

HOUSE BILL 982

M3

5lr1459
CF SB 684

By: **Delegates Frush, Lafferty, and Morhaim**

Introduced and read first time: February 13, 2015

Assigned to: Environment and Transportation and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Redeemable Beverage Container and Litter Reduction Program**

3 FOR the purpose of establishing the Maryland Redeemable Beverage Container and Litter
4 Reduction Program; establishing the purpose of the Program; establishing the
5 Maryland Beverage Recycling Organization; establishing the structure, purpose, and
6 membership of the Organization; establishing a Board of Directors for the
7 Organization; providing for the composition of the Board; providing for the election,
8 terms, and staggering of terms of the Board; requiring the Board to carry out the
9 duties and responsibilities of the Organization; specifying the duties and
10 responsibilities of the Organization; requiring that every redeemable beverage
11 container sold in the State indicate a certain refund value in a certain manner on
12 and after a certain date; prohibiting a certain container from being sold before a
13 certain date; requiring that wholesale and certain retail prices of a certain container
14 include a certain refund value on and after a certain date; authorizing certain
15 on-premises sellers to apply to the Organization for a bulk refund rate; authorizing
16 a redeemer to return an empty redeemable beverage container to a certain location
17 for a certain refund on and after a certain date; requiring a certain retailer to accept
18 an empty redeemable beverage container and pay a certain refund value on and after
19 a certain date; authorizing any retailer to participate in the Program; requiring a
20 redemption center to accept an empty redeemable beverage container and pay a
21 certain refund value on and after a certain date; requiring the Organization to
22 establish and collect an exemption fee that a certain retailer may pay in lieu of
23 participating in the Program; specifying the manner in which the exemption fee will
24 be determined; specifying the manner in which a retailer or redemption center will
25 calculate a certain refund value; specifying the manner in which the money collected
26 from an exemption fee will be allocated; requiring the Organization to establish and
27 operate certain redemption centers throughout the State; authorizing a county,
28 municipality, or person to apply to the Organization to operate a certain redemption
29 center; requiring the repayment of a certain loan in a certain manner; specifying the
30 contents of Program revenue; specifying the manner in which unredeemed deposits
31 will be used; establishing a Redeemable Beverage Container Environmental Grant

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Program; establishing the amount of funding for the Grant; requiring the
2 Chesapeake Bay Trust to administer the Grant; establishing the Reserve Recycling
3 Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the
4 State Treasurer to administer the Fund; requiring the State Treasurer to hold the
5 Fund and the Comptroller to account for the Fund; specifying the contents of the
6 Fund; specifying the purpose for which the Fund may be used; providing for the
7 investment of money in and expenditures from the Fund; establishing the Maryland
8 Recycling Advisory Committee; providing for the membership of the Committee;
9 providing for the election and term of the chair; specifying the duties and
10 responsibilities of the Committee; requiring the Department of the Environment to
11 provide staff for the Committee; requiring the legislative auditor to audit the
12 accounts and transactions of the Program; requiring the Organization to submit a
13 certain report to the Legislative Policy Committee of the General Assembly
14 beginning on a certain date and with a certain frequency; specifying the content of
15 the report; authorizing the Legislative Policy Committee to initiate a certain review
16 within a certain number of days after receipt of the report; requiring that certain
17 investment earnings be credited to the Fund; defining certain terms; and generally
18 relating to the establishment of the Maryland Redeemable Beverage Container and
19 Litter Reduction Program.

20 BY adding to

21 Article – Environment

22 Section 9–1733 through 9–1743 to be under the new part “Part V. Maryland
23 Redeemable Beverage Container and Litter Reduction Program”

24 Annotated Code of Maryland

25 (2014 Replacement Volume)

26 BY repealing and reenacting, without amendments,

27 Article – State Finance and Procurement

28 Section 6–226(a)(2)(i)

29 Annotated Code of Maryland

30 (2009 Replacement Volume and 2014 Supplement)

31 BY repealing and reenacting, with amendments,

32 Article – State Finance and Procurement

33 Section 6–226(a)(2)(ii)81. and 82.

34 Annotated Code of Maryland

35 (2009 Replacement Volume and 2014 Supplement)

36 BY adding to

37 Article – State Finance and Procurement

38 Section 6–226(a)(2)(ii)83.

39 Annotated Code of Maryland

40 (2009 Replacement Volume and 2014 Supplement)

41 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

42 That the Laws of Maryland read as follows:

1 Article – Environment

2 9–1731. RESERVED.

3 9–1732. RESERVED.

4 PART V. MARYLAND REDEEMABLE BEVERAGE CONTAINER AND LITTER
5 REDUCTION PROGRAM.

6 9–1733.

7 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS
8 INDICATED.

9 (B) (1) “BEVERAGE” MEANS AN ALCOHOLIC OR A NONALCOHOLIC DRINK
10 INTENDED FOR HUMAN CONSUMPTION AND PACKAGED FOR SALE IN A REDEEMABLE
11 BEVERAGE CONTAINER.

12 (2) “BEVERAGE” INCLUDES:

13 (I) BEER AND OTHER MALT BEVERAGES;

14 (II) LIQUOR;

15 (III) WINE;

16 (IV) CARBONATED AND NONCARBONATED SOFT DRINKS;

17 (V) FLAVORED AND UNFLAVORED BOTTLED WATER;

18 (VI) FRUIT JUICE;

19 (VII) SPORTS DRINKS; AND

20 (VIII) TEA AND COFFEE DRINKS REGARDLESS OF DAIRY–DERIVED
21 CONTENT.

22 (3) “BEVERAGE” DOES NOT INCLUDE:

23 (I) MILK;

24 (II) MILK SUBSTITUTES; OR

1 (III) GROWLERS.

2 (C) "BOTTLER" MEANS A PERSON THAT PRODUCES, BOTTLES, AND
3 DISTRIBUTES BEVERAGES IN REDEEMABLE BEVERAGE CONTAINERS TO SELL
4 WITHIN THE STATE.

5 (D) "COMMITTEE" MEANS THE MARYLAND RECYCLING ADVISORY
6 COMMITTEE ESTABLISHED UNDER § 9-1742 OF THIS PART.

7 (E) "CONSUMER" MEANS A PERSON THAT BUYS A REDEEMABLE BEVERAGE
8 CONTAINER IN THE STATE FOR USE OR CONSUMPTION OFF PREMISES.

9 (F) (1) "DISTRIBUTOR" MEANS A PERSON THAT IMPORTS, DISTRIBUTES,
10 OR SELLS BEVERAGES IN REDEEMABLE BEVERAGE CONTAINERS WITHIN THE STATE.

11 (2) "DISTRIBUTOR" DOES NOT INCLUDE AIRLINES AND SHIPPING
12 COMPANIES THAT TRANSPORT REDEEMABLE BEVERAGE CONTAINERS.

13 (G) (1) "ON-PREMISES SELLER" MEANS A PERSON THAT SELLS A
14 BEVERAGE IN A REDEEMABLE BEVERAGE CONTAINER FOR ON-PREMISES
15 CONSUMPTION.

16 (2) "ON-PREMISES SELLER" INCLUDES:

17 (I) A BAR;

18 (II) A RESTAURANT;

19 (III) A HOTEL;

20 (IV) A SPORTING VENUE;

21 (V) AN ENTERTAINMENT VENUE; AND

22 (VI) A GAMING VENUE.

23 (H) "ORGANIZATION" MEANS THE MARYLAND BEVERAGE RECYCLING
24 ORGANIZATION ESTABLISHED UNDER § 9-1735 OF THIS PART.

25 (I) "PARTICIPATING RETAILER" MEANS A RETAILER THAT IS PART OF THE
26 MARYLAND REDEEMABLE BEVERAGE CONTAINER AND LITTER REDUCTION
27 PROGRAM.

1 **(J) “PRIVATE LABEL DISTRIBUTOR” MEANS AN ENTITY THAT DISTRIBUTES**
2 **OR SELLS A BEVERAGE IN A REDEEMABLE BEVERAGE CONTAINER THAT:**

3 **(1) IS MADE BY THE ENTITY; OR**

4 **(2) BARES A LABEL DISPLAYING THE ENTITY’S NAME OR OTHER**
5 **REPRESENTATION OF THE ENTITY.**

6 **(K) “PROGRAM” MEANS THE MARYLAND REDEEMABLE BEVERAGE**
7 **CONTAINER AND LITTER REDUCTION PROGRAM ESTABLISHED UNDER § 9-1734 OF**
8 **THIS PART.**

9 **(L) “REDEEMABLE BEVERAGE CONTAINER” MEANS AN INDIVIDUAL,**
10 **SEPARATE, AND SEALED GLASS, ALUMINUM, OR PLASTIC JAR, CAN, OR BOTTLE THAT**
11 **AT ITS TIME OF SALE:**

12 **(1) CONTAINS NOT MORE THAN 101 FLUID OUNCES AND NOT LESS**
13 **THAN 8 FLUID OUNCES OF A BEVERAGE INTENDED FOR HUMAN CONSUMPTION**
14 **WITHIN THE STATE; AND**

15 **(2) BARES A MARYLAND-SPECIFIC REFUND SECURITY MARK OR BAR**
16 **CODE FOR THE PURPOSE OF DETERRING FRAUD.**

17 **(M) “REDEEMER” MEANS A PERSON, OTHER THAN A RETAILER,**
18 **DISTRIBUTOR, BOTTLER, OR PRIVATE LABEL DISTRIBUTOR, THAT DEMANDS THE**
19 **REFUND VALUE IN EXCHANGE FOR AN EMPTY REDEEMABLE BEVERAGE CONTAINER.**

20 **(N) “REDEMPTION CENTER” MEANS A FACILITY OPERATED BY A COUNTY, A**
21 **MUNICIPALITY, OR THE ORGANIZATION THAT ACCEPTS AN EMPTY REDEEMABLE**
22 **BEVERAGE CONTAINER FROM A CONSUMER IN EXCHANGE FOR THE CONTAINER’S**
23 **REFUND VALUE OR A REDEEMABLE CREDIT SLIP NOT LESS THAN THE CONTAINER’S**
24 **REFUND VALUE.**

25 **(O) “RETAILER” MEANS A PERSON THAT SELLS A BEVERAGE IN A**
26 **REDEEMABLE BEVERAGE CONTAINER TO A CONSUMER FOR OFF-PREMISES**
27 **CONSUMPTION.**

28 **(P) “REUSE” DOES NOT INCLUDE USING A PRODUCT IN THE MAINTENANCE**
29 **OF A LANDFILL OR AS LANDFILL COVER.**

30 **(Q) “REVERSE VENDING MACHINE” MEANS A MECHANICAL DEVICE THAT:**

1 **(1) ACCEPTS ONE OR MORE TYPES OF EMPTY REDEEMABLE**
2 **BEVERAGE CONTAINERS; AND**

3 **(2) ISSUES A REDEEMABLE CREDIT SLIP FOR A VALUE NOT LESS THAN**
4 **THE CONTAINER'S REFUND VALUE.**

5 **9-1734.**

6 **(A) THERE IS A MARYLAND REDEEMABLE BEVERAGE CONTAINER AND**
7 **LITTER REDUCTION PROGRAM.**

8 **(B) THE PURPOSE OF THE PROGRAM IS TO:**

9 **(1) HOLD THE INDUSTRIES THAT PRODUCE AND PROFIT FROM THE**
10 **SALE AND DISTRIBUTION OF BEVERAGE CONTAINERS RESPONSIBLE FOR**
11 **END-OF-LIFE MANAGEMENT OF THE BEVERAGE CONTAINERS;**

12 **(2) SUPPORT THE REUSE OF BEVERAGE CONTAINERS COLLECTED**
13 **UNDER THIS SUBTITLE;**

14 **(3) INCREASE BEVERAGE CONTAINER RECYCLING FROM 25% TO AT**
15 **LEAST 70% OF ALL REDEEMABLE BEVERAGE CONTAINERS SOLD IN THE STATE;**

16 **(4) REDUCE THE VOLUME OF BEVERAGE CONTAINER LITTER IN THE**
17 **STATE; AND**

18 **(5) REDUCE LITTER COLLECTION COSTS INCURRED BY COUNTIES**
19 **AND MUNICIPALITIES.**

20 **9-1735.**

21 **(A) IN THIS SECTION, "BOARD" MEANS THE BOARD OF DIRECTORS FOR THE**
22 **MARYLAND BEVERAGE RECYCLING ORGANIZATION.**

23 **(B) (1) THERE IS A MARYLAND BEVERAGE RECYCLING ORGANIZATION.**

24 **(2) THE ORGANIZATION IS A PRIVATE FOR-PROFIT ENTITY.**

25 **(3) THE PURPOSE OF THE ORGANIZATION IS TO DEVELOP AND**
26 **OPERATE THE PROGRAM IN A MANNER TO ACHIEVE A REDEEMABLE BEVERAGE**
27 **CONTAINER COLLECTION RATE OF AT LEAST 70% BY 2022.**

1 **(C) DISTRIBUTORS, BOTTLERS, AND PRIVATE LABEL DISTRIBUTORS SHALL**
2 **CONSTITUTE THE MEMBERSHIP OF THE ORGANIZATION.**

3 **(D) (1) THERE IS A BOARD OF DIRECTORS FOR THE ORGANIZATION.**

4 **(2) THE BOARD CONSISTS OF THE FOLLOWING SEVEN MEMBERS:**

5 **(I) THREE DISTRIBUTORS;**

6 **(II) TWO BOTTLERS; AND**

7 **(III) TWO PRIVATE LABEL DISTRIBUTORS.**

8 **(3) THE BOARD SHALL BE ELECTED BY THE MEMBERSHIP OF THE**
9 **ORGANIZATION.**

10 **(4) (I) EXCEPT FOR THE INITIAL TERMS OF THE BOARD MEMBERS,**
11 **THE TERM OF A MEMBER IS 5 YEARS.**

12 **(II) THE TERMS OF BOARD MEMBERS ARE STAGGERED AS**
13 **REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1,**
14 **2015.**

15 **(III) THE TERMS OF THE INITIAL BOARD MEMBERS SHALL BE**
16 **STAGGERED AS FOLLOWS:**

17 **1. TWO MEMBERS, AS DETERMINED BY THE BOARD,**
18 **SHALL SERVE A TERM OF 3 YEARS;**

19 **2. TWO MEMBERS, AS DETERMINED BY THE BOARD,**
20 **SHALL SERVE A TERM OF 4 YEARS; AND**

21 **3. THREE MEMBERS, AS DETERMINED BY THE BOARD,**
22 **SHALL SERVE A TERM OF 5 YEARS.**

23 **(IV) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE**
24 **5-YEAR TERMS.**

25 **(V) 1. AT THE END OF A TERM, A MEMBER SHALL CONTINUE**
26 **TO SERVE UNTIL A SUCCESSOR IS ELECTED.**

27 **2. A MEMBER WHO IS ELECTED AFTER A TERM HAS**
28 **BEGUN SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS ELECTED.**

1 **(5) (I) THE BOARD SHALL ANNUALLY ELECT A CHAIR FROM**
2 **AMONG THE MEMBERS OF THE BOARD.**

3 **(II) THE TERM OF THE CHAIR IS 1 YEAR.**

4 **(III) AT THE END OF A TERM, THE CHAIR MAY BE REELECTED.**

5 **(6) THE BOARD SHALL CARRY OUT THE DUTIES AND**
6 **RESPONSIBILITIES OF THE ORGANIZATION.**

7 **(E) THE ORGANIZATION SHALL:**

8 **(1) OVERSEE THE OPERATION AND MAINTENANCE OF THE PROGRAM,**
9 **INCLUDING:**

10 **(I) OBTAINING FUNDING FOR THE COSTS ASSOCIATED WITH**
11 **BEGINNING PROGRAM OPERATION;**

12 **(II) DETERMINING LOGISTICS FOR OPERATING THE PROGRAM**
13 **AND INITIATING REFUND COLLECTION AND DISTRIBUTION;**

14 **(III) ESTABLISHING PROCEDURES FOR MARKETING, TRACKING,**
15 **AND SALES OF REDEEMABLE BEVERAGE CONTAINERS; AND**

16 **(IV) MANAGING REVENUE;**

17 **(2) DEVELOP AND IMPLEMENT A PLAN FOR ESTABLISHING AND**
18 **OPERATING REDEMPTION CENTERS THROUGHOUT THE STATE;**

19 **(3) ESTABLISH A PROCESS FOR A COUNTY OR MUNICIPALITY TO**
20 **APPLY TO THE ORGANIZATION TO OPERATE A REDEMPTION CENTER LOCATED**
21 **WITHIN THE COUNTY'S OR MUNICIPALITY'S JURISDICTION;**

22 **(4) ESTABLISH A PROCESS FOR A PERSON TO APPLY TO THE**
23 **ORGANIZATION TO OPERATE A REDEMPTION CENTER IN THE STATE;**

24 **(5) ESTABLISH THE RESERVE RECYCLING FUND AS REQUIRED**
25 **UNDER § 9-1741 OF THIS PART;**

26 **(6) UNTIL THE FIRST REPORT IS FILED UNDER § 9-1743 OF THIS**
27 **PART, OFFSET THE LOSS OF REVENUE THAT A MUNICIPALITY OR COUNTY NORMALLY**
28 **RECEIVES FROM CURBSIDE RECYCLING COLLECTION;**

1 **(7) DEPOSIT \$2,000,000 ANNUALLY FROM UNREDEEMED DEPOSITS**
2 **INTO THE REDEEMABLE BEVERAGE CONTAINER ENVIRONMENTAL GRANT**
3 **PROGRAM ESTABLISHED UNDER § 9-1740 OF THIS PART;**

4 **(8) COLLECT AND MANAGE THE EXEMPTION FEE ESTABLISHED**
5 **UNDER § 9-1737(E) OF THIS PART;**

6 **(9) COORDINATE THE LOGISTICS FOR COLLECTING REDEEMABLE**
7 **BEVERAGE CONTAINERS FROM AN ON-PREMISES SELLER;**

8 **(10) ESTABLISH A BULK RATE FOR THE REDEMPTION OF EMPTY**
9 **REDEEMABLE BEVERAGE CONTAINERS BY AN ON-PREMISES SELLER;**

10 **(11) ESTABLISH AN APPLICATION PROCESS FOR AN ON-PREMISES**
11 **SELLER TO RECEIVE A BULK RATE;**

12 **(12) DEVELOP AND IMPLEMENT A PLAN FOR THE DISTRIBUTION,**
13 **OPERATION, AND MAINTENANCE OF REVERSE VENDING MACHINES; AND**

14 **(13) PAY A PROCESSING COST OF 3 CENTS PER REDEEMABLE**
15 **BEVERAGE CONTAINER TO A DISTRIBUTOR, BOTTLER, PRIVATE LABEL**
16 **DISTRIBUTOR, AND PARTICIPATING RETAILER.**

17 **9-1736.**

18 **(A) (1) ON AND AFTER JANUARY 1, 2017, EVERY REDEEMABLE**
19 **BEVERAGE CONTAINER SOLD IN THE STATE SHALL CLEARLY INDICATE A REFUND**
20 **VALUE OF 5 CENTS AND THE WORD “MARYLAND” OR THE LETTERS “MD” ON THE**
21 **REDEEMABLE BEVERAGE CONTAINER.**

22 **(2) A CONTAINER MARKED IN ACCORDANCE WITH THIS SECTION MAY**
23 **NOT BE SOLD TO A CONSUMER BEFORE JANUARY 1, 2017.**

24 **(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
25 **ON AND AFTER JANUARY 1, 2017, THE WHOLESALE PRICE AND THE RETAIL PRICE**
26 **OF A FULL REDEEMABLE BEVERAGE CONTAINER SHALL INCLUDE THE REFUND**
27 **VALUE OF 5 CENTS.**

28 **(2) (I) THE RETAIL PRICE OF A FULL REDEEMABLE BEVERAGE**
29 **CONTAINER SOLD BY AN ON-PREMISES SELLER MAY NOT INCLUDE THE REFUND**
30 **VALUE OF 5 CENTS.**

1 **(II) THE FOLLOWING ON-PREMISES SELLERS MAY APPLY TO**
2 **THE ORGANIZATION FOR A BULK REFUND RATE:**

- 3 1. **CASINOS;**
- 4 2. **STADIUMS WITH MORE THAN 30,000 SEATS; AND**
- 5 3. **ANY OTHER LARGE VENUE APPROVED BY THE**
6 **ORGANIZATION.**

7 **9-1737.**

8 **(A) ON AND AFTER JANUARY 1, 2017, A REDEEMER MAY RETURN AN EMPTY**
9 **REDEEMABLE BEVERAGE CONTAINER TO A REDEMPTION CENTER OR A**
10 **PARTICIPATING RETAILER FOR A FULL REFUND OF THE 5-CENT DEPOSIT PAID ON**
11 **THE CONTAINER.**

12 **(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
13 **ON AND AFTER JANUARY 1, 2017, A RETAILER WITH A RETAIL BUILDING OF 5,000**
14 **SQUARE FEET OR LARGER SHALL ACCEPT AN EMPTY REDEEMABLE BEVERAGE**
15 **CONTAINER AND PAY TO THE REDEEMER THE FULL REFUND VALUE IN EITHER CASH**
16 **OR A REDEEMABLE CREDIT SLIP.**

17 **(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO A**
18 **RETAILER WITH A RETAIL BUILDING OF 5,000 SQUARE FEET OR LARGER THAT PAYS**
19 **AN EXEMPTION FEE TO THE ORGANIZATION UNDER SUBSECTION (E) OF THIS**
20 **SECTION.**

21 **(3) ANY RETAILER MAY PARTICIPATE IN THE PROGRAM.**

22 **(C) ON AND AFTER JANUARY 1, 2017, A REDEMPTION CENTER SHALL**
23 **ACCEPT AN EMPTY REDEEMABLE BEVERAGE CONTAINER AND PAY TO THE**
24 **REDEEMER THE FULL REFUND VALUE IN EITHER CASH OR A REDEEMABLE CREDIT**
25 **SLIP.**

26 **(D) A RETAILER OR REDEMPTION CENTER COLLECTING A REDEEMABLE**
27 **BEVERAGE CONTAINER UNDER THIS SECTION SHALL COUNT EACH REDEEMABLE**
28 **BEVERAGE CONTAINER INDIVIDUALLY WHEN CALCULATING THE REFUND VALUE TO**
29 **BE PAID TO A REDEEMER.**

30 **(E) (1) THE ORGANIZATION SHALL ESTABLISH AND COLLECT AN**
31 **EXEMPTION FEE THAT A RETAILER WITH A PREMISES OF 5,000 SQUARE FEET OR**
32 **LARGER MAY PAY IN LIEU OF PARTICIPATING IN THE PROGRAM.**

1 **(2) THE AMOUNT OF THE EXEMPTION FEE SHALL BE:**

2 **(I) DETERMINED ON AN INDIVIDUAL BASIS; AND**

3 **(II) BASED ON THE RETAILER'S VOLUME OF SALES.**

4 **(3) THE MONEY COLLECTED FROM AN EXEMPTION FEE SHALL BE**
5 **ALLOCATED TO THE ESTABLISHMENT OF A REDEMPTION CENTER AT A LOCATION**
6 **THAT THE ORGANIZATION DETERMINES IS APPROPRIATE BASED ON POPULATION**
7 **DENSITY AND CONSUMER CONVENIENCE.**

8 **9-1738.**

9 **(A) EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS SECTION,**
10 **THE ORGANIZATION SHALL ESTABLISH AND OPERATE REDEMPTION CENTERS**
11 **THROUGHOUT THE STATE FOR THE COLLECTION AND REFUND OF REDEEMABLE**
12 **BEVERAGE CONTAINERS.**

13 **(B) A COUNTY OR MUNICIPALITY MAY APPLY TO THE ORGANIZATION TO**
14 **OPERATE A REDEMPTION CENTER LOCATED WITHIN THE COUNTY'S OR THE**
15 **MUNICIPALITY'S JURISDICTION.**

16 **(C) A PERSON MAY APPLY TO THE ORGANIZATION TO OPERATE A**
17 **REDEMPTION CENTER LOCATED IN THE STATE.**

18 **9-1739.**

19 **(A) ANY LOAN TAKEN TO ASSIST WITH ESTABLISHING THE PROGRAM SHALL**
20 **BE PAID OFF USING UNREDEEMED DEPOSITS WITHIN 18 MONTHS OF OBTAINING THE**
21 **LOAN.**

22 **(B) PROGRAM REVENUE SHALL CONSIST OF:**

23 **(1) MONEY COLLECTED FROM THE SALE OF REDEEMABLE BEVERAGE**
24 **CONTAINERS FOR RECYCLING OR REUSE;**

25 **(2) UNREDEEMED DEPOSITS; AND**

26 **(3) EXEMPTION FEES COLLECTED UNDER § 9-1737(E) OF THIS PART.**

27 **(C) UNREDEEMED DEPOSITS SHALL BE USED TO:**

1 (1) **PAY OFF ANY LOAN TAKEN TO ASSIST WITH BEGINNING THE**
2 **PROGRAM;**

3 (2) **FUND THE REDEEMABLE BEVERAGE CONTAINER**
4 **ENVIRONMENTAL GRANT PROGRAM ESTABLISHED UNDER § 9-1740 OF THIS PART;**

5 (3) **PROVIDE ESSENTIAL STAFFING FOR THE ORGANIZATION AND**
6 **REDEMPTION CENTERS OPERATED BY THE ORGANIZATION;**

7 (4) **ESTABLISH AND OPERATE NEW REDEMPTION CENTERS; AND**

8 (5) **TRACK DEPOSITS AND GRANTS AWARDED UNDER § 9-1740 OF**
9 **THIS PART.**

10 **9-1740.**

11 (A) **IN THIS SECTION, “GRANT” MEANS THE REDEEMABLE BEVERAGE**
12 **CONTAINER ENVIRONMENTAL GRANT PROGRAM.**

13 (B) **THERE IS A REDEEMABLE BEVERAGE CONTAINER ENVIRONMENTAL**
14 **GRANT PROGRAM.**

15 (C) **THE GRANT SHALL CONSIST OF AN ANNUAL ALLOCATION OF \$2,000,000**
16 **FROM THE ORGANIZATION’S UNREDEEMED DEPOSITS.**

17 (D) (1) **THE GRANT SHALL BE ADMINISTERED BY THE CHESAPEAKE BAY**
18 **TRUST.**

19 (2) (I) **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
20 **PARAGRAPH, THE CHESAPEAKE BAY TRUST SHALL HAVE DISCRETION TO**
21 **DETERMINE APPROPRIATE GRANT RECIPIENTS AND THE AMOUNT OF THE AWARD.**

22 (II) **THE CHESAPEAKE BAY TRUST SHALL AWARD \$4,000,000**
23 **PER YEAR FOR 3 YEARS TO BALTIMORE CITY FOR ADDRESSING THE BALTIMORE**
24 **HARBOR TRASH TOTAL MAXIMUM DAILY LOAD.**

25 **9-1741.**

26 (A) **IN THIS SECTION, “FUND” MEANS THE RESERVE RECYCLING FUND.**

27 (B) **THERE IS A RESERVE RECYCLING FUND.**

1 (C) THE PURPOSE OF THE FUND IS TO MAINTAIN A RESERVE TO ENSURE
2 THE VIABILITY OF THE REDEEMABLE BEVERAGE CONTAINER ENVIRONMENTAL
3 GRANT PROGRAM ESTABLISHED UNDER § 9-1740 OF THIS PART.

4 (D) THE STATE TREASURER SHALL ADMINISTER THE FUND.

5 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
6 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

7 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
8 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

9 (F) THE FUND CONSISTS OF:

10 (1) UP TO \$30,000,000 FROM UNREDEEMED DEPOSITS COLLECTED
11 DURING THE PROGRAM'S FIRST 2 YEARS OF OPERATION;

12 (2) INVESTMENT EARNINGS; AND

13 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
14 THE BENEFIT OF THE FUND.

15 (G) THE FUND MAY BE USED ONLY FOR:

16 (1) MAINTENANCE OF THE RESERVE; AND

17 (2) THE REDEEMABLE BEVERAGE CONTAINER ENVIRONMENTAL
18 GRANT PROGRAM.

19 (H) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN
20 THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

21 (I) THE FUND SHALL BE INVESTED AND REINVESTED, AND ANY
22 INVESTMENT EARNINGS SHALL BE:

23 (1) PAID INTO THE FUND UNTIL THE FUND REACHES \$30,000,000;
24 AND

25 (2) PAID OUT AS PART OF THE GRANT FOR FUNDING IN THE RESERVE
26 THAT EXCEEDS \$30,000,000.

27 9-1742.

1 (A) THERE IS A MARYLAND RECYCLING ADVISORY COMMITTEE.

2 (B) (1) THE COMMITTEE CONSISTS OF THE FOLLOWING NINE MEMBERS:

3 (I) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;

4 (II) THE EXECUTIVE DIRECTOR OF THE CHESAPEAKE BAY
5 TRUST, OR THE EXECUTIVE DIRECTOR'S DESIGNEE; AND

6 (III) THE FOLLOWING MEMBERS APPOINTED BY THE
7 GOVERNOR:

8 1. TWO REPRESENTATIVES OF THE MARYLAND
9 ASSOCIATION OF COUNTIES;

10 2. TWO REPRESENTATIVES OF THE MARYLAND
11 MUNICIPAL LEAGUE; AND

12 3. THREE REPRESENTATIVES OF THE STATE WHO
13 REFLECT THE DIVERSE GEOGRAPHIC, SOCIOECONOMIC, AGE, RACE, AND GENDER
14 DEMOGRAPHICS OF THE STATE.

15 (2) (I) THE COMMITTEE SHALL ANNUALLY ELECT A CHAIR FROM
16 AMONG THE MEMBERS OF THE COMMITTEE.

17 (II) THE TERM OF THE CHAIR IS 1 YEAR.

18 (III) AT THE END OF A TERM, THE CHAIR MAY BE REELECTED.

19 (C) THE COMMITTEE SHALL:

20 (1) ADVISE THE ORGANIZATION ON THE IMPACT OF THE PROGRAM
21 AT THE COUNTY AND MUNICIPAL LEVEL;

22 (2) ADVISE THE ORGANIZATION ON ISSUES AND CONCERNS ARISING
23 FROM THE PROGRAM;

24 (3) CONSULT WITH THE ORGANIZATION ON BEST PRACTICES FOR
25 PROGRAM OPERATION; AND

26 (4) EDUCATE STATE AND LOCAL GOVERNMENTS ON PROGRAM
27 DETAILS.

1 **(D) THE DEPARTMENT SHALL STAFF THE COMMITTEE.**

2 **9-1743.**

3 **(A) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**
4 **TRANSACTIONS OF THE PROGRAM AS PROVIDED IN § 2-1220 OF THE STATE**
5 **GOVERNMENT ARTICLE.**

6 **(B) (1) BEGINNING ON DECEMBER 31, 2022, AND EVERY 5 YEARS**
7 **THEREAFTER, THE ORGANIZATION SHALL SUBMIT A REPORT TO THE LEGISLATIVE**
8 **POLICY COMMITTEE OF THE GENERAL ASSEMBLY.**

9 **(2) THE ORGANIZATION SHALL REPORT ON:**

10 **(I) PROGRAM GOVERNANCE, MANAGEMENT, AND**
11 **ADMINISTRATION;**

12 **(II) PROGRAM FINANCES;**

13 **(III) PROGRAM SUCCESSES AND CHALLENGES; AND**

14 **(IV) ANY OTHER INFORMATION THAT THE ORGANIZATION**
15 **CONSIDERS NECESSARY TO PROVIDE A COMPLETE OVERVIEW OF AND UPDATE ON**
16 **THE PROGRAM.**

17 **(3) THE LEGISLATIVE POLICY COMMITTEE SHALL HAVE 45 DAYS**
18 **AFTER RECEIPT OF THE REPORT TO INITIATE A REVIEW OF THE PROGRAM.**

19 **Article – State Finance and Procurement**

20 **6-226.**

21 (a) (2) (i) Notwithstanding any other provision of law, and unless
22 inconsistent with a federal law, grant agreement, or other federal requirement or with the
23 terms of a gift or settlement agreement, net interest on all State money allocated by the
24 State Treasurer under this section to special funds or accounts, and otherwise entitled to
25 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
26 Fund of the State.

27 (ii) The provisions of subparagraph (i) of this paragraph do not apply
28 to the following funds:

29 81. the Cybersecurity Investment Fund; [and]

1 82. the Northeastern Maryland Additive Manufacturing
2 Innovation Authority Fund; AND

3 **83. THE RESERVE RECYCLING FUND.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2015.