



## HOUSE BILL 1089

### *Maryland Beverage Container Recycling Refund and Litter Reduction Program*

March 9, 2023

#### **Position: Unfavorable**

Mr. Chairman and Members of the Environment & Transportation Committee:

On behalf of members of the *Restaurant Association of Maryland*, we oppose HB 1089. This legislation would require beverage distributors (wholesalers) to include a redeemable beverage container refund value as part of the wholesale price of beverage containers sold to restaurants, bars, and other retailers. The legislation prohibits restaurants, bars and other “on-premises sellers” from including the refund value of redeemable beverage containers in the retail price when sold to customers.

The logistics are unclear regarding how on-premises sellers like restaurants/bars would recoup the redeemable beverage container refund values paid through wholesale purchases. Although the bill language generally specifies that a range of options be provided to allow on-premises sellers to conveniently redeem empty beverage containers, we are concerned that the logistics and related costs for sorting, storing and transporting such containers for redemption would be problematic for our industry. Restaurants/bars with limited storage space would face challenges separately storing such containers for redemption. Moreover, the cost of transporting the high volume of containers for redemption could exceed the redemption value.

Given the lack of specifics regarding on-premises sellers like restaurants/bars, we are concerned that the absence of practical ways for restaurants/bars to recoup the refund values paid through wholesale beverage container purchases could ultimately amount to an unavoidable tax on our industry.

In lieu of passing this legislation, the goals and related issues of this bill require further study and stakeholder input. For these reasons, we oppose HB 1089 and request an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Melvin R. Thompson" with a long horizontal flourish extending to the right.

Melvin R. Thompson  
Senior Vice President  
Government Affairs and Public Policy