

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 926 (Senator Harris)
Education, Energy, and the Environment

Producer Responsibility for Packaging and Paper Products - Definition of Exempt Material - Alteration

This bill alters the definition of “exempt material” for the purposes of compliance and participation in the State’s producer responsibility program. More specifically, the bill establishes that packaging for a product regulated as a dietary supplement by the U.S. Food and Drug Administration (FDA) is included in the definition of “exempt material.” **The bill takes effect June 1, 2026.**

Fiscal Summary

State Effect: None. The Maryland Department of the Environment (MDE) can implement the bill’s change with existing budgeted resources. State revenues are not affected.

Local Effect: None. The bill does not affect local finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapter 431 of 2025 expanded the State’s producer responsibility program and the responsibilities of the Producer Responsibility Advisory Council with the intent to provide a framework for (1) minimizing the environmental and human health impacts of packaging; (2) conserving resources by increasing the recycling rates and recycled content of covered products; (3) modernizing and improving waste and recycling systems in the State; and (4) making producers financially responsible for investing in needed infrastructure and reimbursing local governments and other service providers for costs associated with transporting, collecting, and processing covered materials.

The State’s producer responsibility standards broadly establish a framework for MDE to approve a producer responsibility organization and for producers to submit producer responsibility plans to MDE for review and approval by July 1, 2028. These producer responsibility plans govern the sale, distribution, and importation of covered materials in the State.

In general, a producer is the person responsible for compliance with a producer responsibility plan – and generally includes brand owners, manufacturers, or importers, as further delineated by the bill based on, among other things, whether the item is (1) sold in or with packaging at a physical retail location in the State or (2) sold or distributed in packaging in or into the State via e-commerce, remote sale, or online distribution. For packaging that is not described under those provisions, the producer of the packaging is the person that first distributes the item in or into the State, and for paper products, the producer is generally either the publisher, the manufacturer, the brand owner, or the importer of the paper product. However, there are a number of entities that are excluded, including a “*de minimis* producer,” defined as a person that in their most recent fiscal year, introduced less than one ton of covered material into the State or earned global gross revenues of less than \$2.0 million.

“Covered materials” means packaging and paper products sold, offered for sale, imported, or distributed in the State; the term does not include “exempt materials,” as further defined. Generally, “exempt materials” includes packaging for:

- infant formula, medical food, and fortified oral nutritional supplements or food that is formulated to be consumed or administered enterally, as specified;
- specified products regulated by FDA, including packaging for a product regulated as a drug or medical device, including associated components and consumable medical equipment;
- specified products regulated by the U.S. Department of Agriculture, and the U.S. Environmental Protection Agency;
- liquefied petroleum gas containers that are designed to be refilled;
- certain federally regulated hazardous and flammable products;
- newsprint and paper products used for a magazine’s print publication, as specified;
- the containment of hazardous or flammable products, as specified; and
- the long-term protection or storage of a product that has a lifespan of at least five years, as determined by MDE.

In addition, packaging for products subject to the State’s Paint Stewardship Program, and certain material that is distributed from one producer to another, are considered “exempt materials”.

Small Business Effect: Although it is assumed that most small businesses are already exempt from the State’s producer responsibility program, for any small business producers of dietary supplements that are subject to program requirements, the bill’s exemption of these products may result in a meaningful decrease in compliance activities and associated costs.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of the Environment; Department of Legislative Services

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jg/lgc

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