

Frequently Asked Questions

[HB 1139](#) – Solid Waste Diversion and Disposal and On-Farm Composting and Compost Use Bill

Why is funding for waste reduction and healthy soils practices needed in Maryland?

- Maryland is in need of expanded access to and capacity of recycling, reduction, reuse, and composting programs and infrastructure. One main obstacle to more infrastructure and programs is lack of funding.
- Expansion of composting infrastructure and availability of high-quality compost is crucial to supporting agriculture in Maryland¹ by building healthier soils, reducing the need for synthetic nitrogen fertilizers, and increasing soil organic matter, all while diverting organic waste from landfills, where its anaerobic decomposition produces methane, a potent greenhouse gas.
- A nominal per-ton waste surcharge will provide a source of funding to support and expand waste diversion throughout the state while also disincentivizing final solid waste disposal in landfills and incinerators.
- Maryland has passed numerous policies supporting healthy soils, food waste recovery, recycling, and composting but funding is sorely lacking.

What does this bill do?

- This bill would create needed grant programs for (1) waste reduction (including reuse, recycling, and composting), and (2) on-farm composting and compost use.
- This bill incorporates a funding mechanism to support the grant programs via a nominal surcharge on waste disposal. The \$2 per-ton surcharge will apply to waste disposed at Maryland's landfills and trash incinerators. This mechanism would mobilize an estimated \$12 million to build alternatives to waste disposal by supporting infrastructure, program development, education, and creation of jobs.
- The bill would make waste diversion more accessible and more competitive by using funds from waste disposal to build waste reduction and composting projects.

How did this bill get to be 23 pages long?

- We've adopted and included the best features of the best existing state programs out there. Some of this detail, while making the bill long, does not add complexity but rather clarification on key aspects.
- The bill includes details on the disposal surcharge mechanism, a flexible and effective opt-out option for counties, and project and entity eligibility details for the grant programs in order for the Legislature to provide clear implementation guidance to the administrative agencies (MDE and MDA).

¹ Via, Sara. 2021. [Increasing Soil Health and Sequestering Carbon in Agricultural Soil: A Natural Climate Solution](#). Izaak Walton League of America and National Wildlife Federation.

- As two agencies would be responsible for administering portions of the grants, the bill also includes some repetitive text in addressing each agency's responsibilities.

What changes have been made to this bill since it was first introduced in 2022?

- With the updated apportionment of grant funds, more money will go directly to County governments to use on waste reduction projects (50% of the total revenue with the updated bill as opposed to 25% as previously written).
- Alternatively, Counties (including Baltimore City and the Mid-Shore) may apply to opt out of the statewide program if they set up their own disposal surcharge to fund waste reduction in the county. Opted-out Counties would have the flexibility to tailor their program to their needs.
- The disposal surcharge has been lowered to \$2 per ton of waste landfilled or incinerated.

What will the grant programs funded by the fees support?

- The three Waste Reduction Grant Fund grant programs proposed by this bill are:
 - An On-Farm Composting and Compost Use competitive grant program, to support Maryland farmers with implementation and development of on-farm composting and compost use.
 - A Waste Reduction competitive grant program, to fund projects for the development, maintenance, and/or expansion of local reuse, repair, recycling and composting programs and infrastructure, including projects that address illegal dumping.
 - A County Waste Reduction grant program, to provide financial support to Maryland Counties for reuse, repair, recycling and composting programs and infrastructure, as well as management and prevention of illegal dumping. The grant funds are awarded based on population.

Who will be eligible for funding under the created grant programs?

- The On-Farm Composting and Compost Use grant program will be accessible to: units of local government that have not opted-out of the statewide program, local educational agencies, institutions of higher education, non-profit organizations, and farmers including urban farmers.
- The competitive Waste Reduction 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 County Waste Reduction grant program is available to all Maryland Counties, including Baltimore City and the Mid-Shore, except those that have opted out of the statewide disposal surcharge and granting program.

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 eight states have disposal surcharges that directly fund recycling, compost, conservation, and other environmental initiatives. They include New Jersey, Indiana, Pennsylvania, Minnesota, Ohio, Iowa, North Carolina, and Wisconsin. The average per-ton surcharge among these states is \$4.82/ton.
- Some examples of surcharge policies administered at the local level include Alameda, San Mateo, and Santa Clara Counties in California.

How have these other states benefited from this program?

- ILSR produced an [article](#) last year 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.

Will this program work in Maryland, where most landfills are publicly owned?

- Yes, there's no reason it will not work in Maryland.
- Once implemented, the bill will extend the life of publicly-owned landfills, avoiding capital-intensive landfill replacement costs, which would result in counties incurring more capital debt.
- The surcharge applies to waste generated, which comes from both the public and private sectors. The landfill/incinerator facilities simply serve as collectors of the surcharge, remitting the funds to the State for granting purposes.
- Counties will directly receive surcharge funds to create alternatives to landfill disposal.

How will the surcharge be collected?

- The owner or operator of each refuse disposal facility is responsible for collecting the disposal surcharge at their facility and submitting the collected monies to the State. The Maryland Department of Environment will set specific guidelines for reporting.
 - Maryland's Recycling Act [Tonnage Report survey](#) can be used as guidance for format.
 - New Jersey uses an online filing system as described [here](#)
- The monies collected will be deposited into the Waste Reduction Grants Fund, to be used for the Waste Reduction and On-Farm Composting grant programs, as described below.

Who will be administering the grant programs?

- Maryland Department of Environment will hold and administer the Waste Reduction Grants fund that distributes grants to Counties and to other eligible entities for waste reduction activities.
- 25% of total funds after administrative costs (up to 10%) will be transferred to the Maryland Department of Agriculture to administer the on-farm composting and compost use grants to farmers and other eligible entities.

Why are the County grants allocated based on population?

- The County Waste Reduction grant program is established in order to ensure that funds collected from the disposal surcharge are distributed equitably throughout the state to Counties that remain part of the statewide granting and surcharge program. This will encourage waste reduction and ensure that those who are potentially affected by higher waste disposal fees have access to affordable alternative waste management resources and education, as supported by the grants.
- This is best accomplished by allocating County Waste Reduction grant money based on population.

How will the surcharge increase?

- In order to ensure a steady annual revenue as waste disposal tonnages (ideally) decrease over time, the fee may need to increase over time. Successful waste reduction and diversion will decrease tonnage disposed.
- The surcharge will be updated every two years beginning on or before January 1, 2026 to adjust for any changes in the Consumer Price Index for the US Mid-Atlantic Division (accounting for inflation), and at the same time the surcharge will be reviewed to determine if an increase is recommended.

How does this bill address illegal dumping?

- Projects addressing illegal dumping are eligible for grant funding (including, but not limited to, debris clean-ups, support for haulers, surveillance, drop-off bins, and recycling centers that accept a wide range of materials).