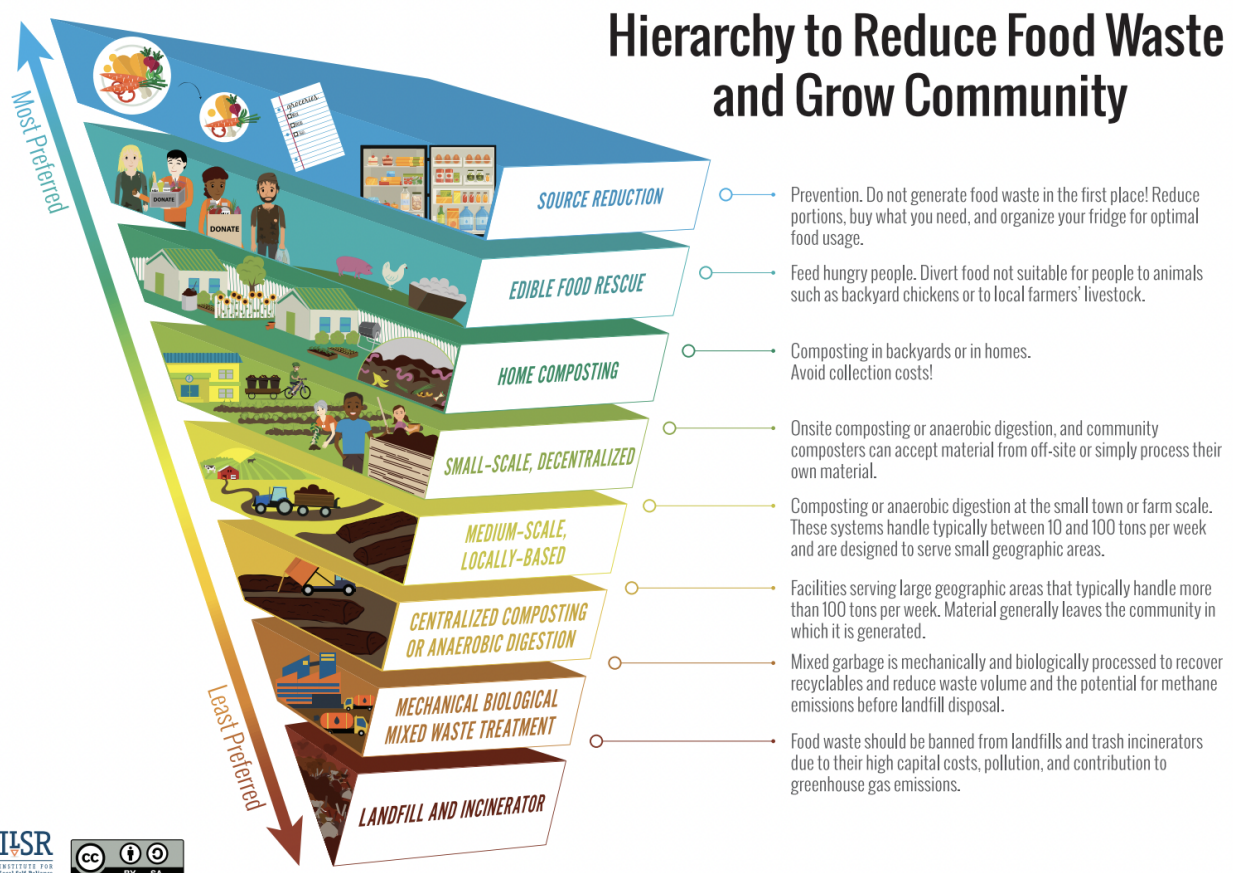


Maryland Composting Infrastructure Policy Gap Analysis

This policy gap analysis provides an overview of Maryland’s composting-related policies and policy opportunities to support diverse and distributed composting infrastructure. Diverse and distributed composting is composting that relies on many sites (from home composting and community gardens to municipal sites and on-farm composters) and not just reliance on a few large-scale industrial sites.

Each policy category includes a rating of Weak, Moderate, or Strong, reflecting the degree to which the existing policies in that category foster diverse and distributed infrastructure for composting. This analysis considers existing policy comprehensiveness and effectiveness as well as alignment with best practices to produce high-quality compost and spur local economic development, informed by the Institute for Local Self-Reliance’s [Hierarchy to Reduce Waste and Grow Community](#).



Findings

- Maryland’s current policy landscape is difficult for non-industrial composters to navigate and may prevent community-based or on-farm composting facilities from starting up. Policy that supports locally-based composting solutions (e.g. funding, zoning, permitting) will open up greater close-in organics processing capacity, keeping transportation emissions lower, making composting accessible to a greater number of communities, creating local jobs, and facilitating local use of compost to build local soil.
- Maryland’s funding opportunities and financial incentives for composting infrastructure are fragmentary (either composting is not explicitly eligible for funding or funding is only available under narrowly specific conditions.)
- Maryland’s goals around waste reduction and diversion are out of date and don’t sufficiently prioritize development of diverse and distributed composting infrastructure.
- Maryland’s existing policies do not directly address how to minimize contamination in soil amendments (such as microplastics and PFAs).

Recommendations

- Introduce a bill that dedicates funding to build the state’s capacity for food waste prevention and recovery, with a focus on distributed composting. ILSR recommends that, as a first step, a grant program to support food waste prevention, edible food rescue, on-farm composting infrastructure, technical assistance, reusable foodservice ware, and research is established and funded by a minimal per-ton surcharge on final disposal and incineration of solid waste.
 - [HB 1139 \(2023\)](#) could be essentially cut in half to achieve this. The bill could stipulate details of the funding as HB1139 did or it could even be shorter by simply spelling out the program features for the administration to incorporate (e.g., an opt-out for counties, funding priorities, eligible entities and projects).
- Introduce statewide legislation that includes composting as an approved activity in agricultural zones and zones with urban farming or community gardens as an approved land use. Although zoning is determined locally, statewide policy that prohibits the exclusion of certain activities from zoning codes facilitates alignment with local zoning.
 - Examples: [Hawaii allows composting in agricultural districts \(HB 1992\)](#); [Ohio EPA Guide to Urban Agriculture, Composting, and Zoning](#)
- Create a permit designed specifically for smaller and medium-sized compost facilities. This would provide an option between the on-farm composting permit exemptions and the need to get an industrial compost site permit.
 - Example: [Pennsylvania Small-Scale and On-Farm Composting Permits](#)
- Dedicate funding to a technical assistance program available to communities, farmers, and private sector entities on establishing and maintaining composting operations, and to help food waste generators divert organics from the waste stream and navigate options for composting.
- Implement policies to drive the market toward high-quality soil amendments that minimize physical and chemical contaminants (such as microplastics and PFAs) via permitting, procurement, regulating compost products, source separation requirements, and policies to avoid reliance on depackaging systems.

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Policy Category	Current Status	Opportunities and Recommendations
<p>Organics Disposal Bans and Recycling Requirements</p>	<p style="text-align: center;">MODERATE</p> <p>HB 264 (2021) requires that generators of 2 tons of organic waste per week starting January 2023, and 1 ton per week starting January 2024 divert their organic waste from disposal, if processing capacity exists within 30 miles of the generator.</p> <p>HB 510 (2019) prohibits the owner or operator of a refuse disposal system from accepting loads of separately collected organic waste for disposal unless the owner or operator recycles the organic waste.</p>	<ul style="list-style-type: none"> • After instituting policies that build up Maryland’s distributed composting infrastructure network (e.g. permitting, funding, technical assistance,) Maryland should expand HB 264 (2021) to require more food waste generators to divert their food scraps. • NRDC’s Food Waste Policy Gap Analysis notes that progress on policies to expand organics processing infrastructure, offer incentives, make permitting more accessible, and more “can help make food waste diversion more common, which can lower barriers to implementing policies like a disposal ban.”
<p>Tax Incentives for Composting Infrastructure</p>	<p style="text-align: center;">WEAK</p> <p>Tax incentives to offset compost processing infrastructure needs was recommended by the Organic Materials Diversion and Infrastructure Study Group Report but not implemented.</p> <p>Agricultural operations may be eligible for state income tax credit for purchase of fertilizers to meet requirements of nutrient management plans under COMAR 15.20.09.03. However, the policy does not explicitly mention purchase of compost.</p>	<ul style="list-style-type: none"> • Implement tax incentives such as tax deductions or credits for purchased composting equipment and infrastructure, tax deductions for compost purchased for application, and tax credits for agricultural compost production and use. • Policy should explicitly state compost and compost infrastructure as eligible for tax incentives. • The HB 171 study group report notes that grants are more beneficial than tax incentives to new organics processing operations when starting up.

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<p style="text-align: center;">Funding for Composting Infrastructure</p>	<p style="text-align: center;">WEAK</p> <p>The School Waste Reduction and Composting Program will make \$250,000 in grants to MD schools to implement food waste reduction and composting in 2024. The program currently only has one year of funding.</p> <p>Compost operations may have a chance at funding that isn't specifically dedicated to compost. For example:</p> <ul style="list-style-type: none"> • The Healthy Soils Competitive Fund provides limited funding to farmers who adopt soil health practices. It does not explicitly list composting or compost use as eligible practices, though MDA confirmed farmers are able to use funds for compost production and application. • The Local Government Infrastructure Financing Program issues bonds to municipalities for capital projects that support their communities. Composting infrastructure eligibility is not mentioned. • Local jurisdictions may receive up to 3% Source Reduction Credit for offering home composting workshops and establishing a demonstration site. • Keep Maryland Beautiful Grants offer up to \$5,000 for environmental education or stewardship, though composting is not explicitly mentioned. <p>Farms may be eligible for funding to cover costs of poultry and animal waste composting via these programs:</p> <ul style="list-style-type: none"> • Maryland Agricultural Water Quality Cost-Share program may cover costs of composting infrastructure, but it's only available to poultry producers for the purpose of 	<ul style="list-style-type: none"> • Introduce a solid waste disposal surcharge to incentivize waste diversion while generating revenue to fund either only composting infrastructure or more widely fund diversion, reuse, and recycling. This is a recommendation included in NRDC's policy gap analysis; it's also one of New York's top 3 legislative priorities in the solid waste management plan. • Establish permanent funding for the School Waste Reduction and Composting Grants Program. • Create grant funding or low-interest loans for small facilities. This is a recommendation from the Food Systems Resiliency Council 2022 report; they recommend seeding this grant program with \$500,000 and budgeting \$150,000 for management costs. • Create a MDA-managed funding program for on-farm composting. This program may focus on innovation for on-farm composting of off-site food scraps, similar to the Animal Waste Technology Grants program. • Expand existing funding mechanisms by including composting infrastructure in funding eligibility criteria. For example, make MACS Program funds accessible toward on-farm composting infrastructure more broadly,

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	<p>carcass composting and other materials generated on-site.</p> <ul style="list-style-type: none"> • Animal Waste Technology Grants may be used for innovative technologies that support new uses for “any waste stream generated by on-farm animals or through an animal production process involving Maryland livestock.” 	
<p>Composting Infrastructure Permitting</p>	<p style="text-align: center;">MODERATE</p> <p>Maryland has a composting facility permit that requires numerous plans and other accompanying materials. This process may be prohibitive to non-industrial or non-municipal local composting operations wanting to start up without resources to overcome regulatory barriers, state and county permitting costs, various plan development, inspections, and more.</p> <p>Maryland’s on-farm permitting rules include exemptions for (1) farms that only process materials from on site and use all compost on site, (2) farms that only process on-site materials and off-site yard waste, manure, or animal bedding within 40,000 sq.ft., (3) farms that process off-site materials like food scraps within 5,000 sq. ft. for space used in support of composting, (4) farms that process off-site materials like food scraps within 10,000 sq. ft. for active composting with added conditions, and (5) emergency on-site animal mortality composting.</p>	<ul style="list-style-type: none"> • Create a permit designed for small-scale composters that acts as a stepping stone between permit exemptions and the requirements associated with a full-scale compost facility permit [example: Pennsylvania Small-Scale and On-Farm Composting Permits]. • Facilitate farmers taking advantage of existing on-farm composting facility permit exemptions by keeping associated requirements streamlined and financially feasible. • Facilitate, such as through best practice performance-based requirements, fewer permitting restrictions for small-tier facilities. • Provide assistance creating and gathering the necessary documents to apply for a compost facility permit to farmers, community compost sites, gardens, and other individuals or groups hindered by limited resources. • Review why food scraps are regulated differently by MDE than animal manure feedstocks. FDA regulations recognize that both post-consumer food scraps with animal byproduct and animal manures have pathogen potential.

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<p>Zoning for Distributed Composting Infrastructure</p>	<p style="text-align: center;">WEAK</p> <p>Zoning code is regulated by local governments. Most counties only regulate large scale waste facilities via zoning, which can be costly and unnecessary for smaller composting sites, especially those tied to food production such as farms and gardens. Montgomery County’s Zoning Code includes composting as an accessory farming use.</p> <p>Farms that meet the state’s exemptions for on-farm composting must still comply with local zoning ordinances.</p>	<ul style="list-style-type: none"> Local codes should align with statewide goals and policies, which should promote distributed composting infrastructure within local zoning codes. Establish composting as an approved activity in agricultural zones to allow farmers to compost on-farm [example: Hawaii HB 1992]. Allow a percentage of off-site materials for on-farm composting in zoning code [example: Montgomery Co, MD]. Establish composting as an accessory activity in zones with urban farming or community gardens as an approved land use [example: Ohio EPA Guide].
<p>Compost Procurement</p>	<p style="text-align: center;">WEAK</p> <p>SB 782 (2023) requires each unit of state government to adopt compost procurement specifications, as established by the Maryland Green Purchasing Committee. The Green Maryland Act of 2010 (SB 693) originally established a preference for use of compost in public landscaping projects.</p> <p>HB 878 (2014) required the State Highway Administration to use compost and compost-based products in State highway construction projects as a best management practice. The extent of implementation and enforcement of this bill is unclear.</p>	<ul style="list-style-type: none"> Require compost procurement for local jurisdictions on applicable projects in addition to units of state government. Prioritize high-quality and locally-sourced compost for government procurement [example: Washington State]. Include a procurement subsidy to address higher cost for compost than for standard products for the same application. Implement policies to drive the market toward high-quality soil amendments that minimize physical and chemical contaminants (such as microplastics and PFAs).
<p>Technical Assistance</p>	<p style="text-align: center;">WEAK</p> <p>There is some opportunity for technical assistance at varying degrees (for example, soil and water conservation districts, UMD extension services) but no statewide programs exist that offer technical assistance to composters.</p>	<ul style="list-style-type: none"> Provide technical assistance to help businesses divert organics and navigate options for composting. Provide technical assistance, via trusted technical support institutions to communities, farmers, and private sector entities on establishing composting operations. Invest in composting demonstration sites.

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	<p>MDE's existing technical assistance website provides few options for composters.</p>	<ul style="list-style-type: none"> • Provide technical assistance for equipment use and maintenance, and options for equipment sharing. • Encourage or even require stage agencies to create more accessible and dedicated web resources for farmers and others to be able to navigate rules, funding, and guidance.
<p>Removal of Other Barriers to Composting</p>	<p style="text-align: center;">MODERATE</p> <p>HB 248 (2021) mandates that condos and HOAs may not prevent owners from composting organic materials or contracting with private composting services.</p> <p>The Organic Materials Diversion and Infrastructure Study Group recommended identification of state land for siting composting facilities. MDE received a federal SWIFR grant to identify placement for organics processing infrastructure.</p>	<ul style="list-style-type: none"> • Enact quality standards for compost like setting minimum contamination percentages for compost and encouraging quality testing [example: Washington State's performance-based permit exemption]. • Any land identified to site compost processing and demonstration facilities should be made available to both municipal and non-municipal entities.
<p>Solid Waste and Food Systems Plans and Goals</p>	<p style="text-align: center;">MODERATE</p> <p>The Maryland Recycling Act still operates under a statewide waste diversion goal of 40% by 2005. Composting is included in the definition of recycling and is counted toward measured recycling rates.</p> <p>Maryland's Climate Pathway does not sufficiently support distributed composting infrastructure and does not currently recognize the cross-sectoral benefits of distributed composting infrastructure.</p>	<ul style="list-style-type: none"> • Maryland Recycling Act: Set a higher goal for waste prevention and recycling and specifically create targets for organic materials such as wasted food. • Maryland's Climate Pathway: legislation could require that the Plan name specific strategies to support infrastructure for distributed composting and recognize its benefits (e.g., sequestering carbon, creating jobs, enhancing soils and food resiliency, serving underserved communities, supporting urban and rural farmers). • Pass local climate action goals and plans that support expanded composting infrastructure and compost use at scales that best benefit local communities.

Additional policy analysis resources to consider:

[HB 171 \(2017\)](#) called for an evaluation of organic materials diversion and infrastructure in Maryland and an exploration of “ways to encourage decentralized and diverse infrastructure.” In 2019, the study group on Yard Waste, Food Residuals, and Other Organic Materials Diversion and Infrastructure released their [Final Report](#) including key findings and recommendations on policy to advance organics processing infrastructure in Maryland, many of which have yet to be addressed by the State.

In 2021, the Natural Resources Defense Council (NRDC) published a [Maryland Food Waste Policy Gap Analysis and Inventory](#) in collaboration with the Center for EcoTechnology, in collaboration with the Harvard Law School Food Law and Policy Clinic and BioCycle Connect, LLC. NRDC’s policy gap analysis takes a broad lens on food waste policy, including edible food rescue, date labeling, and other policies beyond composting. Their analysis does not take into account certain themes central to good composting policy such as contamination, scale, and application to soil health. We intend to cover those themes with this Composting Infrastructure Policy Gap Analysis.

[Maryland’s Food Systems Resiliency Council](#), established by [HB 831](#) (2021), published an [interim report](#) in November 2022 with recommendations to address food systems issues across the state. The report includes specific recommendations to expand in-state composting with an emphasis on establishing funding via grant programs, allocations, and other incentives, providing complimentary technical assistance, and increasing education efforts.