

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 796 (Delegate Terrasa, *et al.*)
Environment and Transportation

Recycling - Prohibition on the Chemical Conversion of Plastic

This bill excludes the following chemical conversion processes from the definition of “recycling” under Title 9, Subtitle 17 of the Environment Article (Office of Recycling): pyrolysis, hydrolysis, methanolysis, gasification, or enzymatic breakdown; the term also does not include any similar chemical conversion processes, as determined by the Maryland Department of the Environment (MDE). The bill also prohibits a person from building a facility in the State that converts plastic to fuel or feedstock through those same chemical conversion processes. MDE is authorized to adopt implementing regulations.

Fiscal Summary

State Effect: MDE can implement the bill with existing budgeted resources. Revenues are not affected.

Local Effect: The bill is not anticipated to have an immediate effect on local government finances or operations, as discussed below.

Small Business Effect: Minimal or none, as discussed below.

Analysis

Current Law: “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. “Recyclable materials” are those that (1) would otherwise become solid waste for disposal in a refuse disposal system and (2) may be collected, separated, composted, or processed and returned to the marketplace in the form of raw materials or products.

There are no explicit prohibitions against the establishment or operation of a facility that converts plastic to fuel or feedstock through pyrolysis, hydrolysis, methanolysis, gasification, enzymatic breakdown, or other similar chemical conversion processes.

MDE's Solid Waste Program is responsible for assuring that society's domestic, commercial, and nonhazardous industrial solid waste is handled properly. Among other things, the program regulates solid waste acceptance facilities, which include most recycling facilities. A refuse disposal permit is required for the installation, alteration, or extension of a solid waste acceptance facility. Generally, a recycling facility must obtain a refuse disposal permit. However, there are specified exceptions and other permitting requirements for other types of nonconventional recycling. For example, there is a separate permitting process for natural wood waste recycling facilities, composting facilities, and the regulation of open burning.

Maryland's recycling policy is guided by the Maryland Recycling Act, which sets mandatory recycling rates for State government and local jurisdictions, as well as a voluntary statewide waste diversion goal of 60% and a voluntary statewide recycling goal of 55% by 2020. Each county (including Baltimore City) must recycle at least 20% or 35% of the county's solid waste stream, depending on the county's population. Each county (including Baltimore City) must also prepare a recycling plan that addresses how the jurisdiction will achieve its mandatory recycling rate. The plan must be submitted to MDE's Office of Recycling for approval when the jurisdiction submits its water and sewerage plan at least every 10 years. At least every 2 years, each county must also submit a progress report to MDE, which must include any revision of or amendment to the county plan that has been adopted.

Local Fiscal Effect: The Department of Legislative Services (DLS) received only limited information from local entities in response to multiple requests for information regarding the fiscal effect of the bill. Even so, based on the information received for this bill and the information gleaned regarding the fiscal effect of identical legislation introduced during the 2025 session, the bill is not anticipated to have an immediate impact on local government finances or operations. DLS is not aware of any existing facilities that would be affected by the bill. However, the bill's prohibition limits a local government's future options for managing plastic materials.

Small Business Effect: While there are no known plans to build a facility that uses one of the specified chemical conversion processes, the bill prohibits the future establishment of such facilities, thereby preventing small business recyclers from entering into this field of commercial activity.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced in the last three years. See HB 1092 of 2025.

Designated Cross File: None.

Information Source(s): Maryland Environmental Service; Baltimore City; Northeast Maryland Waste Disposal Authority; Maryland Department of the Environment; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2026
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