

HOUSE BILL 232

M3

HB 735/24 – ENT & ECM

(PRE-FILED)

5lr1373

CF 5lr1374

By: **Delegates Terrasa, Feldmark, Foley, Kaufman, Mireku–North, Pena–Melnyk, Ruth, Vogel, and Ziegler**

Requested: October 25, 2024

Introduced and read first time: January 8, 2025

Assigned to: Environment and Transportation and Economic Matters

A BILL ENTITLED

AN ACT concerning

Maryland Beverage Container Recycling Refund and Litter Reduction Program

FOR the purpose of establishing the Maryland Beverage Container Recycling Refund and Litter Reduction Program to increase the reuse and recycling of beverage containers and reduce the litter, pollution, and costs associated with beverage containers; altering the duties of the Office of Recycling; altering the contents and use of the State Recycling Trust Fund; requiring the Comptroller to establish a separate account within the Fund; requiring that each redeemable beverage container sold in the State depict certain information beginning on a certain date; requiring the wholesale price and retail price of a full redeemable beverage container to include the refund value of the container, subject to a certain exception, beginning on a certain date; requiring a retailer to include certain information on a customer's sales receipt; establishing a framework for the redemption of redeemable beverage containers sold in the State; requiring a producer to provide a certified copy of a certain contractual agreement to a certain beverage container stewardship organization; prohibiting a producer from selling, offering for sale, or distributing in or importing into the State a redeemable beverage container unless the producer is registered with the Department of the Environment, pays a certain fee, and is part of the beverage container stewardship organization; establishing a framework for the beverage container stewardship organization to represent producers in fulfilling the requirements of this Act; requiring the beverage container stewardship organization to submit a certain beverage container stewardship plan to the Department for approval; requiring the beverage container stewardship organization to implement and administer the beverage container stewardship plan within a certain time after the plan is approved; requiring the Department to establish a process for a county or municipal corporation to create a redemption facility; authorizing redeemable beverage containers redeemed at a redemption facility managed by a county or municipal corporation to be credited toward meeting certain recycling rates; establishing the Beverage Container Recycling Refund Grant

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Program to evaluate the investments and policies necessary to achieve a certain performance target, increase the reuse and recycling of beverage containers in the State, increase the availability of public water fountains and refill stations in the State, and reduce the volume of litter from beverage containers in the State; establishing the Redeemable Beverage Container Recycling Refund Advisory Council to review certain reports, make certain recommendations, and advise the Department on certain matters; providing immunity from liability to a certain person under certain circumstances; and generally relating to the Maryland Beverage Container Recycling Refund and Litter Reduction Program.

BY repealing and reenacting, without amendments,

Article – Environment

Section 9–1701(a) and (q) and 9–1702(a)

Annotated Code of Maryland

(2014 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – Environment

Section 9–1702(d) and 9–1707(f)

Annotated Code of Maryland

(2014 Replacement Volume and 2024 Supplement)

BY adding to

Article – Environment

Section 9–1737 through 9–1755 to be under the new part “Part VI. Maryland Beverage Container Recycling Refund and Litter Reduction Program”

Annotated Code of Maryland

(2014 Replacement Volume and 2024 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Environment

9–1701.

(a) In this subtitle the following words have the meanings indicated.

(q) “Recycling” means any process in which recyclable materials are collected, separated, or processed and returned to the marketplace in the form of raw materials or products.

9–1702.

(a) There is an Office of Recycling created within the Department.

(d) The Office shall:

(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;

(2) Coordinate the efforts of the State to facilitate the implementation of the recycling goals at the county level;

(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;

(4) Administer the Statewide Electronics Recycling Program under Part IV of this subtitle;

(5) Promote the development of markets for recycled materials and recycled products in the State in accordance with § 9–1702.1 of this subtitle; [and]

(6) Review and approve plans and annual reports, including the paint stewardship assessment, submitted in accordance with a Paint Stewardship Program established under Part V of this subtitle; AND

(7) ADMINISTER THE MARYLAND BEVERAGE CONTAINER RECYCLING REFUND AND LITTER REDUCTION PROGRAM ESTABLISHED UNDER § 9–1739 OF THIS SUBTITLE.

9–1707.

(f) (1) There is a State Recycling Trust Fund.

(2) The Fund shall consist of:

(i) The newsprint recycling incentive fee;

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

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

(iv) The Paint Stewardship Program plan and annual report review fees collected under § 9–1733(b) and (h) of this subtitle;

(V) UNCLAIMED DEPOSITS, FEES, AND PENALTIES TRANSFERRED TO THE FUND UNDER §§ 9–1743, 9–1744, AND 9–1754 OF THIS SUBTITLE;

[(v)] (VI) All fines and penalties collected under this subtitle;

[(vi)] (VII) Money appropriated in the State budget to the Fund; and

[(vii)] (VIII) Any other money from any other source accepted for the benefit of the Fund.

(3) The Secretary shall administer the Fund.

(4) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

(5) (I) [At] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, 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 accordance with § 7–302 of the State Finance and Procurement Article.

(II) THE FUNDS TRANSFERRED TO THE FUND UNDER PARAGRAPH (2)(V) OF THIS SUBSECTION ARE NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND MAY NOT REVERT TO THE GENERAL FUND OF THE STATE.

(6) In accordance with the State budget, the Fund shall be used only:

(i) To provide grants to the counties to be used by the counties to develop and implement local recycling plans;

(ii) To provide grants to counties that have addressed methods for the separate collection and recycling of covered electronic devices in accordance with § 9–1703(c)(1) of this subtitle;

(iii) To provide grants to municipalities to be used by the municipalities to implement local covered electronic device recycling programs;

(iv) To cover the costs of the Paint Stewardship Program plan review under § 9–1733(b) of this subtitle, the annual report review under § 9–1733(h) of this subtitle, and associated costs for Program compliance oversight; [and]

(V) TO COVER THE COSTS OF ADMINISTERING, MONITORING, EVALUATING, AND ENFORCING THE MARYLAND BEVERAGE CONTAINER RECYCLING REFUND AND LITTER REDUCTION PROGRAM ESTABLISHED UNDER § 9–1739 OF THIS SUBTITLE; AND

[(v)] (VI) To carry out the purposes of the land management administration.

(7) (I) THE COMPTROLLER SHALL ESTABLISH A SEPARATE ACCOUNT WITHIN THE FUND.

(II) THE ACCOUNT SHALL CONSIST OF THE FUNDS SPECIFIED IN PARAGRAPH (2)(V) OF THIS SUBSECTION.

(III) THE ACCOUNT MAY BE USED ONLY TO:

1. COVER THE COSTS OF ADMINISTERING, MONITORING, EVALUATING, AND ENFORCING THE MARYLAND BEVERAGE CONTAINER RECYCLING REFUND AND LITTER REDUCTION PROGRAM ESTABLISHED UNDER § 9-1739 OF THIS SUBTITLE;

2. FUND THE BEVERAGE CONTAINER RECYCLING REFUND GRANT PROGRAM ESTABLISHED UNDER § 9-1750 OF THIS SUBTITLE;

3. COMPENSATE LOCAL GOVERNMENTS IN ACCORDANCE WITH § 9-1748 OF THIS SUBTITLE; AND

4. MEET OR EXCEED THE PERFORMANCE TARGETS ESTABLISHED UNDER § 9-1740 OF THIS SUBTITLE.

[(7)] (8) (i) The Treasurer shall invest the money in the Fund in the same manner as other State money may be invested.

(ii) Any investment earnings of the Fund shall be credited to the General Fund of the State.

9-1735. RESERVED.

9-1736. RESERVED.

PART VI. MARYLAND BEVERAGE CONTAINER RECYCLING REFUND AND LITTER REDUCTION PROGRAM.

9-1737.

(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) (1) “ACCOUNT-BASED BULK PROCESSING PROGRAM” MEANS A PROGRAM THAT:

(I) UTILIZES A SYSTEM OF CUSTOMER ACCOUNTS AND A MECHANISM TO ASSOCIATE REDEEMED REDEEMABLE BEVERAGE CONTAINERS WITH THE APPROPRIATE CUSTOMER ACCOUNT;

(II) CONSOLIDATES THE REDEEMED REDEEMABLE BEVERAGE CONTAINERS FOR BULK SORTING WHILE COLLECTING DATA ABOUT THE CONTAINERS;

(III) FULLY PREPARES REDEEMED REDEEMABLE BEVERAGE CONTAINERS FOR SALE TO RECYCLERS; AND

(IV) COLLECTS DATA TO SUPPORT AN ACCOUNTING OF THE REDEEMABLE BEVERAGE CONTAINERS, INCLUDING THE DEPOSITS, FEES, AND POUNDS OF MATERIAL PRODUCED THAT ARE ASSOCIATED WITH THE REDEEMABLE BEVERAGE CONTAINERS.

(2) “ACCOUNT-BASED BULK PROCESSING PROGRAM” INCLUDES A BAG DROP PROGRAM IF THE BAG DROP PROGRAM IS A COMPONENT OF THE ACCOUNT-BASED BULK PROCESSING PROGRAM.

(C) “ADVISORY COUNCIL” MEANS THE REDEEMABLE BEVERAGE CONTAINER RECYCLING REFUND ADVISORY COUNCIL ESTABLISHED UNDER § 9-1752 OF THIS SUBTITLE.

(D) “BAG DROP PROGRAM” MEANS A PROGRAM THAT ALLOWS A CUSTOMER TO:

(1) DROP OFF EMPTY REDEEMABLE BEVERAGE CONTAINERS IN A BAG OR OTHER RECEPTACLE AT ONE OR MORE LOCATIONS FOR A REFUND; AND

(2) HAVE THE CORRESPONDING REFUND PLACED INTO AN ACCOUNT HELD FOR THE BENEFIT OF THE CUSTOMER IN A MANNER THAT ALLOWS THE CUSTOMER TO OBTAIN THE REFUND OR REFUND RECEIPT WITHIN A SPECIFIED NUMBER OF DAYS AFTER THE DROP-OFF.

(E) (1) “BEVERAGE” MEANS ANY DRINKABLE LIQUID INTENDED FOR HUMAN ORAL CONSUMPTION.

(2) “BEVERAGE” DOES NOT INCLUDE:

(I) DRUGS REGULATED UNDER THE FEDERAL FOOD, DRUG, AND COSMETIC ACT; AND

(II) INFANT FORMULA.

(F) (1) “BEVERAGE CONTAINER” MEANS A BOTTLE, CAN, OR OTHER CONTAINER THAT:

(I) HAS BEEN SEALED BY A MANUFACTURER;

(II) IS MADE OF GLASS, METAL, OR PLASTIC; AND

(III) AT THE TIME OF SALE, CONTAINS 3 LITERS OR LESS OF A BEVERAGE.

(2) “BEVERAGE CONTAINER” DOES NOT INCLUDE:

(I) A CARTON;

(II) A POUCH; OR

(III) ASEPTIC PACKAGING.

(G) “BEVERAGE CONTAINER REDEMPTION AND PROCESSING METHOD” MEANS A MANUAL OR TECHNOLOGICAL METHOD FOR PROPERLY COLLECTING, IDENTIFYING, COUNTING, OR PROCESSING EMPTY REDEEMABLE BEVERAGE CONTAINERS FOR REDEMPTION.

(H) “BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION” MEANS A NONPROFIT ORGANIZATION THAT IS:

(1) EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

(2) CREATED BY PRODUCERS TO IMPLEMENT A BEVERAGE CONTAINER STEWARDSHIP PLAN; AND

(3) APPROVED BY THE DEPARTMENT IN ACCORDANCE WITH § 9-1745 OF THIS SUBTITLE.

(I) “BEVERAGE CONTAINER STEWARDSHIP PLAN” MEANS A PLAN SUBMITTED TO THE DEPARTMENT UNDER § 9-1746 OF THIS SUBTITLE.

(J) “DEPOSIT INITIATOR” MEANS THE FIRST DISTRIBUTOR TO COLLECT A DEPOSIT ON A BEVERAGE CONTAINER SOLD IN THE STATE.

(K) (1) “DISTRIBUTOR” MEANS A PERSON THAT SELLS BEVERAGES IN

REDEEMABLE BEVERAGE CONTAINERS TO A RETAILER IN THE STATE.

(2) “DISTRIBUTOR” INCLUDES A PERSON THAT MANUFACTURES AND SELLS BEVERAGES IN REDEEMABLE BEVERAGE CONTAINERS TO A RETAILER IN THE STATE.

(3) “DISTRIBUTOR” DOES NOT INCLUDE AIRLINES OR SHIPPING COMPANIES THAT TRANSPORT REDEEMABLE BEVERAGE CONTAINERS.

(L) “GRANT PROGRAM” MEANS THE BEVERAGE CONTAINER RECYCLING REFUND GRANT PROGRAM ESTABLISHED UNDER § 9-1750 OF THIS SUBTITLE.

(M) “LINE BREAKAGE” MEANS A BEVERAGE CONTAINER THAT:

- (1) BECOMES DEFECTIVE OR DAMAGED DURING MANUFACTURING;**
- (2) IS NOT INTENDED TO BE SOLD; AND**
- (3) IS NOT ELIGIBLE FOR REDEMPTION.**

(N) “MARYLAND-SPECIFIC UPC BARCODE” MEANS A UNIVERSAL PRODUCT CODE THAT IS:

- (1) UNIQUE TO BEVERAGE CONTAINERS SOLD IN THE STATE; AND**
- (2) USED TO DETER FRAUD AND ENSURE THE LEGITIMATE REDEMPTION OF REDEEMABLE BEVERAGE CONTAINERS.**

(O) (1) “ON-PREMISES SELLER” MEANS A PERSON THAT SELLS FILLED AND UNOPENED REDEEMABLE BEVERAGE CONTAINERS FOR ON-PREMISES CONSUMPTION.

(2) “ON-PREMISES SELLER” INCLUDES:

- (I) BARS;**
- (II) HOTELS;**
- (III) RESTAURANTS;**
- (IV) SPORTING VENUES;**
- (V) ENTERTAINMENT VENUES; AND**

(VI) GAMING VENUES.

(P) “PERFORMANCE TARGETS” MEANS THE TARGETS ESTABLISHED UNDER § 9-1740 OF THIS SUBTITLE.

(Q) (1) “PRODUCER” MEANS A PERSON RESPONSIBLE FOR COMPLYING WITH THE REQUIREMENTS UNDER THIS PART.

(2) “PRODUCER” INCLUDES A FRANCHISOR OF A FRANCHISE LOCATED IN THE STATE.

(3) “PRODUCER” DOES NOT INCLUDE:

(I) THE STATE, A COUNTY, A MUNICIPAL CORPORATION, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE;

(II) A CHARITABLE ORGANIZATION THAT IS TAX-EXEMPT UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

(III) A SOCIAL WELFARE ORGANIZATION THAT IS TAX-EXEMPT UNDER § 501(C)(4) OF THE INTERNAL REVENUE CODE;

(IV) A FRANCHISEE THAT OPERATES A FRANCHISE IN THE STATE;

(V) A PERSON THAT ANNUALLY SELLS, OFFERS FOR SALE, DISTRIBUTES, OR IMPORTS INTO THE COUNTRY FOR SALE IN THE STATE FEWER THAN 1,000 REDEEMABLE BEVERAGE CONTAINERS; OR

(VI) A PERSON THAT ANNUALLY SELLS, OFFERS FOR SALE, OR DISTRIBUTES IN THE STATE REDEEMABLE BEVERAGE CONTAINERS THAT IN AGGREGATE GENERATE LESS THAN \$5,000,000 EACH YEAR IN GLOBAL REVENUE.

(R) “PROGRAM” MEANS THE MARYLAND BEVERAGE CONTAINER RECYCLING REFUND AND LITTER REDUCTION PROGRAM ESTABLISHED UNDER § 9-1739 OF THIS SUBTITLE.

(S) “RECYCLING RATE” MEANS THE NUMBER OF NONREFILLABLE REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE THAT ARE RECYCLED SHOWN AS A PERCENTAGE OF ALL NONREFILLABLE REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE.

(T) **“REDEEM” MEANS THE RETURN OF AN EMPTY REDEEMABLE BEVERAGE CONTAINER IN EXCHANGE FOR A REFUND, A VOUCHER FOR A REFUND, OR A CREDIT TO AN ACCOUNT FOR NOT LESS THAN THE REFUND VALUE.**

(U) **“REDEEMABLE BEVERAGE CONTAINER” MEANS A BEVERAGE CONTAINER THAT, AT THE TIME OF SALE:**

(1) **CONTAINS 3 LITERS OR LESS OF A BEVERAGE;**

(2) **BEARS A UNIVERSAL PRODUCT CODE; AND**

(3) **MAY BEAR A MARYLAND-SPECIFIC UPC BARCODE FOR THE PURPOSE OF ENSURING LEGITIMATE REDEMPTION AND DETERRING FRAUD.**

(V) **“REDEMPTION FACILITY” MEANS A FACILITY THAT:**

(1) **ACCEPTS EMPTY BEVERAGE CONTAINERS FROM A CONSUMER, A RETAILER, OR BOTH;**

(2) **COLLECTS, SORTS, AND COUNTS EMPTY BEVERAGE CONTAINERS;**

(3) **REFUNDS THE REFUND VALUE OF EMPTY REDEEMABLE BEVERAGE CONTAINERS IN CASH, WITH A VOUCHER, OR AS A CREDIT TO AN ACCOUNT FOR NOT LESS THAN THE REFUND VALUE OF THE REDEEMABLE BEVERAGE CONTAINER; AND**

(4) **IS LICENSED UNDER § 9-1742 OF THIS SUBTITLE.**

(W) **“REDEMPTION RATE” MEANS THE PERCENTAGE OF REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE THAT ARE REDEEMED FOR THE DEPOSIT VALUE.**

(X) **“REFILLABLE” MEANS A BEVERAGE CONTAINER THAT IS DESIGNED AND INTENDED TO BE REUSED AS A BEVERAGE CONTAINER AFTER BEING USED BY A CONSUMER WITHOUT THE NEED FOR REMANUFACTURING.**

(Y) (1) **“RETAILER” MEANS A PERSON THAT ENGAGES IN THE SALE OF REDEEMABLE BEVERAGE CONTAINERS TO A CONSUMER IN THE STATE.**

(2) **“RETAILER” INCLUDES A PERSON THAT ENGAGES IN THE SALE OF REDEEMABLE BEVERAGE CONTAINERS:**

(I) **THROUGH A VENDING MACHINE; OR**

(II) ONLINE FOR HOME OR OFFICE DELIVERY.

(Z) "REVERSE VENDING MACHINE" MEANS AN AUTOMATED DEVICE THAT:

(1) ACCEPTS ONE OR MORE TYPES OF EMPTY REDEEMABLE BEVERAGE CONTAINERS;

(2) USES A LASER SCANNER, AN OPTICAL SENSOR, A MICROPROCESSOR, OR OTHER TECHNOLOGY TO ACCURATELY RECOGNIZE A BEVERAGE CONTAINER'S UNIVERSAL PRODUCT CODE TO DETERMINE WHETHER THE CONTAINER IS A REDEEMABLE BEVERAGE CONTAINER;

(3) ISSUES A REDEEMABLE CREDIT SLIP FOR THE REDEEMABLE BEVERAGE CONTAINER'S REFUND VALUE;

(4) SEPARATES REDEEMABLE BEVERAGE CONTAINERS FROM CONTAINERS THAT ARE NOT REDEEMABLE;

(5) USES MECHANICAL COMPACTION TO CANCEL REDEEMABLE BEVERAGE CONTAINERS THAT HAVE BEEN REDEEMED; AND

(6) COMPILES INFORMATION REGARDING THE REDEEMABLE BEVERAGE CONTAINERS THAT HAVE BEEN REDEEMED, INCLUDING THE NUMBER OF REDEEMABLE BEVERAGE CONTAINERS REDEEMED.

(AA) (1) "UNIVERSAL PRODUCT CODE" OR "UPC" MEANS A STANDARD BARCODE THAT ENCODES A NUMBER UNIQUELY ASSIGNED TO A PRODUCT FOR IDENTIFICATION OF THE PRODUCT.

(2) "UNIVERSAL PRODUCT CODE" OR "UPC" INCLUDES:

(I) ANY INDUSTRY-ACCEPTED BARCODE USED FOR PRODUCT IDENTIFICATION PURPOSES; AND

(II) A EUROPEAN ARTICLE NUMBER.

9-1738.

IT IS THE INTENT OF THE GENERAL ASSEMBLY TO:

(1) REDUCE THE VOLUME OF LITTER AND PLASTIC POLLUTION FROM BEVERAGE CONTAINERS IN THE STATE BY ACHIEVING A REDEMPTION RATE OF AT

LEAST 90% FOR THE APPROXIMATELY 5,500,000,000 SINGLE-USE BEVERAGE CONTAINERS SOLD ANNUALLY IN THE STATE;

(2) PROVIDE A SOURCE OF HIGH-QUALITY, FOOD-GRADE MATERIALS FOR USE AS RECYCLED CONTENT IN BEVERAGE AND FOOD CONTAINERS;

(3) REDUCE THE VOLUME OF BEVERAGE CONTAINERS THAT ARE LANDFILLED OR INCINERATED IN THE STATE;

(4) REDUCE THE COSTS OF LITTER AND BEVERAGE CONTAINER COLLECTION, RECYCLING, AND DISPOSAL INCURRED BY TAXPAYERS, COUNTIES, AND MUNICIPAL CORPORATIONS BY MAKING PRODUCERS OF BEVERAGE CONTAINERS RESPONSIBLE FOR THE RECOVERY, RECYCLING, AND REUSE OF BEVERAGE CONTAINERS;

(5) PROVIDE INCENTIVES FOR INCREASING THE USE OF REUSABLE AND REFILLABLE BEVERAGE CONTAINERS; AND

(6) REDUCE GREENHOUSE GAS EMISSIONS ASSOCIATED WITH THE PRODUCTION, TRANSPORTATION, PROCESSING, AND WASTE DISPOSAL OF SINGLE-USE BEVERAGE CONTAINERS SOLD IN THE STATE.

9-1739.

THERE IS A MARYLAND BEVERAGE CONTAINER RECYCLING REFUND AND LITTER REDUCTION PROGRAM IN THE DEPARTMENT.

9-1740.

PERFORMANCE TARGETS FOR THE PROGRAM ARE AS FOLLOWS:

(1) A 70% REDEMPTION RATE BY DECEMBER 31, 2029;

(2) A 90% REDEMPTION RATE BY DECEMBER 31, 2032;

(3) BY DECEMBER 31, 2027, ATTAINMENT OF ALL CONVENIENCE STANDARDS IDENTIFIED BY THE DEPARTMENT UNDER § 9-1751 OF THIS SUBTITLE; AND

(4) BY DECEMBER 31, 2035, AT LEAST 10% OF ALL BEVERAGE CONTAINERS SOLD IN THE STATE ARE RETURNED AND REFILLED.

9-1741.

(A) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, BEGINNING JANUARY 1, 2028, EACH REDEEMABLE BEVERAGE CONTAINER SOLD IN THE STATE SHALL INCLUDE A DEPICTION OF THE FOLLOWING INFORMATION:

(I) THE WORD “MARYLAND” OR THE LETTERS “MD”; AND

(II) 1. FOR REDEEMABLE BEVERAGE CONTAINERS WITH A VOLUME OF 24 FLUID OUNCES OR LESS, A REFUND VALUE OF 10 CENTS; OR

2. FOR REDEEMABLE BEVERAGE CONTAINERS WITH A VOLUME OF MORE THAN 24 FLUID OUNCES, A REFUND VALUE OF 15 CENTS.

(2) THE DEPARTMENT MAY ADJUST THE REFUND VALUES SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION:

(I) IF THE DEPARTMENT DETERMINES ALTERING THE REFUND VALUES IS NECESSARY TO MEET OR EXCEED PERFORMANCE TARGETS; OR

(II) AT THE REQUEST OF A BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION.

(3) BEGINNING JANUARY 1, 2032, THE DEPARTMENT SHALL INCREASE THE REFUND VALUES SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION BY 5 CENTS IF THE DEPARTMENT DETERMINES THAT FOR 2 CONSECUTIVE CALENDAR YEARS THE REDEMPTION RATE WAS LESS THAN 90% OF THE TOTAL NUMBER OF BEVERAGE CONTAINERS SOLD IN THE STATE.

(B) A BEVERAGE CONTAINER DEPICTING THE INFORMATION SPECIFIED IN SUBSECTION (A) OF THIS SECTION MAY NOT BE SOLD TO A CONSUMER BEFORE JANUARY 1, 2028.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, BEGINNING JANUARY 1, 2028:

(I) THE WHOLESALE PRICE AND THE RETAIL PRICE OF A FULL REDEEMABLE BEVERAGE CONTAINER SHALL INCLUDE THE REFUND VALUE OF THE REDEEMABLE BEVERAGE CONTAINER; AND

(II) A RETAILER SHALL INCLUDE ON A CUSTOMER’S SALES RECEIPT THE REFUND VALUE OF A REDEEMABLE BEVERAGE CONTAINER SOLD BY THE RETAILER TO THE CUSTOMER.

(2) THE RETAIL PRICE OF A FULL REDEEMABLE BEVERAGE CONTAINER SOLD BY AN ON-PREMISES SELLER MAY NOT INCLUDE THE REFUND VALUE OF THE REDEEMABLE BEVERAGE CONTAINER.

9-1742.

(A) (1) THE PROGRAM SHALL PROVIDE A RANGE OF OPTIONS FOR CUSTOMERS TO CONVENIENTLY REDEEM EMPTY REDEEMABLE BEVERAGE CONTAINERS FOR THE FULL REFUND VALUE, INCLUDING:

(I) AT A RETAILER'S PLACE OF BUSINESS THROUGH DIRECT TAKE-BACK BY THE RETAILER, REVERSE VENDING MACHINES, A BAG DROP PROGRAM, OR OTHER REDEMPTION METHODS;

(II) DEDICATED AND CONVENIENTLY LOCATED REDEMPTION FACILITIES OPERATED BY RETAILERS, PUBLIC ENTITIES, OR THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION; AND

(III) PLACING REDEEMABLE BEVERAGE CONTAINER REDEMPTION AND PROCESSING METHODS, SUCH AS REVERSE VENDING MACHINES, BAG DROP PROGRAMS, AND ACCOUNT-BASED BULK PROCESSING PROGRAMS, IN AREAS:

- 1. WITH A HIGH NUMBER OF PEDESTRIANS; AND**
- 2. WHERE INDIVIDUALS PURCHASE OR USE BEVERAGE CONTAINERS.**

(2) THE PROGRAM SHALL PROVIDE A RANGE OF OPTIONS FOR ON-PREMISES SELLERS TO CONVENIENTLY REDEEM EMPTY REDEEMABLE BEVERAGE CONTAINERS FOR THE FULL REFUND VALUE, INCLUDING:

(I) AN ACCOUNT-BASED REFUND ISSUED BY THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION OR ITS AGENTS FOLLOWING THE COLLECTION OF EMPTY REDEEMABLE BEVERAGE CONTAINERS BY THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION OR ITS AGENTS FROM THE ON-PREMISES SELLER; OR

(II) AN ACCOUNT-BASED REFUND ISSUED BY THE OPERATOR OF A BAG DROP PROGRAM.

(B) (1) A PERSON SHALL APPLY TO THE DEPARTMENT FOR A LICENSE TO OPERATE A REDEMPTION FACILITY IN THE STATE.

(2) THE DEPARTMENT SHALL DEVELOP STANDARDS AND A LICENSING PROCESS FOR THE ESTABLISHMENT AND OPERATION OF REDEMPTION FACILITIES.

(C) SUBJECT TO SUBSECTION (D) OF THIS SECTION, A REDEMPTION FACILITY SHALL ACCEPT ALL TYPES OF EMPTY REDEEMABLE BEVERAGE CONTAINERS FOR REDEMPTION.

(D) A RETAILER OR REDEMPTION FACILITY MAY REFUSE TO ACCEPT AN EMPTY REDEEMABLE BEVERAGE CONTAINER THAT:

(1) IS DIRTY;

(2) IS BROKEN;

(3) CONTAINS MATERIAL FOREIGN TO THE NORMAL CONTENTS OF THE BEVERAGE CONTAINER; OR

(4) THE RETAILER OR REDEMPTION FACILITY BELIEVES WAS NOT SOLD IN THE STATE.

(E) (1) THIS SUBSECTION APPLIES TO A RETAILER WITH AT LEAST 3,000 SQUARE FEET OF SALES FLOOR SPACE AND AT LEAST 150 SQUARE FEET OF SHELF SPACE DEDICATED TO THE DISPLAY OF REDEEMABLE BEVERAGE CONTAINERS.

(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, A RETAILER SHALL:

(I) ESTABLISH AND MAINTAIN A DEDICATED AREA AT THE RETAILER'S PLACE OF BUSINESS TO ACCEPT EMPTY REDEEMABLE BEVERAGE CONTAINERS;

(II) ACCEPT AT THE RETAILER'S PLACE OF BUSINESS ANY EMPTY REDEEMABLE BEVERAGE CONTAINERS RETURNED FOR REDEMPTION DURING THE RETAILER'S BUSINESS HOURS; AND

(III) PAY TO THE REDEEMER THE REFUND VALUE FOR EACH EMPTY REDEEMABLE BEVERAGE CONTAINER REDEEMED.

(3) RETAILERS MAY MEET THE REQUIREMENTS IN PARAGRAPH (2) OF THIS SUBSECTION THROUGH VARIOUS METHODS, INCLUDING:

(I) SUPPLEMENTING THE MANUAL COLLECTION AND STORING OF REDEEMED REDEEMABLE BEVERAGE CONTAINERS WITH A REVERSE VENDING MACHINE, A BAG DROP PROGRAM, OR OTHER COUNTING AND SORTING METHODS; AND

(II) GROUPING BEVERAGE CONTAINER REDEMPTION AND PROCESSING METHODS WITH THOSE OF OTHER RETAILERS IF:

1. THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION APPROVES THE PROPOSAL; AND

2. THE RETAILERS PARTICIPATING IN THE GROUPED METHODS PROVIDE CONSISTENT SERVICE, MARKETING, AND SITE REDEMPTION LOCATIONS THAT COMPLY WITH DISTANCE PROVISIONS DETERMINED BY THE DEPARTMENT.

(4) A RETAILER WITHIN AN AREA THAT MEETS THE CONVENIENCE STANDARDS ESTABLISHED BY THE DEPARTMENT UNDER § 9-1751 OF THIS SUBTITLE MAY BE EXEMPT FROM THE REQUIREMENTS OF THIS SUBSECTION IF THE RETAILER:

(I) IS LOCATED IN CLOSE PROXIMITY TO A REDEMPTION FACILITY IN THAT AREA; AND

(II) SHARES THE COST OF THE OPERATION OF THE REDEMPTION FACILITY WITH THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION.

(5) THE DEPARTMENT MAY:

(I) SET STANDARDS FOR THE NUMBER OF REVERSE VENDING MACHINES REQUIRED FOR RETAILERS LOCATED IN UNDERSERVED COMMUNITIES; AND

(II) ESTABLISH A CAP FOR THE NUMBER OF EMPTY REDEEMABLE BEVERAGE CONTAINERS THAT MAY BE REDEEMED PER VISIT AT SMALL RETAILERS.

(F) SUBJECT TO SUBSECTION (D) OF THIS SECTION, A RETAILER WITH LESS THAN 3,000 SQUARE FEET OF SALES FLOOR SPACE OR LESS THAN 150 SQUARE FEET OF SHELF SPACE DEDICATED TO THE DISPLAY OF REDEEMABLE BEVERAGE CONTAINERS SHALL:

(1) PROVIDE ON-SITE CASH REFUNDS FOR THE REDEMPTION OF ANY EMPTY REDEEMABLE BEVERAGE CONTAINER THAT IS OF THE SAME MATERIAL AND SIZE AS THOSE THAT ARE SOLD BY THE RETAILER IF THE EMPTY REDEEMABLE BEVERAGE CONTAINER BEING REDEEMED IS NOT ACCEPTED BY A REVERSE VENDING MACHINE; AND

(2) POST AT THE RETAILER'S ENTRANCE THE ADDRESS OF THE NEAREST REVERSE VENDING MACHINE OR OTHER REDEMPTION METHOD THAT PROVIDES AN IMMEDIATE CASH REFUND FOR REDEEMING EMPTY REDEEMABLE BEVERAGE CONTAINERS.

(G) (1) A PERSON THAT PROVIDES A REVERSE VENDING MACHINE FOR THE REDEMPTION OF EMPTY REDEEMABLE BEVERAGE CONTAINERS SHALL:

(I) PROVIDE AN OPTION FOR REDEEMING EMPTY REDEEMABLE BEVERAGE CONTAINERS WHEN THE REVERSE VENDING MACHINE IS FULL, BROKEN, OR UNDER REPAIR; AND

(II) PROVIDE AN OPTION FOR REDEEMING ANY EMPTY REDEEMABLE BEVERAGE CONTAINERS NOT ACCEPTED BY THE REVERSE VENDING MACHINE.

(2) (I) THE DEPARTMENT SHALL ESTABLISH A PROCESS FOR SUBMITTING FOR REVIEW, APPROVING, AND MONITORING AN ACCOUNT-BASED BULK PROCESSING PROGRAM THAT:

1. ENSURES THAT THE PROGRAM WILL ACCURATELY REFUND DEPOSITS AND MAINTAIN AND REPORT DATA FROM EACH TRANSACTION; AND

2. IDENTIFIES THE INFORMATION THAT MUST BE SUBMITTED TO THE DEPARTMENT FOR APPROVAL OF THE PROGRAM.

(II) A PERSON THAT INTENDS TO PROVIDE AN ACCOUNT-BASED BULK PROCESSING PROGRAM FOR THE REDEMPTION OF EMPTY REDEEMABLE BEVERAGE CONTAINERS SHALL SUBMIT INFORMATION IDENTIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE DEPARTMENT FOR APPROVAL OF THE PROGRAM.

(H) REFUNDS PROVIDED FOR AN EMPTY REDEEMED REDEEMABLE BEVERAGE CONTAINER SHALL BE:

(1) IN CASH;

**(2) IN THE FORM OF A RECEIPT FROM A REVERSE VENDING MACHINE
IF:**

**(I) THE RECEIPT CAN BE EXCHANGED FOR CASH WITHIN 60
DAYS AFTER THE RECEIPT IS ISSUED; AND**

**(II) THERE IS NO REQUIREMENT THAT OTHER GOODS BE
PURCHASED TO RECEIVE THE CASH REFUND; OR**

**(3) CREDITED TO AN ACCOUNT BY THE RECEIVER OF THE EMPTY
REDEEMABLE BEVERAGE CONTAINER SO THAT THE CONSUMER CAN RECEIVE THE
REFUND OR A REFUND RECEIPT WITHIN A SPECIFIED NUMBER OF DAYS, AS
DETERMINED BY THE DEPARTMENT, AFTER REDEEMING THE EMPTY REDEEMABLE
BEVERAGE CONTAINER.**

**(I) (1) A REDEMPTION FACILITY, RETAILER, OR ANY OTHER PERSON
THAT ACCEPTS REDEEMABLE BEVERAGE CONTAINERS FOR REDEMPTION SHALL BE
REIMBURSED BY THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION OR ITS
AGENT FOR THE HANDLING OF EACH EMPTY REDEEMABLE BEVERAGE CONTAINER
REDEEMED.**

**(2) (I) THE DEPARTMENT SHALL SET A HANDLING FEE TO BE PAID
BY THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION OR ITS AGENT TO A
REDEMPTION FACILITY, RETAILER, OR ANY OTHER PERSON THAT ACCEPTS EMPTY
REDEEMABLE BEVERAGE CONTAINERS FOR REDEMPTION.**

**(II) 1. THE HANDLING FEE SHALL BE SET AT AN AMOUNT
THAT COVERS THE COSTS OF COLLECTING, SORTING, PROCESSING, AND
TRANSPORTING EMPTY REDEEMABLE BEVERAGE CONTAINERS FOR RECYCLING,
REUSE, OR REFILLING.**

**2. THE DEPARTMENT MAY INCREASE THE HANDLING
FEE IF THE DEPARTMENT DETERMINES AN INCREASE IS NECESSARY TO ENCOURAGE
THE ESTABLISHMENT OF MORE REDEMPTION FACILITIES.**

**(J) (1) AN ON-PREMISES SELLER THAT PROVIDES EMPTY REDEEMABLE
BEVERAGE CONTAINERS FOR REDEMPTION SHALL BE REIMBURSED BY THE
BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION OR ITS AGENT FOR:**

**(I) THE REFUNDS PAID BY THE ON-PREMISES SELLER FOR THE
EMPTY REDEEMED REDEEMABLE BEVERAGE CONTAINERS; AND**

(II) THE HANDLING OF EACH EMPTY REDEEMABLE BEVERAGE CONTAINER REDEEMED.

(2) (I) THE DEPARTMENT SHALL SET A MATERIAL HANDLING FEE TO BE PAID BY THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION OR ITS AGENT TO AN ON-PREMISES SELLER THAT PROVIDES EMPTY REDEEMABLE BEVERAGE CONTAINERS FOR REDEMPTION.

(II) THE HANDLING FEE SHALL BE SET AT AN AMOUNT THAT COVERS THE COSTS OF TEMPORARY STORAGE, PRELIMINARY SORTING, AND PREPARING EACH REDEEMABLE BEVERAGE CONTAINER REDEEMED FOR COLLECTION.

(3) THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION OR ITS AGENT SHALL PROVIDE TO AN ON-PREMISES SELLER:

(I) ANY RECEPTACLES OR BAGS REQUIRED FOR THE PRELIMINARY SORTING OF REDEEMED REDEEMABLE BEVERAGE CONTAINERS BY THE ON-PREMISES SELLER; AND

(II) ANY LABELS NECESSARY FOR ATTRIBUTING THE REDEEMED REDEEMABLE BEVERAGE CONTAINERS TO THE ON-PREMISES SELLER.

(K) A DEPOSIT INITIATOR THAT COLLECTS A DEPOSIT FROM A RETAILER, REDEMPTION FACILITY, OR ANY OTHER PERSON THAT ACCEPTS REDEEMABLE BEVERAGE CONTAINERS FOR REDEMPTION SHALL ACCOUNT FOR ANY DEPOSITS IN ACCORDANCE WITH § 9-1743 OF THIS SUBTITLE.

(L) REDEEMED EMPTY REDEEMABLE BEVERAGE CONTAINERS SHALL BE COLLECTED FOR RETURN TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION FOR SALE AS SCRAP MATERIAL TO FINANCE THE PROGRAM.

9-1743.

(A) A DEPOSIT INITIATOR SHALL DEPOSIT ANY DEPOSITS COLLECTED UNDER § 9-1742 OF THIS SUBTITLE INTO A DEPOSIT COLLECTION ACCOUNT THAT IS MAINTAINED SEPARATELY FROM ALL OTHER REVENUES.

(B) THE FUNDS IN THE DEPOSIT COLLECTION ACCOUNT MAY BE USED ONLY TO PAY THE REFUND VALUE OF AN EMPTY REDEEMABLE BEVERAGE CONTAINER BEING REDEEMED.

(C) A DEPOSIT INITIATOR SHALL REPORT TO THE BEVERAGE CONTAINER

STEWARDSHIP ORGANIZATION, AT A FREQUENCY DETERMINED BY THE DEPARTMENT, THE FOLLOWING INFORMATION:

(1) THE NUMBER OF REDEEMABLE BEVERAGE CONTAINERS SOLD AND EMPTY REDEEMABLE BEVERAGE CONTAINERS REDEEMED SINCE THE LAST REPORT WAS SUBMITTED TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION UNDER THIS SUBSECTION;

(2) THE FUNDS DEPOSITED INTO THE DEPOSIT COLLECTION ACCOUNT AND THE REFUNDS ISSUED FROM THE DEPOSIT COLLECTION ACCOUNT SINCE THE LAST REPORT WAS SUBMITTED TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION UNDER THIS SUBSECTION;

(3) ANY INCOME EARNED ON THE FUNDS IN THE DEPOSIT COLLECTION ACCOUNT SINCE THE LAST REPORT WAS SUBMITTED TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION UNDER THIS SUBSECTION;

(4) THE BALANCE OF THE DEPOSIT COLLECTION ACCOUNT; AND

(5) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

(D) (1) THE DEPARTMENT SHALL DETERMINE THE POINT AT WHICH A DEPOSIT BECOMES AN UNCLAIMED DEPOSIT.

(2) UNCLAIMED DEPOSITS ARE CALCULATED AS THE AMOUNT OF FUNDS TRANSFERRED TO A DEPOSIT COLLECTION ACCOUNT THAT ARE IN EXCESS OF THE SUM OF:

(I) ANY INTEREST EARNINGS ON THE DEPOSIT COLLECTION ACCOUNT DURING THE TIME FOR WHICH UNCLAIMED DEPOSITS ARE BEING CALCULATED; AND

(II) THE TOTAL AMOUNT OF THE REFUND VALUE RECEIVED FOR THE EMPTY REDEEMABLE BEVERAGE CONTAINERS REDEEMED DURING THE TIME FOR WHICH THE UNCLAIMED DEPOSITS ARE BEING CALCULATED.

(3) A DEPOSIT INITIATOR SHALL TRANSFER ALL UNCLAIMED DEPOSITS TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION AT A FREQUENCY DETERMINED BY THE DEPARTMENT.

(4) THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL:

(I) ESTABLISH A RESERVE ACCOUNT TO MANAGE ALL UNCLAIMED DEPOSITS; AND

(II) TRANSFER 10% OF ALL UNCLAIMED DEPOSITS TO THE DEPARTMENT WITH A FREQUENCY DETERMINED BY THE DEPARTMENT.

(5) THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL USE THE FUNDS IN THE RESERVE ACCOUNT ESTABLISHED UNDER PARAGRAPH (4) OF THIS SUBSECTION TO:

(I) ACHIEVE THE INTENT OF THE GENERAL ASSEMBLY STATED IN § 9-1738 OF THIS SUBTITLE; AND

(II) MEET OR EXCEED THE PERFORMANCE TARGETS ESTABLISHED IN § 9-1740 OF THIS SUBTITLE.

(6) (I) THE DEPARTMENT SHALL TRANSFER ANY UNCLAIMED DEPOSITS RECEIVED UNDER THIS PARAGRAPH TO THE STATE RECYCLING TRUST FUND UNDER § 9-1707(F) OF THIS SUBTITLE.

(II) THE UNCLAIMED DEPOSITS TRANSFERRED TO THE STATE RECYCLING TRUST FUND MAY BE USED ONLY FOR THE COSTS OF ADMINISTERING AND FINANCING THE GRANT PROGRAM UNDER § 9-1750 OF THIS SUBTITLE.

9-1744.

(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION APPLIES TO A PRODUCER THAT SELLS, OFFERS FOR SALE, OR DISTRIBUTES REDEEMABLE BEVERAGE CONTAINERS IN THE STATE.

(2) (I) IF THE BEVERAGE CONTAINER IS SOLD UNDER THE PRODUCER'S OWN BRAND OR LACKS IDENTIFICATION OF A BRAND, THE PRODUCER IS THE PERSON THAT MANUFACTURES THE REDEEMABLE BEVERAGE CONTAINER.

(II) IF THE REDEEMABLE BEVERAGE CONTAINER IS MANUFACTURED BY A PERSON OTHER THAN THE BRAND OWNER, THE PRODUCER IS THE PERSON THAT IS THE LICENSEE OF A BRAND OR TRADEMARK UNDER WHICH A REDEEMABLE BEVERAGE CONTAINER IS SOLD, OFFERED FOR SALE, OR DISTRIBUTED IN THE STATE, WHETHER OR NOT THE TRADEMARK IS REGISTERED IN THE STATE, UNLESS ANOTHER RESPONSIBLE PERSON HAS CONTRACTUALLY ACCEPTED RESPONSIBILITY AS THE PRODUCER AND HAS JOINED THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION AS THE PRODUCER RESPONSIBLE FOR THE REDEEMABLE BEVERAGE CONTAINER UNDER THIS SECTION.

(III) IF THERE IS NO PERSON DESCRIBED IN THIS PARAGRAPH OVER WHOM THE STATE CAN CONSTITUTIONALLY EXERCISE JURISDICTION, THE PRODUCER IS THE PERSON THAT IMPORTS OR DISTRIBUTES THE REDEEMABLE BEVERAGE CONTAINER IN THE STATE.

(3) IF ANOTHER PERSON CONTRACTUALLY ACCEPTS RESPONSIBILITY AS A PRODUCER UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION, THE PRODUCER MUST PROVIDE A CERTIFIED COPY OF THE CONTRACTUAL AGREEMENT TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION.

(B) BEGINNING JANUARY 1, 2028, A PRODUCER MAY NOT SELL, OFFER FOR SALE, OR DISTRIBUTE IN OR IMPORT INTO THE STATE A REDEEMABLE BEVERAGE CONTAINER UNLESS THE PRODUCER:

(1) IS REGISTERED WITH THE DEPARTMENT IN ACCORDANCE WITH THIS SECTION;

(2) HAS PAID THE REGISTRATION FEE UNDER SUBSECTION (F) OF THIS SECTION; AND

(3) IS PART OF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION THAT:

(I) HAS BEEN APPROVED BY THE DEPARTMENT UNDER § 9-1745 OF THIS SUBTITLE; AND

(II) HAS A BEVERAGE CONTAINER STEWARDSHIP PLAN APPROVED BY THE DEPARTMENT UNDER § 9-1746 OF THIS SUBTITLE.

(C) ON OR BEFORE MARCH 1 EACH YEAR, BEGINNING IN 2027, THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL PROVIDE TO THE DEPARTMENT:

(1) A LIST OF EACH PRODUCER PARTICIPATING IN THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION; AND

(2) FOR EACH PRODUCER, THE REGISTRATION FORM REQUIRED UNDER SUBSECTION (D) OF THIS SECTION.

(D) (1) THE DEPARTMENT SHALL CREATE A REGISTRATION FORM THAT REQUIRES EACH PRODUCER PARTICIPATING IN THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION TO PROVIDE THE FOLLOWING INFORMATION:

(I) THE NAME, PRIMARY BUSINESS ADDRESS, AND CONTACT INFORMATION OF THE PERSON RESPONSIBLE FOR ENSURING COMPLIANCE WITH THIS PART;

(II) A LIST OF EACH BRAND OF REDEEMABLE BEVERAGE CONTAINERS THAT THE PRODUCER INTENDS TO SELL, OFFER FOR SALE, OR DISTRIBUTE IN THE STATE, INCLUDING THE SIZE AND MATERIAL OF THE REDEEMABLE BEVERAGE CONTAINERS FOR EACH BRAND;

(III) FOR EACH REDEEMABLE BEVERAGE CONTAINER SPECIFIED IN THE REGISTRATION, WHETHER THE REDEEMABLE BEVERAGE CONTAINER:

1. IS REFILLABLE; AND
2. DEPICTS A UPC OR MARYLAND-SPECIFIC UPC BARCODE;

(IV) HOW EACH PRODUCER WILL PREVENT THE FRAUDULENT SALE AND REDEMPTION OF REDEEMABLE BEVERAGE CONTAINERS THAT WERE NOT SOLD IN THE STATE;

(V) THE NUMBER OF REDEEMABLE BEVERAGE CONTAINERS EACH PRODUCER SOLD IN THE STATE IN THE IMMEDIATELY PRECEDING CALENDAR YEAR; AND

(VI) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

(2) A PRODUCER SHALL SUBMIT A COMPLETED REGISTRATION FORM TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION THAT REPRESENTS THE PRODUCER.

(E) ON A SCHEDULE DETERMINED BY THE DEPARTMENT, EACH PRODUCER SHALL PAY A REGISTRATION FEE ESTABLISHED BY THE DEPARTMENT UNDER SUBSECTION (F) OF THIS SECTION.

(F) (1) THE DEPARTMENT SHALL ESTABLISH AN ANNUAL REGISTRATION FEE FOR PRODUCERS THAT SELL REDEEMABLE BEVERAGE CONTAINERS IN THE STATE.

(2) THE REGISTRATION FEE SHALL BE SET IN A MANNER THAT:

(I) WHEN TAKEN IN COMBINATION WITH ANTICIPATED REVENUES FROM PENALTIES COLLECTED UNDER § 9-1754 OF THIS SUBTITLE, WILL PRODUCE FUNDS SUFFICIENT TO COVER THE DEPARTMENT'S ESTIMATED COSTS OF PLANNING, IMPLEMENTING, ADMINISTERING, MONITORING, ENFORCING, AND EVALUATING THE PROGRAM FOR THE UPCOMING YEAR;

(II) FOR THE FIRST YEAR OF THE PROGRAM DURING WHICH REGISTRATION FEES ARE COLLECTED, SHALL COVER THE START-UP COSTS OF THE PROGRAM THAT WERE INCURRED BY THE DEPARTMENT AND FINANCED FROM THE GENERAL FUND; AND

(III) IS PROPORTIONAL TO A PRODUCER'S SHARE OF THE TOTAL NUMBER OF REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR.

(3) THE DEPARTMENT SHALL:

(I) IF THE REVENUES FROM THE REGISTRATION FEES IN THE IMMEDIATELY PRECEDING YEAR EXCEED THE COSTS SPECIFIED IN PARAGRAPH (2)(I) OF THIS SUBSECTION, CARRY THE EXCESS REVENUES FORWARD TO REDUCE REGISTRATION FEES THE FOLLOWING YEAR; AND

(II) IF THE REVENUES FROM THE REGISTRATION FEES IN THE IMMEDIATELY PRECEDING YEAR DO NOT COVER THE COSTS SPECIFIED IN PARAGRAPH (2)(I) OF THIS SUBSECTION, ADJUST REGISTRATION FEES FOR THE FOLLOWING YEAR TO AN AMOUNT THAT WILL COVER THE DEPARTMENT'S ACTUAL COSTS FROM THE IMMEDIATELY PRECEDING YEAR.

(4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, REGISTRATION FEES COLLECTED UNDER THIS SUBSECTION SHALL BE:

1. TRANSFERRED TO THE STATE RECYCLING TRUST FUND UNDER § 9-1707(F) OF THIS SUBTITLE; AND

2. USED ONLY TO COVER THE DEPARTMENT'S COSTS OF PLANNING, IMPLEMENTING, ADMINISTERING, MONITORING, ENFORCING, AND EVALUATING THE PROGRAM.

(II) THE PORTION OF THE REGISTRATION FEES THAT COVERED THE START-UP COSTS OF THE PROGRAM AND WERE FINANCED FROM THE GENERAL FUND DURING THE FIRST YEAR OF THE PROGRAM FOR WHICH REGISTRATION FEES ARE COLLECTED IN ACCORDANCE WITH PARAGRAPH (2)(II) OF THIS SUBSECTION SHALL BE DEPOSITED INTO THE GENERAL FUND.

9-1745.

(A) ON OR BEFORE OCTOBER 1, 2026, THE DEPARTMENT MAY APPROVE, FOR A PERIOD NOT TO EXCEED 10 YEARS, A SINGLE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION TO REPRESENT ALL PRODUCERS IN FULFILLING THE REQUIREMENTS OF THIS PART, IF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION DEMONSTRATES THAT IT HAS:

(1) THE ABILITY, AS DETERMINED BY THE DEPARTMENT, TO ADMINISTER THE REQUIREMENTS OF A BEVERAGE CONTAINER STEWARDSHIP PLAN UNDER § 9-1746 OF THIS SUBTITLE;

(2) A GOVERNING BOARD CONSISTING OF PRODUCERS THAT REPRESENT THE DIVERSITY OF APPLICABLE REDEEMABLE BEVERAGE CONTAINERS IN THE MARKET;

(3) SET NO UNREASONABLE BARRIERS TO JOINING THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION AND WILL TAKE INTO CONSIDERATION THE NEEDS OF SMALL PRODUCERS THAT DO NOT GENERATE A HIGH VOLUME OF CONTAINERS;

(4) ADEQUATE FINANCIAL RESPONSIBILITY AND SAFEGUARDS, INCLUDING FRAUD PREVENTION MEASURES AND AN AUDIT SCHEDULE;

(5) THE ABILITY TO SECURE THE CAPITAL NECESSARY FOR THE INITIAL INVESTMENT IN INFRASTRUCTURE, SORTING EQUIPMENT, SOFTWARE, TRANSPORTATION, AND OTHER START-UP EXPENSES; AND

(6) MET ANY OTHER REQUIREMENTS SET BY THE DEPARTMENT.

(B) THE DEPARTMENT MAY RENEW THE APPROVAL OF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION UNDER SUBSECTION (A) OF THIS SECTION IF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION CONTINUES TO MEET THE REQUIREMENTS OF THIS SECTION AND ANY OTHER REQUIREMENT SET BY THE DEPARTMENT.

(C) (1) THE DEPARTMENT SHALL REVOKE THE APPROVAL OF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION IF THE DEPARTMENT DETERMINES THAT THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION:

(I) FAILED TO MEET THE REQUIREMENTS OF THIS SECTION; OR

(II) FAILED TO IMPLEMENT AND ADMINISTER AN APPROVED BEVERAGE CONTAINER STEWARDSHIP PLAN IN ACCORDANCE WITH § 9-1746 OF THIS SUBTITLE.

(2) IF THE DEPARTMENT REVOKES THE APPROVAL OF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) THE DEPARTMENT MAY APPROVE ONE OR MORE ADDITIONAL BEVERAGE CONTAINER STEWARDSHIP ORGANIZATIONS TO CARRY OUT THE RESPONSIBILITIES OF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION THAT WAS REVOKED, SUBJECT TO ONE OR MORE OF THE ADDITIONAL BEVERAGE CONTAINER STEWARDSHIP ORGANIZATIONS MEETING THE REQUIREMENTS SPECIFIED IN SUBSECTION (A) OF THIS SECTION; AND

(II) THE TRUSTEE OR ESCROW AGENT OF THE TRUST FUND OR ESCROW ACCOUNT ESTABLISHED IN THE BEVERAGE CONTAINER STEWARDSHIP PLAN UNDER § 9-1746(A)(3)(VI) OF THIS SUBTITLE SHALL:

1. RECEIVE ALL PAYMENTS DIRECTLY FROM PRODUCERS THAT WOULD HAVE BEEN PAID TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION;

2. DEPOSIT THE PAYMENTS RECEIVED UNDER ITEM 1 OF THIS ITEM INTO THE TRUST FUND OR ESCROW ACCOUNT; AND

3. MAKE PAYMENTS FROM THE TRUST FUND OR ESCROW ACCOUNT AS DIRECTED BY THE DEPARTMENT TO IMPLEMENT THE REQUIREMENTS OF THIS PART.

9-1746.

(A) (1) ON OR BEFORE MARCH 1, 2027, THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL SUBMIT A BEVERAGE CONTAINER STEWARDSHIP PLAN TO THE DEPARTMENT.

(2) A BEVERAGE CONTAINER STEWARDSHIP PLAN SHALL:

(I) IDENTIFY AND INCLUDE THE CONTACT INFORMATION FOR EACH PRODUCER INTENDED TO BE COVERED UNDER THE PLAN;

(II) IDENTIFY EACH BRAND OF REDEEMABLE BEVERAGE CONTAINER INTENDED TO BE SOLD UNDER THE PLAN, INCLUDING THE SIZE AND

MATERIAL OF THE REDEEMABLE BEVERAGE CONTAINERS FOR EACH BRAND AND WHETHER THE REDEEMABLE BEVERAGE CONTAINERS ARE REFILLABLE;

(III) DESCRIBE:

1. THE FINANCING INFORMATION SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION;

2. HOW THE PERFORMANCE TARGETS WILL BE MET OR EXCEEDED FOR THE 5-YEAR PERIOD FOLLOWING THE YEAR IN WHICH THE PLAN IS APPROVED;

3. HOW STAKEHOLDER COMMENTS WERE CONSIDERED AND REFLECTED IN THE DEVELOPMENT OF THE PLAN, INCLUDING THE ROLE OF RETAILERS, DISTRIBUTORS, AND LOCAL GOVERNMENTS IN PLAN IMPLEMENTATION;

4. THE ADMINISTRATION AND IMPLEMENTATION OF THE PLAN, INCLUDING ANY STAFFING THAT WILL BE NECESSARY FOR THESE PURPOSES;

5. THE ACTIONS THAT HAVE BEEN TAKEN AND THAT WILL BE TAKEN FOR PUBLIC OUTREACH, EDUCATION, AND COMMUNICATION, INCLUDING MESSAGING AND IDENTIFICATION OF TARGET AUDIENCES; AND

6. THE ANTICIPATED INVESTMENTS THAT WILL BE MADE TO IMPROVE THE REUSE OF BEVERAGE CONTAINERS, INCLUDING THE SOURCE OF FUNDING FOR THE INVESTMENTS;

(IV) LIST THE STAKEHOLDERS CONSULTED IN DEVELOPING THE PLAN;

(V) PROVIDE THE ANTICIPATED COSTS OF IMPLEMENTING THE PLAN FOR 5 YEARS, BROKEN DOWN BY YEAR;

(VI) INCLUDE A CLOSURE AND TRANSFER PLAN FOR HANDLING THE AFFAIRS OF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION THAT ENSURES THAT EACH PRODUCER INTENDED TO BE COVERED UNDER THE BEVERAGE CONTAINER STEWARDSHIP PLAN CAN FULFILL THE PRODUCER'S OBLIGATIONS IN THE EVENT THAT THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION DISSOLVES OR HAS ITS APPROVAL REVOKED UNDER § 9-1745 OF THIS SUBTITLE; AND

(VII) INCLUDE ANY OTHER INFORMATION REQUESTED BY THE

DEPARTMENT.

(3) THE FINANCING INFORMATION INCLUDED IN A BEVERAGE CONTAINER STEWARDSHIP PLAN SHALL:

(I) EXPLAIN THE FINANCING FOR DIRECT INVESTMENTS OR REIMBURSEMENTS THAT WILL IMPROVE INFRASTRUCTURE IN A MANNER THAT SUPPORTS REDEMPTION SERVICES AND TECHNOLOGIES;

(II) ESTABLISH A FEE STRUCTURE IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION FOR PRODUCERS PARTICIPATING IN THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION;

(III) DESCRIBE THE COSTS OF MEETING THE PERFORMANCE TARGETS;

(IV) DESCRIBE THE INCENTIVES USED TO ENCOURAGE PRODUCERS TO:

1. INVEST IN REUSABLE AND REFILLABLE BEVERAGE CONTAINER SYSTEMS; AND

2. REDESIGN BEVERAGE CONTAINERS TO BE EASIER AND LESS COSTLY TO RECYCLE;

(V) CREATE INCENTIVES FOR PRODUCERS TO USE A MARYLAND-SPECIFIC UPC BARCODE TO REDUCE FRAUDULENT REDEMPTION;

(VI) ESTABLISH A TRUST FUND OR AN ESCROW ACCOUNT IN THE STATE INTO WHICH THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL DEPOSIT ALL UNEXPENDED FUNDS FOR USE IN ACCORDANCE WITH THIS SECTION IN THE EVENT THAT THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION DISSOLVES OR HAS ITS APPROVAL REVOKED BY THE DEPARTMENT UNDER § 9-1745 OF THIS SUBTITLE; AND

(VII) MEET ANY OTHER REQUIREMENTS ESTABLISHED BY THE DEPARTMENT.

(4) (I) THE FEE STRUCTURE REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION FOR PRODUCERS PARTICIPATING IN THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL BE:

1. SET IN A MANNER THAT COVERS THE COSTS OF

ADMINISTERING THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION AND IMPLEMENTING THE BEVERAGE CONTAINER STEWARDSHIP PLAN; AND

2. BASED ON:

A. THE COSTS ASSOCIATED WITH TRANSPORTING, COLLECTING, AND PROCESSING EACH TYPE OF REDEEMABLE BEVERAGE CONTAINER MATERIAL;

B. WHETHER A PRODUCER'S REDEEMABLE BEVERAGE CONTAINERS ARE REFILLABLE;

C. WHETHER A PRODUCER'S EMPTY REDEEMABLE BEVERAGE CONTAINERS ARE EASY TO RECYCLE;

D. WHETHER A PRODUCER'S REDEEMABLE BEVERAGE CONTAINERS HAVE A MARYLAND-SPECIFIC UPC BARCODE;

E. A PRODUCER'S PORTION, BY MATERIAL TYPE, OF REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE DURING THE PREVIOUS CALENDAR YEAR; AND

F. ANY OTHER FACTOR THE DEPARTMENT DETERMINES IS NECESSARY TO SUPPORT THE PROGRAM.

(ii) 1. EXCEPT AS PROVIDED IN § 9-1745(C)(2) OF THIS SUBTITLE, A PRODUCER PARTICIPATING IN THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL PAY THE FEE ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION.

2. THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL DEPOSIT FEES RECEIVED UNDER THIS SUBPARAGRAPH TO AN ACCOUNT HELD BY THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION.

3. THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION MAY USE THE FEES RECEIVED UNDER THIS SUBPARAGRAPH ONLY FOR IMPLEMENTING THE BEVERAGE CONTAINER STEWARDSHIP PLAN.

(5) THE DEPARTMENT SHALL SUBMIT A BEVERAGE CONTAINER STEWARDSHIP PLAN TO AN INDEPENDENT FINANCIAL AUDITOR TO ENSURE THAT THE FINANCING PROPOSED IN THE PLAN WILL COVER THE COSTS OF IMPLEMENTING THE PLAN.

(B) (1) (I) WITHIN 120 DAYS AFTER RECEIPT OF A BEVERAGE CONTAINER STEWARDSHIP PLAN SUBMITTED TO THE DEPARTMENT UNDER THIS SECTION, THE DEPARTMENT SHALL APPROVE, APPROVE WITH CONDITIONS, OR DENY THE PLAN.

(II) IN DETERMINING WHETHER TO APPROVE, APPROVE WITH CONDITIONS, OR DENY A BEVERAGE CONTAINER STEWARDSHIP PLAN, THE DEPARTMENT SHALL:

1. CONSIDER WHETHER:

A. THE PLAN COMPLIES WITH THE REQUIREMENTS OF THIS SECTION; AND

B. THERE WAS SUFFICIENT ENGAGEMENT WITH STAKEHOLDERS, INCLUDING LOCAL GOVERNMENTS, RETAILERS, DISTRIBUTORS, AND ON-PREMISES SELLERS, IN DEVELOPING THE PLAN; AND

2. CONSULT WITH THE ADVISORY COUNCIL.

(2) (I) THE DEPARTMENT MAY RESCIND APPROVAL OF A BEVERAGE CONTAINER STEWARDSHIP PLAN FOR GOOD CAUSE.

(II) THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION MAY AMEND A RESCINDED BEVERAGE CONTAINER STEWARDSHIP PLAN AND SUBMIT THE AMENDED PLAN TO THE DEPARTMENT FOR APPROVAL.

(3) (I) A BEVERAGE CONTAINER STEWARDSHIP PLAN APPROVED BY THE DEPARTMENT MAY BE AMENDED WITH APPROVAL OF THE DEPARTMENT.

(II) THE DEPARTMENT MAY REQUIRE THAT AN APPROVED BEVERAGE CONTAINER STEWARDSHIP PLAN BE AMENDED IF THE REPORT SUBMITTED UNDER § 9-1747 OF THIS SUBTITLE REFLECTS THAT THE PERFORMANCE TARGETS HAVE NOT BEEN MET.

(C) AN APPROVED BEVERAGE CONTAINER STEWARDSHIP PLAN EXPIRES AT THE END OF 5 YEARS.

(D) (1) THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL IMPLEMENT AND ADMINISTER A BEVERAGE CONTAINER STEWARDSHIP PLAN WITHIN 6 MONTHS AFTER THE PLAN IS APPROVED.

(2) IN IMPLEMENTING AND ADMINISTERING A BEVERAGE CONTAINER STEWARDSHIP PLAN, THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL:

(I) FACILITATE LOGISTICS, THE INITIATION OF DEPOSITS, AND THE ISSUANCE OF REFUNDS UNDER THE PLAN;

(II) COORDINATE THE LOGISTICS FOR TIMELY COLLECTION OF REDEEMABLE BEVERAGE CONTAINERS FROM AN ON-PREMISES SELLER;

(III) ESTABLISH PROCEDURES FOR TRACKING REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE;

(IV) DESIGN AND OPERATE SERVICES FOR THE TRANSPORTATION AND PROCESSING OF REDEEMABLE BEVERAGE CONTAINERS;

(V) DEVELOP AND IMPLEMENT A PLAN FOR ESTABLISHING, OPERATING, AND MANAGING REDEMPTION FACILITIES THAT WILL OFFER A WIDE RANGE OF CONVENIENT REDEMPTION LOCATIONS AND TECHNOLOGIES THAT ARE EASY TO USE, ACCESSIBLE, AND MEET OR EXCEED THE CONVENIENCE STANDARDS ESTABLISHED BY THE DEPARTMENT UNDER § 9-1751 OF THIS SUBTITLE;

(VI) DEVELOP AND IMPLEMENT A PLAN FOR THE DISTRIBUTION, OPERATION, AND MAINTENANCE OF BEVERAGE CONTAINER REDEMPTION AND PROCESSING METHODS, INCLUDING REVERSE VENDING MACHINES, BAG DROP PROGRAMS, AND ACCOUNT-BASED BULK PROCESSING PROGRAMS;

(VII) DEVELOP ACCOUNTING AND CONTROL STANDARDS;

(VIII) IMPLEMENT ACCOUNTING, AUDIT, PAYMENT, AND REPORTING PROCEDURES;

(IX) ESTABLISH A HIGH-VOLUME VALIDATION AND AUDIT SYSTEM TO PAY A BULK RATE TO AN ON-PREMISES SELLER FOR THE REDEMPTION OF EMPTY REDEEMABLE BEVERAGE CONTAINERS;

(X) ESTABLISH AN APPLICATION PROCESS FOR LARGE ON-PREMISES SELLERS TO APPLY FOR AND RECEIVE A BULK RATE FOR THE REDEMPTION OF HIGH VOLUMES OF EMPTY REDEEMABLE BEVERAGE CONTAINERS;

(XI) MARKET REDEEMABLE BEVERAGE CONTAINER MATERIALS FOR REUSE IN THE MANUFACTURING OF SIMILAR PRODUCTS;

(XII) FUND A MARKETING PROGRAM TO EDUCATE THE PUBLIC ABOUT THE PROGRAM;

(XIII) ESTABLISH A SYSTEM FOR REPORTING KEY INFORMATION GATHERED BY THE PROGRAM TO THE DEPARTMENT ON A QUARTERLY BASIS; AND

(XIV) CREATE INCENTIVES FOR THE DEVELOPMENT OF REFILLABLE AND REUSABLE BEVERAGE CONTAINER SYSTEMS.

(3) ON REQUEST OF THE DEPARTMENT, THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL SUBMIT A COPY OF ITS FINANCIAL RECORDS TO THE DEPARTMENT FOR A FINANCIAL AUDIT.

9-1747.

(A) THIS SECTION APPLIES TO THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION THAT HAS A BEVERAGE CONTAINER STEWARDSHIP PLAN APPROVED BY THE DEPARTMENT UNDER § 9-1746 OF THIS SUBTITLE.

(B) (1) ON OR BEFORE APRIL 1 EACH YEAR, BEGINNING IN 2029, THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION SHALL SUBMIT A REPORT TO THE DEPARTMENT ON THE PROGRESS MADE IN THE PRECEDING CALENDAR YEAR TOWARD MEETING THE PERFORMANCE TARGETS AND THE GOALS OF THE PROGRAM AND THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION'S BEVERAGE CONTAINER STEWARDSHIP PLAN.

(2) THE DEPARTMENT SHALL PROVIDE THE ADVISORY COUNCIL WITH A COPY OF EACH REPORT SUBMITTED UNDER THIS SUBSECTION.

(C) THE REPORT SUBMITTED UNDER SUBSECTION (B) OF THIS SECTION SHALL INCLUDE, FOR THE PRECEDING CALENDAR YEAR:

(1) THE PROGRESS MADE TOWARD ACHIEVING THE PERFORMANCE TARGETS;

(2) IF THE PERFORMANCE TARGETS WERE NOT ACHIEVED, A DESCRIPTION OF THE ACTIONS PROPOSED TO ACHIEVE THE PERFORMANCE TARGETS;

(3) THE NUMBER OF REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE;

(4) THE NUMBER OF REDEEMABLE BEVERAGE CONTAINERS SOLD IN

THE STATE SORTED BY MATERIAL TYPE, REFUND VALUE, AND WHETHER THE CONTAINER CAN BE REFILLED OR REUSED;

(5) THE NUMBER OF EMPTY REDEEMABLE BEVERAGE CONTAINERS REDEEMED;

(6) THE NUMBER OF EMPTY REDEEMABLE BEVERAGE CONTAINERS REDEEMED AT EACH REDEMPTION FACILITY, REVERSE VENDING MACHINE, BAG DROP PROGRAM, ACCOUNT-BASED BULK PROCESSING PROGRAM, OR OTHER BEVERAGE CONTAINER REDEMPTION AND PROCESSING METHOD SORTED BY MATERIAL TYPE, REFUND VALUE, AND WHETHER THE EMPTY REDEEMABLE BEVERAGE CONTAINER CAN BE REFILLED OR REUSED;

(7) THE REDEMPTION RATE AND RECYCLING RATE FOR NONREFILLABLE REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE SORTED BY MATERIAL TYPE, NUMBER OF CONTAINERS SOLD, AND CONTAINER WEIGHT;

(8) THE AMOUNT OF EACH TYPE OF:

(i) REDEEMABLE BEVERAGE CONTAINER MATERIAL COLLECTED IN THE STATE; AND

(ii) SCRAP MATERIAL SOLD BY THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION;

(9) THE LOCATION OF EACH REDEMPTION FACILITY IN THE STATE AND THE REDEMPTION METHOD USED AT EACH REDEMPTION FACILITY;

(10) A DESCRIPTION OF ANY IMPROVEMENTS MADE TO MAKE RETURNING EMPTY REDEEMABLE BEVERAGE CONTAINERS EASIER AND MORE CONVENIENT;

(11) THE IDENTIFICATION AND DESCRIPTION OF AREAS THAT DO NOT HAVE READILY AVAILABLE OPTIONS FOR REDEEMING AN EMPTY REDEEMABLE BEVERAGE CONTAINER AND ACTIONS THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION WILL TAKE TO IMPROVE OPTIONS IN THESE AREAS;

(12) THE NUMBER OF CONSUMER COMPLAINTS PER MONTH, SORTED BY REDEMPTION FACILITY;

(13) THE NUMBER AND TYPE OF COMPLAINTS FROM ON-PREMISES SELLERS PER MONTH, SORTED BY TYPE OF BUSINESS;

(14) THE NUMBER OF INDIVIDUALS AND ORGANIZATIONS WITH ACCOUNTS ESTABLISHED FOR THE RECEIPT OF ELECTRONIC DEPOSITS OR REFUNDS;

(15) THE TOTAL COST OF IMPLEMENTING THE BEVERAGE CONTAINER STEWARDSHIP PLAN, AS DETERMINED BY AN INDEPENDENT FINANCIAL AUDITOR UNDER § 9-1746(A)(5) OF THIS SUBTITLE;

(16) THE AVERAGE COST OF PROCESSING AN EMPTY REDEEMED REDEEMABLE BEVERAGE CONTAINER;

(17) A COPY OF THE AUDIT CONDUCTED UNDER § 9-1746(A)(5) OF THIS SUBTITLE;

(18) FINANCIAL STATEMENTS DETAILING ALL DEPOSITS RECEIVED AND REFUNDS ISSUED BY EACH PRODUCER COVERED UNDER THE BEVERAGE CONTAINER STEWARDSHIP PLAN;

(19) THE TOTAL AMOUNT OF DEPOSITS INITIATED, REFUNDS ISSUED, AND UNCLAIMED DEPOSITS COLLECTED UNDER THE BEVERAGE CONTAINER STEWARDSHIP PLAN;

(20) AN ACCOUNTING OF ALL ACTIVITIES AND INVESTMENTS FINANCED BY UNCLAIMED DEPOSITS;

(21) EXPENDITURES AND REVENUES SORTED BY SOURCE, INCLUDING FEES PAID UNDER § 9-1746(A)(4) OF THIS SUBTITLE, REVENUE FROM THE SALE OF SCRAP MATERIALS, AND UNCLAIMED DEPOSITS;

(22) SAMPLES OF ALL EDUCATIONAL MATERIALS PROVIDED TO CONSUMERS, RETAILERS, AND OTHER ENTITIES;

(23) A DETAILED DESCRIPTION OF INVESTMENTS MADE IN NEW REDEMPTION FACILITIES AND REDEMPTION METHODS;

(24) THE LOCATION OF NEW REDEMPTION FACILITIES AND REDEMPTION METHODS;

(25) A DETAILED DESCRIPTION OF CHANGES MADE BY PRODUCERS TO INCREASE THE RECYCLABILITY OF REDEEMABLE BEVERAGE CONTAINERS;

(26) A DETAILED DESCRIPTION OF ANY INCIDENTS OF FRAUD AND

EFFORTS TAKEN TO PREVENT FRAUD; AND

(27) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

(D) THE FINANCIAL, PRODUCTION, AND SALES DATA OF INDIVIDUAL PRODUCERS REPORTED TO THE DEPARTMENT UNDER THIS SECTION SHALL BE KEPT CONFIDENTIAL BY THE DEPARTMENT AND THE ADVISORY COUNCIL.

(E) THE DEPARTMENT SHALL POST THE REPORT SUBMITTED UNDER THIS SECTION ON THE DEPARTMENT'S WEBSITE IN A MANNER THAT PROTECTS THE CONFIDENTIALITY OF THE DATA SPECIFIED UNDER SUBSECTION (D) OF THIS SECTION.

9-1748.

(A) THE DEPARTMENT SHALL ESTABLISH A PROCESS FOR A COUNTY OR MUNICIPAL CORPORATION TO CREATE A REDEMPTION FACILITY.

(B) EMPTY REDEEMABLE BEVERAGE CONTAINERS REDEEMED AT A REDEMPTION FACILITY MANAGED BY A COUNTY OR MUNICIPAL CORPORATION SHALL BE CREDITED TOWARD MEETING THE RECYCLING RATES REQUIRED UNDER § 9-505 OF THIS TITLE.

(C) (1) THROUGH DECEMBER 31, 2030, A PORTION OF PROGRAM REVENUES SHALL BE USED TO COMPENSATE A COUNTY OR MUNICIPAL CORPORATION FOR ANY NET LOSS OF REVENUE TO THE COUNTY'S OR MUNICIPAL CORPORATION'S WASTE MANAGEMENT SYSTEM THAT CAN BE DOCUMENTED AND ATTRIBUTED TO THE PROGRAM.

(2) IN DETERMINING A NET LOSS OF REVENUE, A COUNTY OR MUNICIPAL CORPORATION SHALL CONSIDER:

(I) THE LOSS OF REVENUE FROM THE SALE OF SCRAP MATERIALS;

(II) FINANCIAL SAVINGS FROM A REDUCTION IN:

1. GLASS BOTTLES IN THE RECYCLING STREAM;

2. TRANSPORTATION COSTS ASSOCIATED WITH CURBSIDE COLLECTION OF TRASH AND RECYCLING;

3. PROCESSING COSTS ASSOCIATED WITH RECYCLING

BEVERAGE CONTAINERS;

4. THE COSTS OF LANDFILLING AND INCINERATING BEVERAGE CONTAINERS THAT ARE NOT RECYCLED; AND

5. THE COSTS OF LITTER COLLECTION; AND

(III) FOR A COUNTY OR MUNICIPAL CORPORATION THAT HAS A TOTAL MAXIMUM DAILY LOAD FOR TRASH IN A WATERWAY UNDER ITS JURISDICTION, THE REDUCED COSTS AND INCREASED BENEFITS OF COMPLYING WITH THE TOTAL MAXIMUM DAILY LOAD DUE TO A REDUCTION IN BEVERAGE CONTAINER LITTER.

9-1749.

FUNDING FOR THE PROGRAM SHALL:

(1) INCLUDE:

(I) REDEEMABLE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION FEES COLLECTED UNDER § 9-1746 OF THIS SUBTITLE;

(II) REVENUE FROM THE SALE OF RAW MATERIALS;

(III) UNCLAIMED DEPOSITS COLLECTED UNDER § 9-1743 OF THIS SUBTITLE;

(IV) REGISTRATION FEES COLLECTED UNDER § 9-1744 OF THIS SUBTITLE; AND

(V) PENALTIES COLLECTED UNDER § 9-1754 OF THIS SUBTITLE; AND

(2) BE USED IN ACCORDANCE WITH §§ 9-1707(F), 9-1743, 9-1744, AND 9-1754 OF THIS SUBTITLE.

9-1750.

(A) THERE IS A BEVERAGE CONTAINER RECYCLING REFUND GRANT PROGRAM.

(B) THE PURPOSE OF THE GRANT PROGRAM IS TO PROVIDE FUNDING:

(1) FOR AN EVALUATION OF THE INVESTMENTS AND POLICIES NECESSARY TO ENSURE THAT, BY DECEMBER 31, 2035, AT LEAST 10% OF ALL BEVERAGE CONTAINERS SOLD IN THE STATE ARE RETURNED AND REFILLED; AND

(2) FOR PROJECTS THAT:

(I) INCREASE THE REUSE AND RECYCLING OF BEVERAGE CONTAINERS IN THE STATE;

(II) INCREASE THE AVAILABILITY OF PUBLIC WATER FOUNTAINS AND REFILL STATIONS IN THE STATE; AND

(III) REDUCE THE VOLUME OF LITTER FROM BEVERAGE CONTAINERS IN THE STATE.

(C) THE DEPARTMENT SHALL ADMINISTER THE GRANT PROGRAM.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE GRANT PROGRAM SHALL BE FUNDED FROM A PORTION OF THE UNCLAIMED DEPOSITS TRANSFERRED TO THE SEPARATE ACCOUNT ESTABLISHED UNDER § 9-1707(F)(7) OF THIS SUBTITLE.

(2) THE GRANT PROGRAM MAY AWARD UP TO \$5,000,000 IN GRANTS EACH YEAR FROM THE UNCLAIMED DEPOSITS TRANSFERRED TO THE SEPARATE ACCOUNT ESTABLISHED UNDER § 9-1707(F)(7) OF THIS SUBTITLE.

(E) THE FOLLOWING ENTITIES ARE ELIGIBLE FOR A GRANT UNDER THE GRANT PROGRAM:

(1) A SCHOOL OR AN INSTITUTION OF HIGHER EDUCATION;

(2) A NONPROFIT ORGANIZATION;

(3) A COUNTY OR MUNICIPAL CORPORATION;

(4) A FOR-PROFIT ORGANIZATION; AND

(5) A PUBLIC-PRIVATE PARTNERSHIP.

(F) THE DEPARTMENT, IN CONSULTATION WITH THE ADVISORY COUNCIL, SHALL ADOPT REGULATIONS ESTABLISHING:

(1) AN APPLICATION PROCESS FOR AN ENTITY TO APPLY FOR A

GRANT;

(2) THE CRITERIA FOR EVALUATING AND AWARDING GRANTS;

(3) REPORTING AND EVALUATION REQUIREMENTS FOR A GRANT AWARDED UNDER THIS SECTION; AND

(4) ANY OTHER REQUIREMENTS THE DEPARTMENT DETERMINES ARE NECESSARY FOR ADMINISTERING AND IMPLEMENTING GRANTS AWARDED UNDER THE GRANT PROGRAM.

(G) THE DEPARTMENT SHALL BEGIN AWARDING GRANTS ON OR BEFORE JANUARY 1, 2029.

9-1751.

IN ADDITION TO THE DUTIES AND REQUIREMENTS SPECIFIED IN THIS PART, THE DEPARTMENT SHALL:

(1) IN CONSULTATION WITH THE ADVISORY COUNCIL:

(I) ESTABLISH CONVENIENCE STANDARDS FOR THE COVERAGE AND AVAILABILITY OF REDEMPTION OPTIONS ACROSS THE STATE; AND

(II) ENSURE THE CONVENIENCE STANDARDS PROVIDE ACCESSIBLE REDEMPTION OPTIONS FOR DIFFERENTLY ABLED PEOPLE AND PEOPLE WHO LIVE IN RURAL AREAS OR LOW-INCOME COMMUNITIES OF COLOR;

(2) ESTABLISH A SYSTEM FOR LARGE ON-PREMISES SELLERS TO VERIFY THE SOURCE OF THE HIGH VOLUMES OF REDEEMABLE BEVERAGE CONTAINERS REDEEMED BY THE ON-PREMISES SELLER; AND

(3) PERIODICALLY REVIEW AVAILABLE BEVERAGE CONTAINER REDEMPTION AND PROCESSING METHODS TO DETERMINE WHETHER THE TYPES OF BEVERAGE CONTAINERS COVERED UNDER THE PROGRAM SHOULD BE EXPANDED.

9-1752.

(A) THERE IS A REDEEMABLE BEVERAGE CONTAINER RECYCLING REFUND ADVISORY COUNCIL.

(B) THE ADVISORY COUNCIL CONSISTS OF THE FOLLOWING MEMBERS, DESIGNATED BY THE SECRETARY:

- (1) ONE MEMBER REPRESENTING RECYCLING PROCESSORS;
- (2) ONE MEMBER REPRESENTING LOCAL GOVERNMENT AGENCIES RESPONSIBLE FOR RECYCLING PROGRAMS;
- (3) ONE MEMBER REPRESENTING GLASS MANUFACTURERS OR A GLASS MANUFACTURING TRADE ORGANIZATION;
- (4) ONE MEMBER REPRESENTING ALUMINUM MANUFACTURERS OR AN ALUMINUM MANUFACTURING TRADE ORGANIZATION;
- (5) ONE MEMBER REPRESENTING PLASTIC MANUFACTURERS OR A PLASTIC MANUFACTURING TRADE ORGANIZATION;
- (6) ONE MEMBER REPRESENTING BEVERAGE COMPANIES;
- (7) ONE MEMBER REPRESENTING PURCHASERS OF RECYCLED CONTENT;
- (8) ONE MEMBER REPRESENTING RETAILERS;
- (9) ONE MEMBER REPRESENTING RESTAURANTS OR OTHER ON-PREMISES SELLERS;
- (10) ONE MEMBER REPRESENTING REVERSE VENDING MACHINE BUSINESSES;
- (11) ONE MEMBER REPRESENTING ACCOUNT-BASED BULK PROCESSORS;
- (12) ONE MEMBER REPRESENTING BUSINESSES INVOLVED IN REUSE AND REFILL SYSTEMS;
- (13) AT LEAST ONE MEMBER REPRESENTING AN ENVIRONMENTAL ADVOCACY ORGANIZATION;
- (14) AT LEAST ONE MEMBER REPRESENTING AN ENVIRONMENTAL JUSTICE ADVOCACY ORGANIZATION; AND
- (15) AT LEAST TWO MEMBERS WHO ARE MEMBERS OF THE GENERAL PUBLIC AND RESIDE IN THE STATE.

(C) THE SECRETARY SHALL DESIGNATE TWO COCHAIRS FROM AMONG THE MEMBERSHIP OF THE ADVISORY COUNCIL.

(D) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE ADVISORY COUNCIL.

(E) A MEMBER OF THE ADVISORY COUNCIL:

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

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

(F) THE ADVISORY COUNCIL SHALL MEET:

(1) AT LEAST QUARTERLY EACH YEAR; AND

(2) AS REQUESTED BY THE DEPARTMENT.

(G) THE ADVISORY COUNCIL SHALL:

(1) ADVISE THE DEPARTMENT ON DETERMINING WHETHER TO APPROVE A BEVERAGE CONTAINER STEWARDSHIP PLAN;

(2) MAKE RECOMMENDATIONS TO THE DEPARTMENT ON THE IMPLEMENTATION OF APPROVED BEVERAGE CONTAINER STEWARDSHIP PLANS;

(3) REVIEW AND ADVISE THE DEPARTMENT ON THE ANNUAL REPORTS SUBMITTED UNDER § 9-1747 OF THIS SUBTITLE; AND

(4) ADVISE THE DEPARTMENT ON THE IMPLEMENTATION, ADMINISTRATION, AND PERFORMANCE OF THE PROGRAM.

9-1753.

(A) ON OR BEFORE JUNE 1, 2026, THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS PART.

(B) THE DEPARTMENT MAY EXPAND THE TYPES OF BEVERAGE CONTAINERS COVERED UNDER THE PROGRAM BY REGULATION IF, BASED ON ITS REVIEW UNDER § 9-1751(3) OF THIS SUBTITLE, THE DEPARTMENT DETERMINES THERE ARE CONVENIENT REDEMPTION OPTIONS FOR THOSE BEVERAGE CONTAINERS.

9-1754.

(A) EXCEPT AS PROVIDED IN SUBSECTIONS (C) AND (D) OF THIS SECTION, THE PROVISIONS OF §§ 9-334 THROUGH 9-344 OF THIS TITLE APPLY TO ENFORCE VIOLATIONS OF THIS PART.

(B) A PENALTY MAY NOT BE IMPOSED ON A PRODUCER FOR FAILING TO PROPERLY REGISTER WITH THE DEPARTMENT UNDER § 9-1744 OF THIS SUBTITLE, INCLUDING FAILING TO IDENTIFY EACH BRAND OF REDEEMABLE BEVERAGE CONTAINER THAT THE PRODUCER INTENDS TO SELL, OFFER FOR SALE, OR DISTRIBUTE IN THE STATE, UNLESS:

(1) THE DEPARTMENT FIRST ISSUES A WRITTEN NOTICE OF THE VIOLATION TO THE PRODUCER; AND

(2) THE PRODUCER DOES NOT REGISTER WITHIN 90 DAYS AFTER RECEIVING THE WRITTEN NOTICE.

(C) (1) A PERSON MAY NOT REDEEM, ATTEMPT TO REDEEM, RECEIVE, STORE, TRANSPORT, DISTRIBUTE, OR OTHERWISE FACILITATE OR AID IN THE REDEMPTION OF THE FOLLOWING MATERIALS WITH AN INTENT TO DEFRAUD:

(I) AN EMPTY REDEEMABLE BEVERAGE CONTAINER THAT WAS SOLD IN ANOTHER STATE;

(II) AN EMPTY REDEEMABLE BEVERAGE CONTAINER THAT WAS REJECTED FOR REDEMPTION;

(III) LINE BREAKAGE;

(IV) A PREVIOUSLY REDEEMED REDEEMABLE BEVERAGE CONTAINER; OR

(V) ANOTHER INELIGIBLE MATERIAL.

(2) A PERSON MAY NOT DISPOSE OF A REDEEMED REDEEMABLE BEVERAGE CONTAINER IN A LANDFILL OR AN INCINERATOR.

(3) THE DEPARTMENT SHALL ESTABLISH ADMINISTRATIVE PENALTIES FOR A VIOLATION OF THIS SUBSECTION THAT ARE BASED ON THE NUMBER OF BEVERAGE CONTAINERS AND REFUND AMOUNTS INVOLVED.

(D) (1) BEGINNING JANUARY 1, 2031, IF THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION HAS NOT MET THE REDEMPTION RATES ESTABLISHED IN § 9-1740 OF THIS SUBTITLE FOR THE IMMEDIATELY PRECEDING 2 YEARS, THE DEPARTMENT SHALL ASSESS AN ADMINISTRATIVE PENALTY ON THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION.

(2) EACH YEAR THAT THE BEVERAGE CONTAINER STEWARDSHIP ORGANIZATION DOES NOT MEET THE REDEMPTION RATES ESTABLISHED IN § 9-1740 OF THIS SUBTITLE IS A SEPARATE VIOLATION UNDER THIS SUBSECTION.

(3) AN ADMINISTRATIVE PENALTY ASSESSED UNDER THIS SUBSECTION SHALL EQUAL THE TOTAL NUMBER OF REDEEMABLE BEVERAGE CONTAINERS NEEDED TO BE REDEEMED TO MEET THE REDEMPTION RATES ESTABLISHED IN § 9-1740 OF THIS SUBTITLE, MINUS THE NUMBER OF REDEEMABLE BEVERAGE CONTAINERS ACTUALLY REDEEMED, MULTIPLIED BY THE REFUND VALUE IN EFFECT AT THE TIME THE VIOLATION OCCURRED.

(E) THE DEPARTMENT MAY ALTER THE ADMINISTRATIVE PENALTIES ASSESSED UNDER SUBSECTIONS (C) AND (D) OF THIS SECTION AS NECESSARY TO ENSURE THAT THE PENALTY AMOUNTS ASSESSED EXCEED THE COSTS OF COMPLYING WITH THIS PART.

(F) PENALTIES COLLECTED UNDER THIS SECTION SHALL BE:

(1) TRANSFERRED TO THE STATE RECYCLING TRUST FUND UNDER § 9-1707(F) OF THIS SUBTITLE; AND

(2) USED ONLY TO COVER THE DEPARTMENT'S COSTS OF PLANNING, IMPLEMENTING, ADMINISTERING, MONITORING, ENFORCING, AND EVALUATING THE PROGRAM.

9-1755.

ANY PERSON PARTICIPATING IN A BEVERAGE CONTAINER STEWARDSHIP PLAN IN ACCORDANCE WITH THIS SUBTITLE IS IMMUNE FROM LIABILITY UNDER STATE LAWS CONCERNING ANTITRUST AND RESTRAINT OF TRADE FOR COOPERATIVE ACTIVITIES ASSOCIATED WITH THE COLLECTION, TRANSPORT, PROCESSING, RECYCLING, REUSE, AND MANAGEMENT OF EMPTY REDEEMABLE BEVERAGE CONTAINERS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2025.