

JEN TERRASA
Legislative District 13
Howard County

Environment and Transportation
Committee

House Chair

Joint Committee on Children,
Youth, and Families



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 22, 2023

To: The Honorable Kumar P. Barve
Chair, Environment and Transportation Committee

From: Delegate Jen Terrasa
District 13, Howard County

Re: Sponsor Testimony in Support of HB342, Environment - Plastic Products -
Postconsumer Recycled Content Program

Dear Chairman Barve, Vice Chair Stein, and Members of the Environment and Transportation Committee,

Thank you for the opportunity to present HB342. This is a reintroduction of a bill from last year (HB1239), which was not voted on by the Committee. We did a lot of work on this legislation during the Interim to address issues raised in 2022.

The Purpose of HB342

The focus of HB342 is plastic containers because plastic is the only recycled material that is more expensive than virgin material, so it has a limited market. The goals of the legislation are to reduce the demand for virgin plastic; reduce greenhouse gas emissions; divert waste from landfills and incinerators; and to save energy by increasing the amount of recycled content in plastic containers.

As you know, plastic is made from fossil fuels, and it generates greenhouse gas emissions at every stage of a product's life cycle, from extraction of fossil fuels, to plastic production, and disposal. Substituting recycled PET for a percentage of virgin PET in plastic products would reduce the amount of fossil fuels needed and could lower the energy requirements and the resulting pollution by as much as 75%.

What HB342 Does:

The bill requires a producer of certain plastic products that are sold, offered for sale, or distributed in the State

1. To meet minimum post-consumer recycled content requirements for affected products
2. To register with the Maryland Department of the Environment (individually or as part of a representative organization) and
3. To pay annual registration fees to MDE to cover program costs

Targets for recycled content are:

Beverage containers	2025: 15%, 2028: 25% 2033: 50%
Rigid plastic food containers	2027: 15% 2030: 30% 2033: 40%
Rigid plastic household cleaning products & personal care products	2027: 25% 2031: 30% 2035: 35% 2039: 40%

These goals are in line with other states and the European Union that have enacted plastic PCR content legislation. MDE may grant a temporary waiver from PCR content requirements if the Department determines that achieving compliance would present an undue hardship or a practical difficulty.

The program is self-financing with a dedicated fund. Implementation costs are estimated every year for the next year and paid for by the producers in their annual registration fee. The registration fee for each producer depends on the amount of plastic used within or imported into the state for each product category. The money goes into a dedicated account within the Recycling Fund to be used only for this program.

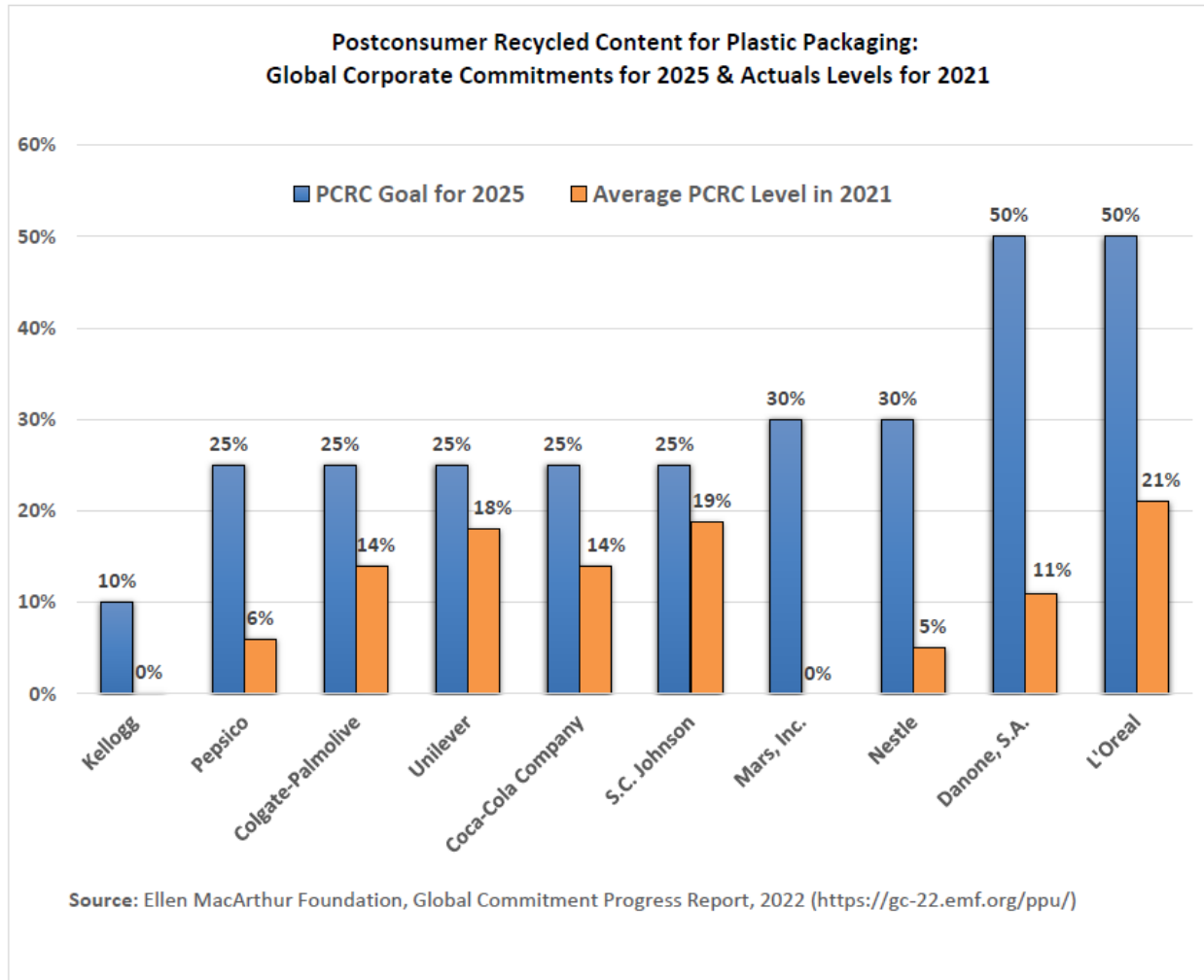
This year's bill has enhanced oversight by the Department. MDE may conduct audits and investigate for compliance, enter into contracts for services to implement the program, post the list of registered producers and covered brands online annually, and adopt regulations. Plus, MDE will conduct an evaluation of the implementation and effectiveness of the program after five years with recommendations for improvement. Existing and new enforcement and penalty provisions will apply. If the minimum percentage is not met, producers will face a penalty of 20 cents per pound of recycled content short of the target.

How HB342 Helps Recycling Markets

This bill helps further the goals of legislation passed in previous Sessions of the General Assembly. In 2021, HB164, sponsored by Vice Chair Dana Stein, was enacted to promote the development of markets for recycled materials and products in the State.

Mandating recycled content in HB342 will provide stability and viability in the marketplace for recyclers. HB342 will also stimulate recycling businesses and create jobs.

Multinational corporations have advertised lofty sustainability goals and have pledged to reach recycled content targets by as much as 50% in 2025. However, they are far from reaching those global goals and there are no consequences for missing the mark. By requiring PCR content in HB342, Maryland will help these corporations achieve their stated goals:



Conclusion

HB342 will help reduce GHG emissions and fossil fuel extraction by replacing virgin plastic with recycled content. It will create incentives for producers to redesign their products to be more recyclable and it will stimulate local markets for plastic recycling.

I respectfully urge a favorable report.

