



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 14, 2025

To: The Honorable Marc Korman
Chair, Environment and Transportation Committee

From: Delegate Jen Terrasa
District 13, Howard County

Re: Sponsor Testimony in Support of HB232, Maryland Beverage Container
Recycling Refund and Litter Reduction Program

Dear Chairman Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee,

Thank you for the opportunity to present HB232, which establishes the Maryland Beverage Container Recycling Refund and Litter Reduction Program – a.k.a. the Maryland Bottle Bill – to reduce the volume of litter and plastic pollution from beverage containers. The program will also divert containers from landfills and incinerators and increase recycling.

This is a reintroduction of HB735 from last session, but we have made significant changes to the bill after considering feedback from multiple stakeholders.

The Problem

In 2021, 5.5 billion beverage containers were sold in Maryland, 890 containers per person per year. It is estimated that 1.4 billion of them, only a quarter of the total containers sold, were collected for recycling. That means that every year more than 4 billion beverage containers become waste, ending up in landfills, incinerators, or littering our environment.

Single-use beverage containers are one of the most common items littered across the State. They are more than half of the litter in trash traps on the Anacostia River. Most of these wasted containers are made of plastic. They are polluting our waterways and posing a risk to wildlife and our health. They break into tiny pieces that are ingested by marine life, causing sickness and death. These small plastic particles are in our food and our bodies.

Maryland's beverage container litter problem is so severe that the Environmental Protection Agency declared the Anacostia watershed to be impaired with trash in 2010, and in 2014 did the same for the watershed surrounding Baltimore Harbor. Our state, which is home to the largest estuary in the country – the Chesapeake Bay – also has the dubious distinction of having two of the three water bodies in the country that are impaired for trash and regulated by the EPA under the Clean Water Act.

The 4 billion wasted containers annually not only contribute to litter and plastic pollution – they are also a waste of energy and resources. Rather than conserving and reusing those wasted materials, new beverage containers are being manufactured from virgin materials that generate greenhouse gas emissions at every stage of their life cycle, from extraction to production and disposal, with climate, health, and environmental justice impacts.

What the bill does

HB232 would create a beverage container deposit program in Maryland with a refundable deposit of 10 cents for metal, plastic, and glass beverage containers 24 fluid ounces or less and 15 cents for beverage containers more than 24 fluid ounces up to 3 liters.

Distributors of beverage containers collect the deposit when they deliver their products to a retailer for sale, and the retailer gets refunded for the deposit when a customer purchases the beverage. The customer gets their deposit refunded when they return the container for recycling.

The deposit would be refunded to customers when the redeemable beverage container is returned for recycling at convenient redemption opportunities for customers, mainly at retailers that sell redeemable beverage containers. Think of this as “buying the beverage but borrowing the container.” The deposit ensures that the empty container is returned.

Restaurants and other hospitality businesses where beverages are consumed on the premises would pay the deposit on the redeemable containers they purchase. The deposit is not passed on to customers – it is refunded directly to the business from the Stewardship Organization when the empty containers are returned.

Both retailers and hospitality businesses would receive a “handling fee” per container to pay for the cost of collection, sorting, and storing of redeemable containers.

The metal, glass, and plastic raw materials are sold on the market to be used to make new beverage containers, and the revenue is put back into the program. Use of the high-grade materials recovered from the redeemed beverage containers displaces the production of beverage containers that are using virgin resources, reducing energy use and greenhouse gas emissions.

How it would work

The program would be implemented by a non-profit Beverage Container Stewardship Organization (BCSO) selected by the Maryland Department of the Environment (MDE). All beverage producers selling or distributing beverages in redeemable containers in the state would have to register with MDE, belong to and finance the Stewardship Organization. Responsibilities of the Stewardship Organization include:

- Submitting a Stewardship Plan for organizing and implementing the program, according to provisions in HB232 and as established in rulemaking;
- Submitting annual reports, with the information prescribed in HB232;
- Putting in place and financing the necessary infrastructure;
- Collecting and processing empty redeemed containers from redemption sites and hospitality businesses;
- Managing the deposits; and
- Achieving three main targets:
 - Putting in place all convenience standards set by December 2027;
 - A 90% redemption rate of beverage containers by the fifth year of operation; and
 - A target of 10% of all beverage containers sold in the state to be reusable/refillable by December 2035.

MDE would provide oversight of the Stewardship Organization. Besides selecting the stewardship organization, it would:

- Set producer registration fees at a level that will fully compensate for costs incurred by MDE for oversight;
- Approve the Stewardship Plan submitted by the Stewardship Organization;
- Set the convenience standard for customer access to redemption locations;
- Set handling fees per container paid to retailers to cover their collection and sorting costs, and for restaurants and hospitality businesses, to cover preliminary sorting;
- Develop a process for local governments to set up their own redemption center, if they want to, and receive a handling fee;
- Enforce and audit operations; and
- Appoint and consult with an Advisory Council of stakeholders on approval of the stewardship plan, annual reports, and implementation issues.

The program would establish a Grant Fund for developing refill/reuse programs, funded by some of the unclaimed deposits and managed by MDE.

Retailers with more than 3,000 square feet of retail space that sell redeemable beverage containers and have at least 150 square feet of shelf space displaying redeemable containers would be required to receive empty containers for redemption and to refund the deposits. There are many options to satisfy this obligation:

- Reverse vending machines that verify, count, and redeem empty containers, and issue a receipt for the amount that can be refunded by the retailer at checkout;

- Bag drops located in the parking lot where customers can leave all of their empty containers in a bag labeled with a personal barcode, and receive a refund into a personal account;
- Shared redemption facilities among several co-located retailers;
- The ability to collaborate with any nearby redemption center set up by the Stewardship Organization to satisfy the convenience standard, in lieu of on-site redemption.

The program would be self-financed, by registration and Stewardship Organization producer fees, sale of raw materials, unclaimed deposits, and penalties. The program would be budget-neutral for the State. MDE's start-up costs in launching the program will be fully reimbursed to the General Fund by the Stewardship Organization at the time of program launch.

The deposit would go into effect on January 1, 2028. Deposits on beverage containers have been enacted in 10 other states and have been ongoing for as long as 50 years. Those programs typically reduced beverage container litter by 70-85%. For those with a 10-cent deposit, 90% of containers have been returned for recycling, compared with only about a quarter of containers returned currently in Maryland.

The benefits of HB232

- Reduction in beverage container litter and plastic pollution: The program would remove 3.6 billion additional beverage containers annually, including 2.3 billion plastic bottles, diverting at least 236,000 tons of plastic, aluminum, and glass containers from the environment.
- Increased recovery of beverage containers for recycling: Based on experience in the other states with bottle bills, a 10-cent deposit would achieve a 90% redemption rate for covered beverage containers, compared with the current recovery rate of only about a quarter in Maryland.
- Increased high-quality, food-grade recycled content for new food and beverage containers. When the targets are achieved, the program will generate an additional 13,328 tons of aluminum, 47,665 tons of PET plastic, 7,847 tons of HDPE plastic, and 159,397 tons of glass to be recycled into new containers. The resources this bill provides supports the efforts of my companion legislation, HB69, the Postconsumer Recycled Content Program bill. That bill creates demand for food-grade recycled content for beverage and food containers by requiring a certain percentage of recycled content in plastic containers sold in Maryland.
- Reduction of greenhouse gas emissions. By reducing the production of new cans and bottles from virgin materials, the additional recycling from this program would eliminate 231,717 metric tons of CO2 equivalent annually, the equivalent of removing the emissions of 50,000 cars.
- Job creation. Increased recycling generated by a deposit program creates five times more jobs in collection, sorting, and transporting from increased recycling than are created by garbage collection, hauling, landfilling, or incineration.

Maintenance of reverse vending machines and investments in the reuse/refill systems will also create new job opportunities.

- HB232 complements local curbside/single-stream recycling, which will continue to collect beverage containers that customers choose not to redeem, larger beverage containers that are not part of the program, and other residential recyclables.
- Reduced costs for local governments. Local governments will realize potentially substantial cost savings from the Maryland Bottle Bill. They will not have to pay for the collection, transport, or tipping fees for the three quarters of beverage containers that are currently trashed or burned, and will have lower costs for litter collection.
 - Diversion of glass bottles from curbside programs will also save collection costs for a material that in the single-stream system often is low value, creates wear and tear on the machinery, and a source of contamination.
 - While these programs typically reduce costs for local governments, for the first two years of the program there would be compensation for net losses from the overall waste management program that can be attributed to the program.
 - Local governments are not involved in implementation or enforcement of the program, but may set up their own redemption facilities if they choose to, and receive a handling fee per container under this program.
- Investments in refillable and reusable beverage container systems. Deposits are critical to the development of refillable and reusable containers. The program will launch that transition, with a target of 10% of beverage containers sold in Maryland to be reusable and refillable by 2035.

Public support for a bottle bill

Since last session, a public opinion survey of registered voters in Maryland conducted by Gonzales Research has found overwhelming support for a Maryland Bottle Bill. That survey, conducted from December 27 - January 4 for the Sierra Club found that more than 90% of registered voters would support a Maryland bottle bill with a 10-cent refundable deposit that could be repaid when the containers are returned to a convenient redemption point, financed by beverage producers, not the taxpayers.

Conclusion

Maryland is facing a plastic pollution crisis that is impacting our health and the environment. Beverage container litter is a major contributor. Based on decades of experience from bottle bills in other jurisdictions, HB232 will substantially reduce beverage container litter and plastic pollution. It will also increase the quality of recycled material for closed loop recycling and provide for a transition from single-use to reusable/refillable containers. These are the unique impacts of deposit programs.

It is also important to pass legislation to reduce packaging, redesign hard-to-recycle packaging for recyclability, reduce its toxicity, and make producers responsible for these outcomes. The bottle bill and the EPR for packaging bill complement each other, but only one of them, HB232, is already proven to be effective and if passed this year can be underway in 2-3 years' time. EPR for packaging bills are relatively new in the United States, and are not yet operational in any of the five states that have passed them. There are not yet any lessons learned from that experience, and the programs are estimated to take 5-8 years to launch after passage.

As of this writing, the Recycling Needs Assessment that has been under preparation in 2024 as part of the 2023 session's Extended Producer Responsibility (EPR) for Packaging bill (SB 222), is nearly completed, but we don't anticipate that it will inform the impact of beverage container deposit programs on litter, which is the objective of HB 232. We already know Maryland has a plastic pollution and litter crisis; Bottle Bills are a proven and effective solution for reducing beverage container litter; and the Recycling Needs Assessment will **not** analyze litter issues. It will be important for developing an EPR for Packaging program with respect to the recycling system; it does not include an assessment of programs to reduce litter. The Bottle Bill is a proven policy that will reduce litter and help recover easy-to-recycle beverage containers. This leaves the EPR for Packaging Program to focus on reducing diverse types of packaging and making hard-to-recycle packaging more recyclable. The first three states to adopt an EPR for Packaging program (Maine, Oregon, and California) already have long standing separate bottle bills.

We need to stop kicking the can down the road and pass the Maryland Bottle Bill now. We already know how to reduce beverage container litter and the plastic pollution associated with it. This doesn't require additional information. Every year we wait, another 4 billion beverage containers are entering the environment.

I respectfully urge a favorable report on HB232.