



**TESTIMONY TO THE MARYLAND HOUSE OF DELEGATES COMMITTEE ON
ENVIRONMENT & TRANSPORTATION**

**HB 42 – Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund
and Grant Programs**

Position: Favorable

January 29, 2025 Public Hearing

Institute for Local Self-Reliance, 1200 18th Street, NW, Suite 700, Washington, DC 20036

Dear Members of the Committee,

The Institute for Local Self-Reliance and the undersigned 35 organizations support HB 42 and encourage the committee to pass this bill. We thank Vice Chair Boyce for once again bringing this legislation forward to establish needed funds and grant programs to reduce, rescue, and divert wasted food from disposal in Maryland.

Maryland's stagnant recycling rate, high landfill emissions, shrinking landfill capacity, and increasing demand for alternatives to food waste disposal indicate the need for widespread investment into wasted food reduction and diversion in a way that benefits local communities, NOW. Maryland has policies supporting healthy soils, food waste recovery, organics recycling, and composting but funding for implementation and support remains a crucial obstacle to progress. This bill invests in capacity and infrastructure, establishing funding that addresses the budget deficit while protecting taxpayers from future disposal costs, which will inevitably rise.

HB 42 establishes a nominal \$2/ton surcharge on final waste disposal to provide over \$14 million per year for development of infrastructure, programs, and education for wasted food diversion in Maryland through the (1) Wasted Food Reduction and Diversion Grant Program, the (2) On-Farm Organics Diversion and Recycling Grant Program, and the (3) County Wasted Food Reduction Block Grant Program. The disposal surcharge is added to existing disposal facility tip fees (which presently range from \$55-\$125/ton), applies only to waste disposed, and will not be assessed more than once on solid waste destined for disposal.

The funding will prioritize projects that directly benefit local communities, particularly overburdened and underserved communities, and that produce high-quality soil amendments to support Maryland soil and water health. Counties will receive reliable annual funding to support and expand wasted food prevention and diversion programs, infrastructure, and education, including staffing costs. These provisions support a collaborative approach to achieving better food and organics management throughout the state, with development via many avenues.

More than 10 states (including New Jersey, Pennsylvania, Iowa, Ohio, Indiana, Minnesota, Wisconsin, North Carolina, Arizona, and Tennessee) already have in place disposal surcharges that fund waste diversion, recycling, and composting. This model has been working for decades, producing positive impacts on local communities, economies, and the environment, and we strongly believe it will be successful in Maryland.

We, the undersigned 35 organizations, urge the Committee to support HB 42.

Sincerely,



Sophia Jones
Policy and Advocacy Project Manager, Composting for Community
[Institute for Local Self-Reliance](#)

Attachments: (1) Fact Sheet on HB42/SB134 and (2) FAQs on HB42/SB134

Signed-On Organizations:

Ask the Climate Question

[Baltimore Jewish Council](#)

**Beaverdam Creek Watershed Watch
Group**

[Blue Water Baltimore](#)

[CASA](#)

Cedar Lane Unitarian Universalist

Environmental Justice Ministry

[Centro de Apoyo Familiar](#)

[Chesapeake Bay Foundation](#)

[Chesapeake Climate Action Network](#)

[Action Fund](#)

[Clean Water Action](#)

[ECO City Farms](#)

[Envision Frederick County](#)

[Food Recovery Network](#)

[Gaithersburg HELP](#)

**Indivisible HoCoMD Environmental
Action**

[Manna Food Center](#)

**[Maryland Catholics for Our Common
Home](#)**

[Maryland Legislative Coalition](#)

[MLC - Climate Justice Wing](#)

[Mid-County United Ministries](#)

[Mobilize Frederick](#)

[Montgomery County Food Council](#)

[National Aquarium](#)

[North Avenue and Hilton Street Business](#)

[Community Task Force](#)

[PEH Organics Recycling Inc.](#)

[Regenerative Solutions](#)

[Rise N Shine Foundation Inc.](#)

[Safe Skies Maryland](#)

[Share Our Strength / No Kid Hungry](#)

[Maryland](#)

[St Rose of Lima Green Team Gaithersburg](#)

**[Talbot Green Hands \(Interfaith Partners of
the Chesapeake Chapter\)](#)**

**[Urbana High School Youth Climate
Institute](#)**

Varsity Kosher Food Service Inc.

[Vietnamese Americans Services Inc.](#)

[WeRadiate](#)

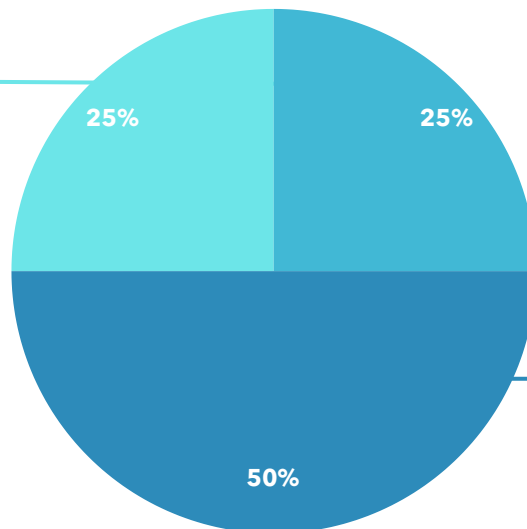
Wasted Food Reduction and Diversion Grants

This bill will generate over \$14 million in funding for food waste reduction and diversion projects including food rescue, food waste prevention, organics recycling and compost use, and moving away from single-use food service ware.

Wasted Food Reduction and Diversion Fund:

1 Wasted Food Reduction and Diversion Grant Program

Funds projects, infrastructure, education, and technical assistance to reduce wasted food, rescue edible food, compost or recycle food residuals, and transition away from single-use food service ware



2 On-Farm Organics Diversion and Recycling Grant Program

Funds farmers for wasted food reduction and organics diversion via cold storage, food rescue, composting, compost use, and more

3 County Wasted Food Reduction Block Grants

All Counties will receive funding in proportion to their population to reduce, rescue, and divert wasted food

\$ Funded by: A \$2/ton surcharge on final waste disposal

Maryland needs this bill NOW

- ▶ Maryland’s food waste diversion mandate, high landfill methane emissions, emissions reduction goals, and increasing demand for alternatives to food disposal require investment in infrastructure, capacity, and education.
- ▶ This bill prioritizes the economic growth and stability, environment, education, and health of Marylanders.

This bill funds many initiatives:

- Cold storage for produce
- Food rescue to feed people or animals
- Local composting infrastructure
- Education and technical assistance
- Reusable food service ware and dishwashers
- County and Municipal food scrap collection programs and staff
- ...to name a few examples

This bill addresses Maryland’s budget deficit and saves Marylanders money

- ▶ Funded initiatives will help families avoid losses from uneaten food, averaging \$1,500/year for a family of four.
- ▶ Reliable annual funding will be available to support the longevity of wasted food reduction and diversion efforts in Maryland.
- ▶ This bill will raise new revenue that would help fight the state deficit while keeping Maryland regionally competitive and filling potential gaps in federal funding.
- ▶ Investment in alternative infrastructure to landfilling and burning trash will counter rising disposal costs and constant expansion of disposal facilities.

This bill supports small businesses and local communities

- ▶ Grant funds will be accessible to businesses, schools, nonprofits, local governments, and community groups to develop or expand community waste diversion efforts.
- ▶ Preventing and rescuing wasted food and recycling what's left will generate more jobs and local economic opportunities than landfilling and incineration.
- ▶ Priority funding will go to projects that serve overburdened and underserved communities, and produce minimally-contaminated soil amendments.

Many states have this system in place already. It is not novel.

- ▶ At least ten other states use a surcharge on disposal to fund waste diversion with major impact on the economy and the environment. 29 states have general landfill tipping fee surcharges.

Wasted Food Reduction and Diversion - HB 42 & SB 134

Frequently Asked Questions

Drafted by: Sophia Jones (sjones@ilsr.org), Institute for Local Self-Reliance

What does this bill do?

- Establish a funding mechanism to support food waste reduction and diversion grant programs via a \$2 per ton surcharge on final waste disposal in landfills and incinerators.
- Mobilize an estimated \$14 million to build alternatives to food waste disposal.
- Create three new grant programs for
 - (1) reducing, rescuing, composting, and recycling wasted food (including infrastructure, operations, education, and technical assistance,) and transition away from disposable food service ware;
 - (2) on-farm organics recycling and compost use, wasted food prevention, and food rescue;
 - (3) Counties to reduce, rescue, and divert wasted food in the county.
- Make food waste diversion more accessible and more competitive by using funds from waste disposal to build food rescue, food waste reduction, and organics recycling projects.

Why is this bill important?

- The goal is that there will be a significant enough decrease in disposal of organics and an increase in alternatives such that haulers can be paying less in tipping fees and the inevitable increases in the costs of disposal will be mitigated by the availability of alternatives across the board.
- As Maryland's population is anticipated to rise, there will be an inevitable need to develop alternative infrastructure. Doing this sooner rather than later will save future costs and get Maryland ahead.
- This bill nominally increases the cost of disposal in exchange for investment in robust and locally-driven food waste reduction and organics management infrastructure. This is a way to insure against disposal costs that will exponentially increase moving forward due to shrinking landfill capacity and machinery upkeep and replacement needs.

What will the programs funded by the disposal surcharge support?

- The Wasted Food Reduction and Diversion Grant Program (administered by MDE) will fund projects, infrastructure, and education to reduce food waste, rescue edible food, compost or recycle food residuals, and to transition away from single-use food serviceware.
- The On-Farm Organics Diversion and Recycling Grant Program (administered by MDA) will support farmers in food preservation and rescue, including: cold storage; recovering food to feed animals; organics recycling; compost use; and the equipment, infrastructure, labor, technical assistance, testing, and other needs to achieve food waste reduction and diversion.
- The County Wasted Food Reduction Block Grant Program distributes flexible, annual funding to County governments, in proportion to their population, for infrastructure, programs, and education to reduce, rescue, and divert wasted food.

Who will be eligible for funding?

- The Wasted Food Reduction and Diversion Grant Program will be accessible to: units of local government, local educational agencies, institutions of higher education, non-profit organizations, for-profit businesses, and farmers including urban farmers. This includes waste haulers looking to move their businesses toward waste reduction activities.
- The On-Farm Organics Diversion and Recycling Grant Program will be accessible to: farmers including urban farmers, Soil Conservation Districts, institutions of higher education, non-profit organizations, and for-profit businesses.
- The County Wasted Food Reduction Block Grant Program directs funding to all Maryland counties, including Baltimore City and the Mid-Shore Counties.
- Priority funding for all programs will support projects that provide direct benefits to their local communities and address community needs, serve overburdened or underserved communities, follow relevant best management practices, produce minimally-contaminated compost, and more.

How does the disposal surcharge work?

- \$2 is added to the existing disposal facility and transfer station's tipping fee (which presently range from \$55-\$125/ton in Maryland) on waste disposed. Waste generators pay for hauling services and haulers pay these tipping fees when dumping waste at a disposal facility.
- Haulers are authorized to pass down the costs of the surcharge (but not more) to the waste generators. Haulers already incorporate tipping fees into their business and payment structure and they would account for the \$2/ton accordingly. Haulers may work to avoid disposal costs by offering expanded service for organics and recycling.
- Spread amongst households, businesses, and other waste generators, the \$2/ton disposal surcharge would cost approximately \$2.50 per person per year.

How might the surcharge amount change?

- This bill sets the surcharge amount at \$2/ton of waste disposed.
- The surcharge will be reviewed every two years beginning on or before July 1, 2028, to adjust for inflation and to determine if other adjustments to the surcharge amount are recommended.
- Successful food waste reduction and diversion will ideally decrease tonnage disposed in landfills and incinerators. In order to provide steady annual funding for the grant programs as waste disposal tonnages (ideally) decrease over time, the surcharge amount may be increased.

What are the economic benefits to Marylanders?

- The estimated \$14 million in annual revenue is significant enough to make meaningful change in Maryland. This funding will fully cover the costs of setting up and administering the grant programs while also awarding significant funding to entities all across Maryland to implement wasted food reduction and diversion.
- Economic benefits to businesses and households include investment in local businesses, development of more local jobs, establishment of alternatives to not be reliant on disposal of organics.
- The average US family of four loses \$1,500 per year to uneaten food. This bill will help develop support for households to save resources and navigate alternatives to food waste.
- This bill nominally increases the cost of disposal in exchange for investment in robust and

locally-driven food waste reduction and organics management infrastructure. This is a way to insure against disposal costs that will exponentially increase moving forward due to shrinking landfill capacity and machinery upkeep and replacement needs.

- The goal is to achieve a significant enough decrease in disposal of organics and an increase in alternatives such that haulers can be paying less in tipping fees and the inevitable increases in the costs of disposal will be mitigated by the availability of alternatives across the board.

What are the other benefits to Marylanders?

- The benefits to Marylanders are beyond just economic. Funded projects will support food security, local communities, healthy soils, and a clean environment.
- With prioritization of projects that are locally-driven and provide direct benefits to the community, this bill will support community engagement and availability of local jobs.
- This bill prioritizes projects that use processes to create clean, minimally-contaminated soil amendments. This will ensure that funded organics recycling and composting projects are prioritizing high quality end products, with minimal contamination from microplastics and PFAS, that can be confidently used to grow food and build soil health.

Why is this funding mechanism and grant program carried out statewide instead of at the County level?

- Administration of the grant programs will be done at the state level, avoiding the need for Counties to each support their own administration.
- The state needs widespread investment and infrastructure and a collaborative approach to achieve its ambitious statewide GHG emissions, recycling, and waste diversion goals.
- The program will be championed at the state level, with direct funding to counties and the indirect benefit of greater infrastructure developing through many avenues and at all levels.
- Via the block grants, Counties that already have various food waste reduction and diversion programs set up can use this money to fund and expand those (e.g. residential compost collection programs). Other Counties can use this funding to set up desired programs and pay for staff.

Who was involved in the development of this bill?

- Over the past 4 years, the Institute for Local Self-Reliance (ILSR), with the guidance of Delegate Regina T. Boyce, has gathered input from numerous stakeholders in order to make sure that this bill fills programmatic gaps, is implementable, and fits Maryland's unique landscape. Some of these stakeholders include the Department of Environment, Department of Agriculture, Maryland Clean Water Action, US Composting Council's Maryland-DC Chapter, and others.

Does this disposal surcharge mechanism exist in other states?

- Yes, most states levy some surcharge on waste disposal to landfills, incinerators, and/or transfer stations. At least ten states have disposal surcharges that directly fund recycling, compost, and other environmental initiatives.¹ They include New Jersey, Indiana, Pennsylvania, Minnesota, Ohio, Iowa, North Carolina, Wisconsin, Arizona, and Tennessee. The average per-ton surcharge among these states is \$3.97/ton.

¹ Jones, Sophia. February, 2022. "Surcharges on Waste Disposal Fund Composting." Institute for Local Self-Reliance.

- Some examples of surcharge policies administered at the local level include Alameda, San Mateo, and Santa Clara Counties in California.
- Recently, a handful of states have moved to establish, revive, or expand disposal surcharge mechanisms to fund waste reduction, including [New York](#), [Arizona](#), and [Pennsylvania](#).

How have these other states benefited from this mechanism?

- ILSR produced an [article](#) in 2022 featuring examples of this program's results in other states and municipalities. Some notable investments and impacts on waste diversion include:
 - Ohio's [Community and Litter](#) grant program awarded \$3.4 million was awarded to 77 projects in 2021, ranging from organics composting, to public space litter cleanups, to recycling equipment like organic material chippers.
 - Indiana's [Recycling Market Development Grants](#) and the [Community Recycling Grant Program](#) awarded over \$1.8 million in grant funding in 2020, creating up to 47 new jobs and increasing the amount of recycled materials by almost 85,000 tons.
 - Pennsylvania's Environmental Stewardship Fund supports [agricultural best management practices and watershed protection efforts](#) in addition to waste reduction projects.
 - In North Carolina, almost \$1 million in recycling grant funding was awarded to 47 recipients in Fiscal Year 2019-2020, resulting in 45 new jobs created, 8 million additional tons of plastic recycled, and 55,000 tons of organic material diverted from landfills.