

Senate Bill 901

Date: February 18, 2025

Committee: Senate Education, Energy, and the Environment

Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and recovery for Maryland businesses, employees, and families.

Seante Bill 901 (SB 901) requires certain producers of packaing materials, either indivually or as part of a procurder responsibility organizatrion, to submit a producer responsibility plan to the Maryland Department of the Environment for review and approval by April 1, 2027, and every five years thereafter. The bill also establishes a fee structure for producers and producer responsibility organizations.

SB 901 proposes an overhaul of the state's recycling system through an extended producer responsibility (EPR) program for packaging materials. While we acknowledge the intent to improve recycling and waste management, we believe that SB 901 poses risks to Maryland businesses, particularly without sufficient data to support such a major policy shift.

The advisory council's recommendation process is still incomplete. As of their last meeting on February 13th, 2025, the needs assessment remains unpublished, with revisions still underway. The advisory council voted in December 2024 to request additional time to ensure a thorough review. We believe EPR legislation should not proceed until the advisory council issues well-informed recommendations. The lack of a finalized needs assessment raises concerns that the policy will be based on incomplete data, resulting in inefficiencies and unintended consequences for businesses.

Other states that have implemented EPR programs that have proven to be workable for the industry should be looked to as models. Oregon's system, which will be fully operational by mid-2025, is an example we should learn from before proceeding. The advisory council, including the producer responsibility organization managing Oregon's program, has emphasized the need for alignment across states to avoid unnecessary complexity and a patchwork approach. Not waiting for Oregon's real-world results could set Maryland on a path to higher costs and greater regulatory burdens.

Additionally, the lack of a clear cost structure leaves Maryland businesses uncertain about their financial obligations under this program. The uncertainty about fees, reimbursement rates, and compliance costs creates an environment where businesses must prepare for potential increases in operational expenses, which may be passed onto consumers. Businesses, particularly those

operating across state lines, would be faced with complex requirements to track, report, and pay fees based on shifting standards.

Lastly, Maryland's recycling infrastructure, especially in rural areas, relies on cross-state collaboration with neighboring states like Delaware and Pennsylvania. EPR's one-size-fits-all approach risks disrupting these established relationships without considering the regional dynamics of waste management. As recommended by the advisory council, additional time should be taken to conduct a comprehensive needs assessment and learn from the experiences in other states. A thoughtful, data-driven approach is necessary to ensure that Maryland adopts a system that benefits both the environment and businesses alike.

For these reasons, the Chamber respectfully requests an **unfavorable report** on **SB 901**.

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