



February 18, 2025

Maryland Senate
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Re: SEMA Opposition to SB 901

Dear Members of the Education, Energy, and the Environment Committee:

On behalf of the Specialty Equipment Market Association (SEMA) and its members, I am writing to express our strong opposition to Senate Bill 901, which establishes a producer responsibility framework for packaging materials in Maryland. While we recognize the importance of responsible waste management, SB 901 places an undue burden on small businesses, which are the backbone of Maryland's economy and the specialty automotive aftermarket industry.

SEMA represents over 7,000 member companies, including 67 in Maryland, 95% of which are small businesses employing fewer than 100 individuals. These businesses design, manufacture, distribute, and sell aftermarket automotive parts and accessories, supporting thousands of jobs in Maryland and nationwide. Unfortunately, the small business exemptions in SB 901 are insufficient, and many of our members will be forced to comply with complex and costly new regulations that could threaten their viability.

Maryland has a thriving specialty automotive aftermarket industry. This industry significantly contributes to the state's economy, generating \$3.24 billion in economic impact. This translates to supporting 14,946 jobs, \$1.19 billion in total wages and benefits, and \$530.24 million in taxes paid.

The bill exempts only businesses with less than \$1 million in revenue or those producing less than 1 ton of packaging materials annually. This threshold is far too low, failing to capture many small and mid-sized businesses that lack the resources to absorb new compliance costs. Unlike large corporations with dedicated compliance departments, small businesses operate on tight margins and would struggle to meet the administrative and financial burdens imposed by this legislation. These regulations will also increase packaging costs, which will inevitably be passed on to consumers, making automotive products more expensive for Maryland residents.

Chairman of the Board

* Kyle Fickler

Chair-Elect

* Melanie White

**Immediate Past Chairman
& Secretary**

* James Lawrence

Treasurer

* Tim McCarthy

Board of Directors

Bill Bader

Rich Butler

Doug Lane

Norris Marshall

Kelle Oeste

Kim Pendergast

Kathryn Reinhardt

Melissa Scoles

Marcus Umlauff

Ted Wentz III

President and CEO

Mike Spagnola

General Counsel

David P. Goch

* Executive Committee

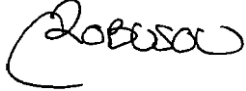
1575 S. Valley Vista Dr.
Diamond Bar, CA 91765-3914

909-610-2030

E-mail: sema@sema.org
Website: www.sema.org

SEMA urges lawmakers to reconsider the approach taken in SB 901 and adopt more realistic exemptions that align with policies in other states, such as Colorado and Oregon, which have set higher revenue thresholds to better protect small businesses. If you have any questions or require additional information, please call (202) 794-8279 or e-mail me at christianr@sema.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Robinson", written in a cursive style.

Christian Robinson
Senior Director, State Government Affairs
Specialty Equipment Market Association