,500	117,500	117,500
Manufacturer Registration Fee - Modification	MDE	SF Rev	481,875	481,875	481,875	481,875	481,875
CEDRP (Administrative Costs) - MDE Personnel	MDE	SF Exp			81,313	88,487	92,108
		<i>SF Pos's (New)</i>			1	0	0
CEDRP (Administrative Costs) - Contractor and Any Remaining Costs	MDE	SF Exp			518,062	510,888	507,267
Consumer Fee	MDE	SF Rev			11,710,443	12,798,224	12,789,640
	Comptroller	SF Rev			206,224	201,776	210,360
Consumer Fee (Administrative Costs)	Comptroller	SF Exp		100,000	206,224	201,776	210,360
		<i>SF Pos's (New)</i>			2	0	0
Disbursements to Authorized Collectors/Recyclers	MDE	SF Exp				11,710,443	12,798,224
Consumer Fees Paid by State Agencies	All agencies	Exp (multiple fund types)			-	-	-
		<i>GF Net Effect</i>	<i>(117,500)</i>	<i>(117,500)</i>	<i>(117,500)</i>	<i>(117,500)</i>	<i>(117,500)</i>
		<i>SF Net Effect</i>	<i>599,375</i>	<i>499,375</i>	<i>11,710,443</i>	<i>1,087,781</i>	<i>(8,584)</i>
		<i>Exp (multiple fund types)</i>			<i>(-)</i>	<i>(-)</i>	<i>(-)</i>
		<i>Net Effect</i>					
		<b>State Net Effect</b>	<b>\$481,875</b>	<b>\$381,875</b>	<b>\$11,592,943</b>	<b>\$970,281</b>	<b>(\$126,084)</b>

CEDRP: Covered Electronic Device Recycling Program  
Exp: expenditures  
GF: general fund

MDE: Maryland Department of the Environment  
Pos's: positions  
Rev: revenues

SF: special fund  
-: indeterminate increase  
(-): indeterminate decrease

Source: Department of Legislative Services

### *Manufacturer Registration Fee – Redirected to CEDRP*

Special fund expenditures from the unrestricted portion of SRTF (the portion of the fund other than the two separate CED-related accounts created by the bill) decrease by \$117,500 annually beginning in fiscal 2026, and general fund expenditures increase by \$117,500 annually beginning in fiscal 2026 due to the redirection of the manufacturer registration fee revenue to the CED manufacturer registration fee account within SRTF to support CEDRP.

The special fund expenditure decrease reflects the estimated amount of manufacturer registration fee revenue collected and spent in the absence of the bill (under current law) in fiscal 2026 and future years, that under the bill will no longer be spent from the unrestricted portion of SRTF beginning in fiscal 2026 because the bill redirects manufacturer registration fee revenues into the separate CED manufacturer registration fee account within SRTF, which must be used to fund CEDRP. That funding remains in the CED manufacturer registration fee account within SRTF until CEDRP begins, in fiscal 2028, when the consumer fees are first collected (beginning July 1, 2027). (Though see Consumer Fee (Administrative Costs) below, regarding use of funding for one-time Comptroller costs in fiscal 2027.)

General fund expenditures are assumed to increase by \$117,500 annually, beginning in fiscal 2025, to cover the expenses no longer funded by the manufacturer registration fee from the unrestricted portion of SRTF, including managing the manufacturer registrations and fee collections and enforcing the registration and fee payment requirements (MDE indicates that the fee revenue supports portions of at least three employees' salaries currently). MDE indicates that, in recent years, the manufacturer registration fee revenue in SRTF has not been used to provide grants to counties and municipalities for electronics recycling (as authorized under current law), due to insufficient funding.

In 2024, 87 manufacturers registered, 50 of whom had implemented takeback programs; however, a full breakdown of the fee amounts paid by the manufacturers is not readily available. Therefore, the estimate of \$117,500 in manufacturer registration fee revenue being collected and spent in the absence of the bill is based on the following assumptions:

- all of the 50 registered manufacturers that have implemented a takeback program sell at least 100 devices per year in the State, and therefore pay a \$500 registration fee;
- of the 37 registered manufacturers that have not implemented a takeback program, approximately 50% sell less than 100 devices and pay no fee, and 50% sell at least 100 devices and pay the \$5,000 registration fee; and



- no registered manufacturers are new registrants that sold at least 1,000 CEDs in the prior year (who would have paid an initial registration of \$10,000 under current law).

The estimate of \$117,500 in manufacturer fee revenue is in the approximate range of the \$107,950 in manufacturer registration fee revenues reported for fiscal 2024 in the Comptroller’s December 2024 *Fees and User Charges, Biennial Report* (found [here](#)).

*Manufacturer Registration Fee – Modification*

Special fund revenues increase by \$481,875 annually beginning in fiscal 2026 due to the bill’s modification of the manufacturer registration fee that makes the fee \$10,000 for each manufacturer that sold at least 1,000 CEDs in the prior year and \$5,000 for each manufacturer that sold at least 100 but not more than 999 CEDs in the prior year. This estimate makes the same assumptions mentioned above that were used to estimate the amount of revenue collected in the absence of the bill (\$117,500), as well as the following additional assumption:

- of the manufacturers that sold at least 100 CEDs in the prior year, 75% sold at least 1,000 CEDs in the prior year (and pay the \$10,000 fee) and 25% sold at least 100 but not more than 999 CEDs in the prior year (and pay the \$5,000 fee).

This estimate does not account for any changes to the manufacturer registration fee that MDE may make by regulation pursuant to authority provided in the bill. It also does not reflect any modifications MDE may make to the devices that are included in the definition of a CED.

*CEDRP (Administrative Costs) – Maryland Department of the Environment Personnel*

Special fund expenditures from the CED manufacturer registration fee account within SRTF increase by \$81,313 in fiscal 2028 for an additional MDE environmental compliance specialist to inspect authorized collectors and authorized recyclers to ensure that electronics are being appropriately dismantled/recycled. This estimate accounts for the environmental compliance specialist being hired in January 2028, six months prior to the beginning of disbursements to authorized recyclers and collectors. It includes a salary, fringe benefits, one-time start-up costs (including a vehicle), and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$40,459
Operating Expenses	<u>40,854</u>
<b>Total FY 2028 MDE Personnel Expenditures</b>	<b>\$81,313</b>

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

#### *CEDRP (Administrative Costs) – Contractor and Any Remaining Costs*

Special fund expenditures from the CED manufacturer registration fee account within SRTF also are assumed to increase by at least \$518,063 in fiscal 2028, \$510,888 in fiscal 2029, and \$507,267 in fiscal 2030 to pay for a contractor and any other remaining administrative costs. MDE expects to use a contractor to process claims/applications from authorized collectors and recyclers for reimbursement under CEDRP. This estimate assumes that costs of the contractor and any other administrative costs of the program total, at a minimum, the difference between the estimated annual revenue collected from the manufacturer registration fee (\$599,375 = \$117,500 of existing revenue + \$481,875 in new revenues due to the bill's fee modification) and the MDE personnel costs above. There will, however, also be accumulated manufacturer registration fee revenues collected in fiscal 2026 and 2027 in the CED manufacturer registration fee account within SRTF that will be available for any additional administrative costs in fiscal 2028 and future fiscal years.

#### *Consumer Fee*

Special fund revenues to the CED recycling account within SRTF increase by \$11.7 million in fiscal 2028 and by \$12.8 million annually thereafter, reflecting the monthly receipt of consumer fees from retailers (less the Comptroller's costs of administration) beginning August 1, 2027 (the fiscal 2028 amount is prorated to reflect only 11 months of collections). This estimate assumes that Maryland revenues from the consumer fees under CEDRP are as much as revenues generated by California's [Covered Electronic Waste Recycling Program](#) in fiscal 2023 (\$83.0 million), when adjusted to account for the differences in California's and Maryland's populations. Similar to CEDRP, California's program allows retailers to retain up to 3% of fees collected. This estimate is subject to the following uncertainties:

- It is not certain how compliance of online retailers under CEDRP will compare to compliance of online retailers under California's program. Due at least to the fact that California's program has been in place for years, presumably online retailer compliance may be better under California's program than CEDRP, at least for the initial years of CEDRP.
- The CEDs that are covered under California's program and CEDRP differ. Notably, while California's program will soon collect fee revenues from cell phone sales under recently enacted legislation, the revenue amount for California's program that is used for this estimate does not include fee revenue from cell phones.

- The [fee structure and amounts](#) for California’s program (fees of \$4, \$5, or \$6 based on the size of a device) may be different from those established by MDE under CEDRP.

*Consumer Fee (Administrative Costs)*

Special fund expenditures increase by at least \$100,000 in fiscal 2027 and by at least \$206,224 in fiscal 2028 for the Comptroller to collect the consumer fee and deposit it in the CED recycling account within SRTF. This estimate accounts for necessary modifications to the Comptroller’s tax processing system in order to collect and process the fee through the system (at least \$100,000) and costs of hiring at least one financial compliance staff (in the Revenue Administration Division) and one attorney (in the Legal Division). The Comptroller’s Office indicates it likely needs additional staff, in its Compliance Division, but has not been able to determine the amount of such staff. Any additional staff increases the portion of the consumer fee revenues allocated for the Comptroller’s costs of administration (likely still a small portion of overall consumer fee revenues). The estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

It is assumed, for the purpose of this analysis, that the Comptroller’s fiscal 2027 special fund expenditures are supported by funds from the CED manufacturer registration fee account within SRTF since consumer fees (a portion of which the bill allows to be used for the Comptroller’s costs of administration) are not collected until fiscal 2028. The funds from the CED manufacturer registration fee account are assumed to be allocated to the Comptroller, by MDE, as funding for costs related to administration of CEDRP. Beginning in fiscal 2028, consumer fee revenues used to support the Comptroller’s costs of administration are assumed to be special fund revenues of the Comptroller’s Office since they are collected and spent for a designated purpose (covering the costs of administering the fee).

	<u><b>FY 2027</b></u>	<u><b>FY 2028</b></u>
Positions	0.0	2.0
Salaries and Fringe Benefits	\$0	\$190,890
System Modifications	100,000	0
Operating Expenses	<u>0</u>	<u>15,334</u>
<b>Total Comptroller Expenditures</b>	<b>\$100,000</b>	<b>\$206,224</b>

Future year expenditures reflect salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

### *Disbursements to Authorized Collectors/Recyclers*

Special fund expenditures increase by at least \$11.7 million in fiscal 2029 and by at least \$12.8 million annually thereafter. This estimate assumes:

- the disbursements to authorized collectors and recyclers occur approximately one year after receipt of the consumer fee revenues, on an ongoing basis, consistent with the initial disbursements under the bill (July 1, 2028) being almost one year after the first receipt of consumer fees from retailers (August 1, 2027); and
- there is enough demand from authorized collectors/recyclers to fully use available funding.

Some of these expenditures may be made through disbursements to State agencies (including institutions of higher education) that run electronics recycling/refurbishment programs if they are determined to be authorized collectors or recyclers.

### *Consumer Fees Paid by State Agencies*

State expenditures (multiple fund types) increase beginning in fiscal 2028 to pay the consumer fee on CEDs purchased by State agencies, beginning July 1, 2027. The extent of the increase cannot be reliably estimated without knowing the fee amounts that are set by MDE. However, for context regarding the general magnitude of such potential expenditures, an estimate for previous legislation that established fee amounts in statute was in the range of \$200,000 annually, collectively, across State government.

### *Covered Electronic Device Advisory Council*

Any expense reimbursements for CED advisory council members are assumed to be minimal and are covered by the CED manufacturer registration fee account within SRTF. Staffing of the council by MDE is assumed to be handled with existing staff.

### *Maryland Environmental Service*

This analysis assumes that Maryland Environmental Service (MES) nonbudgeted revenues and expenditures are not directly affected by the bill. MES operates an electronics recycling program for Caroline, Kent, Queen Anne's, and Talbot counties through its Midshore Regional Recycling Program, which is funded by those counties. To the extent disbursements under CEDRP subsidize the costs of that program, they only replace or support county funding of the program and do not affect the level of MES nonbudgeted revenues and expenditures associated with the program. Any potential expansion of electronics recycling by MES (and associated corresponding increases in nonbudgeted revenues and expenditures) related to the availability of disbursements under CEDRP are

subject to county decisions to expand or establish electronics recycling programs and are not a direct impact of the bill.

### *Penalties*

Any penalties collected for violations of CEDRP requirements are not expected to significantly affect SRTF revenues.

### **Local Fiscal Effect:**

#### *Disbursements to Authorized Collectors/Recyclers*

Local governments are expected to benefit from disbursements under CEDRP, beginning in fiscal 2029, either (1) as direct recipients of funding to support existing or new/expanded electronics recycling programs or (2) as a result of nongovernmental programs, supported by CEDRP, reducing the need for local government-funded electronics recycling programs and/or reducing local governments' waste management costs associated with electronics waste.

#### *Consumer Fees Paid by Local Governments*

Local government expenditures increase relatively minimally for individual local governments, beginning in fiscal 2028, to pay the consumer fees on CEDs purchased by the local governments. Similar to the fiscal effect of State agencies paying the consumer fees, the extent of the increase in local government expenditures cannot be reliably estimated without knowing the fee amounts that are set by MDE, but an estimate for previous legislation that established fee amounts in statute was in the range of \$500,000 annually, collectively, across all local governments in the State.

#### *Repeal of Local Government Electronics Recycling Grants*

MDE indicates that the bill's repeal of existing provisions that authorize grants to counties and municipalities for CED recycling does not have a material effect on local governments. As mentioned above, grants have not been made to counties in recent years due to insufficient funding.

**Small Business Effect:** Small businesses may be meaningfully affected by the bill, beginning in fiscal 2028, as a result of the following:

- *CED Retailers* – Small business retailers that sell CEDs will be required to collect and remit the consumer fees beginning in fiscal 2028 and will be able to retain up to 3% of the fees.

- *Disbursements to Authorized Collectors/Recyclers* – Small businesses may benefit, beginning in fiscal 2029, either as direct recipients of disbursements from CEDRP or to the extent they provide goods or services to authorized collectors or recyclers.
- *Payment of Consumer Fees* – Small businesses that purchase CEDs must pay the consumer fees beginning in fiscal 2028.
- *Manufacturer Registration Fees* – To the extent any current or future CED manufacturers who sell CEDs in the State are Maryland small businesses, they are subject to the bill’s modification of the manufacturer registration fee.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 686 and HB 830 of 2024.

**Designated Cross File:** HB 931 (Delegate Stein) - Environment and Transportation.

**Information Source(s):** Department of Information Technology; Maryland Environmental Service; Calvert, Howard, and Prince George’s counties; Maryland Association of Counties; Northeast Maryland Waste Disposal Authority; Maryland Municipal League; Comptroller’s Office; Judiciary (Administrative Office of the Courts); University System of Maryland; Morgan State University; St. Mary’s College of Maryland; Department of Budget and Management; Maryland Department of the Environment; Maryland Department of Transportation; U.S. Census Bureau; CalRecycle; Department of Legislative Services

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Analysis by: Scott D. Kennedy

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