



Senate Bill 367

Maryland Redeemable Beverage Container Recycling Refund and Litter Reduction Act

MACo Position: **OPPOSE**

To: Finance & Education, Health, and Environmental
Affairs Committees

Date: February 18, 2016

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **OPPOSES** SB 367. The bill would divert valuable commodities from county recycling programs, provide only temporary fiscal assistance to those counties, and potentially confuse consumers who have been educated to utilize curbside and single stream recycling programs.

SB 367 would create a statewide container deposit of five cents, to be redeemed through a series of redemption centers operated by the Maryland Environmental Service (MES) and retailers with more than 5,000 feet of floor space. MES is also required to administer the program. The complex fiscal and operational underpinnings of the bill leave counties absorbing the long-term loss of key recycling revenue. Additionally, the new redemption infrastructure could upend Maryland's already very successful efforts to promote citizen acceptance of and participation in recycling efforts.

Maryland has debated - and rejected - various proposals to institute container deposits over the years. Recently, the General Assembly has consistently rejected various bottle bill program and study proposals every year since 2011. According to a Vermont Legislative Research Service report, only 10 states currently implement a beverage container deposit program.¹ Delaware repealed its deposit program in 2010 when it created a statewide recycling requirement instead. Vermont is among the 10 states with a container program, but it also recently adopted a statewide recycling requirement and studied the impact the recycling program will have on its container program. California's program has faced serious fiscal issues.

Diversion of Material from County Recycling Programs

A core issue for counties regarding any bottle deposit proposal is the loss of the most valuable recyclable commodity – aluminum – from county recycling programs. Counties already strive to

¹ *Bottle Bills*, James M. Jeffords Center's Vermont Legislative Research Service, The University of Vermont (February 17, 2012)

deliver successful recycling programs, to satisfy both public demand and State mandates. The sale of collected materials is a component toward paying for this service – but counties are obliged to support recycling programs through a wide range of general taxes and fees. By withdrawing the most marketable commodities from existing recycling programs (curbside pickup, single stream, etc.), SB 367 would orphan the massive infrastructure investment made in these programs, as well as oblige even larger taxpayer subsidies to cover costs for a reduced material stream.

As the bill's fiscal note indicates, local recycling revenues will decrease, potentially significantly, beginning in 2018 when the deposit program takes effect. MES estimates an annual loss of \$1.3 to \$1.6 million in commodity sales revenue at three recovery facilities it operates in Baltimore, Montgomery, and Prince George's Counties. Baltimore City estimates a potential annual loss of \$500,000 from its curbside recycling program.

While the bill does provide for a nominal subsidy to offset these losses, that subsidy is deliberately only temporary and further subject to MES confirmation and approval. After that, counties are left on their own to make up the losses. Also, as the fiscal note indicates, it is unclear whether the subsidy would entirely cover county losses and that the subsidy will not cover any other costs incurred by a jurisdiction to alter its local waste disposal and recycling programs.

Impact on Consumer Behavior

Maryland has accomplished much through citizen education and program investments to reach its outcomes. Single-stream recycling programs continue to prove popular and accessible to residential users, and remain the widespread direction of county-managed efforts.

MACo is concerned about the effect a container deposit program will have on citizen behavior that has been trained toward a single-stream model. As the past has shown, significant education efforts will be needed to alter citizen behavior and there could be a dilution of enthusiasm in participating in single stream programs. Other states' bottle deposit programs were all instituted prior to large-scale curbside recycling programs and cannot provide reliable guidance about potential impacts.

Litter Reduction

MACo acknowledges that the litter issue raised by advocates of the bottle deposit program is a valid concern. However, MACo believes that the issue can most likely be addressed through other methods that would not potentially disrupt Maryland's recycling efforts.

Attached with this testimony are a series of web links that highlight different litter reduction and prevention approaches undertaken by other jurisdictions. MACo tried to select programs that took different approaches and have had some level of success. While no single approach will solve the litter issue, the programs can provide some viable alternatives to the container deposit proposal.

Conclusion

SB 367 would impose a controversial and unpopular charge on consumers and undermine successful recycling efforts. The bill would divert scrap material used to subsidize county recycling programs and potentially confuse the efforts to focus residents on single stream recycling. For these reasons, MACo recommends an **UNFAVORABLE** report on SB 367.

LITTER REDUCTION PROGRAMS

(Prepared by MACo 2015-03-04)

For easy access to these links, please go to www.mdcounties.org/LitterReduction

Virginia

State Litter Prevention Program: distribution of annual grants to localities for recycling and litter activities, provide educational information

<http://www.deq.virginia.gov/Programs/LandProtectionRevitalization/RecyclingandLitterPreventionPrograms.aspx>

<http://cvwma.com/cvwma-education/litter-prevention/>

Pennsylvania

Great American Clean-Up of Pennsylvania Program

<http://www.gacofpa.org/>

Delaware

Summarizes several litter prevention events in the state

<http://www.delawarehealth.org/content.cfm?article=annual-events>

Ohio

State Litter Prevention Grants

<http://epa.ohio.gov/ocapp/grants.aspx>

City of Mansfield Litter Prevention and Recycling Program

<http://www.ci.mansfield.oh.us/litter-control-sp-204092142.html>

San Diego

Work of the nonprofit group I Love A Clean San Diego

http://ilacsd.org/a_strategies.php

Britain

Keep Britain Tidy campaign (corporate partnerships)

<http://www.keepbritaintidy.org/litterpreventioncommitment/1376>