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SB 116

January 21, 2021

TO: Members of the Education, Health & Environmental Affairs Committee

FROM: Natasha Mehu, Director of Government Relations

RE: SENATE 116 – Department of Environment – Office of Recycling –
Recycling Market Development

POSITION: SUPPORT

Chair Pinsky, Vice Chair Kagan, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 116.

Senate Bill 116 would require the Maryland Department of the Environment, Office of Recycling to promote the development of markets for recycled materials and recycled products in the State. This effort would be done in coordination with several other State departments, Maryland Environmental Service, the Northeast Maryland Waste Disposal Authority, local governments, and private organizations.

Baltimore City supports this legislation, as markets for recycled items are key for the future success and financial sustainability of recycling. Recycling consists of materials that are often used in place of virgin materials to make products, resulting in a reduction in Greenhouse Gas Emissions and a reduced energy impact. The materials included in single-stream recycling, such as aluminum, paper, plastics, and glass, are considered commodities, and have fluctuating market value typical for other commodities.

Due to market changes, the values of the materials have decreased across the world. As a result, the cost to the City to process them has gone up drastically. This has been an issue for many municipalities. In the past, the City made a profit from selling its recycling. Starting in 2016, instead of revenue-generating, recycling began to have a cost. In 2016, the annual cost to process recycling was around \$94,000 and by 2019, it had increased to \$1,643,000 and is projected to surpass \$2 million in the next year. Baltimore City, along with many other municipalities, continues to promote recycling despite the cost.

The loss of international demand for the materials has had a major impact on recycling, and domestic demand has been slow to grow. Efforts are underway at a national level to encourage domestic growth of recycling facilities, which will establish more options for end uses for the materials collected curbside. However, it is unclear how long it will take for the demand for these products to increase.

In addition to single-stream recycling, Baltimore City collects electronics, household hazardous waste (including paint), scrap tires, scrap metals, and holds shredding events. With the exception of scrap metal, all of these items are costly to have recycled or properly disposed of.

The proposed legislation would greatly assist with identifying, encouraging, connecting, and pursuing existing and potential markets for recycled products and materials in Maryland. A greater local demand for recycled materials and products would result in a greater demand for recyclables, likely resulting in a cost savings for local governments that are responsible for collecting recycling.

This legislation has the potential to support local businesses, as well as lowering costs to municipalities for processing recycling. In addition, the bill's provisions would also support reuse, repair and remanufacturing of these materials. This program supports the State's Sustainable Materials Management goals and Baltimore City's sustainability goals, as well as Baltimore City's recently released "Less Waste Better Baltimore" operational plan that recommends multiple ways in which to shift from waste disposal to waste diversion to manage our solid waste stream.

It is for these reasons that the City of Baltimore respectfully requests a **favorable** report on Senate Bill 116.