

## OPPOSE HB 735

# Licensed Beverage Distributors of Maryland

Re: HB 7235- Md. Beverage Containers Recycling Refund and Litter Reduction Program

Mr. Chair, Madame Vice Chair and Members of the Environment and Transportation Committee

Mr. Chair, Mr. Vice Chair and Members of the Economic Matters Committee:

The licensed beverage distributors of Maryland appreciate and support efforts to reduce litter and improve recycling in Maryland. This bill, however, is a good intention gone awry. Others have pointed out various shortcomings with this proposal. They include (1) hampering profitable municipal recycling plans, (2) impacting revenues for many small businesses, including distributors, retailers, and bottlers (3) forcing the creation of a new and expensive labor-intensive endeavor to establish, manage and operate the redemption system. It also forces the creation of a state office to regulate, oversee and administer the system.

The bill engenders all these costly and harmful effects when improvement to existing recycling systems would also achieve its goals. In many ways, this bill suffers from throwing the baby out with the bath water.

As for wholesalers, they support recycling efforts, improving the environment, and reducing litter. We rarely oppose the efforts when they make sense. This plan does not. For example, it requires wholesalers to charge and collect each year what amounts to a tax on a billion bottles, create a non-profit to handle the collected bottle fee and then equip this non-profit to distribute the funds for refunds or reimbursement for recycling operating expenses. At the same time, wholesalers must provide records of all the transactions and generate annual reports for State oversight.

All this effort is predicated on the assumption people would prefer to take their bottles to a recycling refund location than put the bottles on the curb for recycling pick-up. When picked up by the local government truck, the recycling generates income and reduces the demand for higher taxes to fund government operations. The bottom line: the squeeze is not worth the juice for anyone.

Licensed Beverage Distributors of Maryland support efforts to increase recycling of beverage containers. We would like to work with others on solutions to these issues in Maryland. HB 735 is not the way to do this. We request an unfavorable report on HB 735.

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