



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**HB 284 – Reducing Packaging Materials –
Producer Responsibility**

Chair Barve, Vice Chair Stein, Members of ENT:

HB 284 will create a Producer Responsibility for Packaging program in Maryland. This is a program that shifts the costs of recycling from taxpayers and local governments to producers of packaging and incentivizes producers to make more sustainable packaging choices.

This Producer Responsibility system will:

- Reduce packaging waste
- Increase demand for post-consumer recycled material - strengthening recycling markets.
- Improve recycling infrastructure
- Make better use of taxpayer dollars - saving local governments money

We already have these programs in Maryland for electronics, for tires, and hopefully, if the Senate finally passes it, for paint. This is a similar program for packaging.

The Problem

Maryland taxpayers currently bear the sole burden of paying to manage and dispose of waste, including packaging, through local governments. We pay for trash hauling, for recycling hauling, for the recycling process, and for litter pick up. Yet neither we, nor local governments, have any say in decisions made by producers about packaging types that we put in our recycle bins. We just have to bear the financial burden of whatever producers decide to do.

For awhile, it wasn't so bad, as jurisdictions were making money on recycling. However, the economics of recycling has changed dramatically:

- In 2010 Baltimore City earned \$600,000 from its recycling program. In 2019 it cost the City \$1.6 Million.
- In 2015 Charles County made \$30,000. In 2019 it cost the County \$700,000.

That is money that could have been used to pick up additional litter, for education programs committed to increasing recycling and environmental stewardship, for expanding our infrastructure to better handle what it is receiving, and more.

What this bill does

HB 284 starts with a needs assessment. MDE will undertake a full needs assessment of our system in partnership with local governments to assess the state of recycling and composting

infrastructure and processes in the state.

After this assessment, producers that make packaging choices for products sold in Maryland will create a Producer Responsibility Organization (PRO). Each PRO creates a plan that must be approved by MDE. The plan must detail performance goals for reducing packaging, using post-consumer recycled content in packaging, increasing the recyclability of packaging, and improving recycling rates. The plan must also detail how the PRO will reimburse local governments for recycling services and fund the modernization of recycling infrastructure. An Advisory Council comprised of diverse stakeholders—including local governments, collectors, processors, PROs, environmental advocates, and residents—will provide input on the plans and to MDE.

Once implemented, producers will pay an eco-modulated fee: the more packaging and the more that packaging is unrecyclable, the more the producer will pay. The less the packaging, and the more sustainable the packaging is, the less a producer will pay. This money will be put into a fund to reimburse local governments for existing recycling services/operations AND fund infrastructure investments to improve recycling. Furthermore, this structure will incentivize producers to use more sustainable packaging.

Why this bill matters

Packaging decisions made by producers can have a dramatic impact on local government budgets. Let me share the economic and environmental implications of a simple packaging material decision through the example of two nearly identical cups. #6 plastic (polystyrene) cups cannot be recycled in Maryland. A #6 cup costs Montgomery County \$135 per ton to remove from the recycling stream and incinerate. On the other hand, a nearly identical #1 plastic (polyethylene terephthalate) cup can easily be recycled and sold for a profit of \$375 per ton. However, producers currently have no incentive to choose #1 plastic over #6 plastic and taxpayers are left footing the bill. This bill can help remedy that problem.

PR for packaging is gaining momentum in the U.S. with **bipartisan support**. Maine and Oregon passed legislation in 2021; Colorado and California passed it in 2022; and several other states are currently considering PR for packaging with bipartisan support (CT, HI, IL, IN, MA, NY, VT, WA). Maryland taxpayers should not be left behind footing recycling bills that their counterparts in other states are not.

PR for packaging exists in countries around the world and in many Canadian provinces. Nations with well-established PR for packaging programs have higher recycling rates (70-80% in Europe vs. 50% in U.S.) and lower rates of contamination in the recycling stream (8% in British Columbia vs. 25% in the U.S.). [The European Union receives \\$5.5 billion annually from the packaging industry to fund its recycling systems.](#)

Background

HB 284 is a bill years in the making. In 2020, Chair Barve put together a Workgroup on Waste Reduction and Recycling. One of the things we did is surveyed all counties on recycling and waste. Several themes emerged, but most significantly counties mentioned:

- (1) Variable recycling markets are upending local government budgets.
- (2) Packaging waste is increasing due to over packaging and the rise of e-commerce and landfills are nearing capacity with little room to expand. *Therefore, reducing waste and increasing recyclability and compostability of packaging is critical.*

The work product you see before you was negotiated among stakeholders during session last year, primarily led by Comptroller Brooke Lierman, as well as over the interim. There are a series of compromises encompassed within the legislation. Requests are still coming in, and I – along with my crossfile Senator Augustine – are working hard to address them.

To date, Producer Responsibility legislation has been passed in 4 states (CA, CO, ME, OR) and is being considered in 11 states and at the federal level.

Conclusion

Waste and recycling is an important environmental matter. Right now, we the taxpayers are bearing the brunt of decisions made by producers. We want producers to make better decisions and accept responsibility for the decisions they make. This bill will set up such a system.

This bill will support local governments, make better use of taxpayer dollars, bring needed infrastructure investments to our recycling systems, and help the environment.

I respectfully request a favorable vote on HB 284.