

HB 3504 -- PRODUCER RESPONSIBILITY PROGRAM FOR STATEWIDE  
RECYCLING ACT

SPONSOR: Thomas

This bill establishes the "Producer Responsibility Program for Statewide Recycling Act", which creates provisions relating to recycling.

The bill establishes the Producer Responsibility Program for Statewide Recycling Advisory Board within the Department of Natural Resources. The Department will appoint an impartial facilitator to manage and support the Advisory Board. The Advisory Board consists of 13 voting members and two nonvoting members as specified in the bill. The Director will appoint members as required in the bill.

The Advisory Board must meet no later March 1, 2028, and at least annually after. Members of the Advisory Board will be reimbursed for reasonable expenses. The Advisory Board's duties are set out in the bill.

Producers must establish a nonprofit producer responsibility organization by June 1, 2028, as required by the bill. The Director of the Department of Natural Resources will then designate this organization to implement and administer the Program. The organization will facilitate needs assessments, consult on plans, submit five-year proposals, and administer the Program.

By September 1, 2027, the organization must hire an independent third-party for a statewide needs assessment, consulting the Advisory Board on scope and addressing all geographic areas of the State. The needs assessment must identify certain area of need as specified in the bill. The needs assessment must identify at least three projected scenarios for increasing the recycling and collection rates that the State could achieve by January 1, 2033, and by January 1, 2036.

By January 30, 2030, the organization must report the needs assessment results to the Advisory Board and the Director. The Director must then publish the results and provide an opportunity for public comment. By May 1, 2033, and every five years after, the organization must hire an independent third-party to conduct an updated needs assessment as required by the bill.

By February 1, 2030 , the organization must submit a plan proposal to the Advisory Board focusing on residential recycling services. The plan must cover a five year period and an updated plan must be submitted to the Advisory Board every five years. Updated plans must address both residential and applicable covered nonresidential entities. The plan must include specified information in order to be approved, including a funding mechanism that meets certain criteria.

The Advisory Board and the Director must review the plan proposal as required by the bill. Once a final plan proposal is approved, the Director must publish the final plan, and the organization must begin implementing the final plan within six months of approval. The organization must submit proposed amendments to the plan annually as required by the bill. The Director must approve or reject the proposed amendments.

Producers may opt-out of the program by submitting an individual program plan proposal as set forth in the bill.

The bill requires the organization to develop and update a minimum recyclable list based on available recycling services, infrastructure, and markets. Service providers must offer recycling for all readily recyclable materials to qualify for reimbursement in a way that facilitates attaining plan targets. Providers can get reimbursed for collection of materials not included on the minimum recyclable list where reasonable costs and responsible end markets are established.

The organization must contract with service providers for convenient, equitable, free recycling access for readily recyclable materials, with the goal of achieving the collection and recycling rate targets established in the final plan.

The organization must develop and implement a statewide education and outreach program to boost recycling and reuse as required by the bill.

Beginning July 1, 2029, a producer must participate in the Program or an approved individual program plan to sell covered products. Annually, beginning January 1, 2033, a nonprofit organization can request that the Director designate the nonprofit as an additional producer responsibility organization, if the Director determines the designation is necessary.

The Director, the Advisory Board, the organization, and any other person administering a plan must keep proprietary information

confidential and not include proprietary information in any plan approved by the Director.

Producers must pay annual dues beginning January 1, 2030, based on the funding mechanism approved in the plan and as set forth in the bill. By April 1 of the second implementation year and annually thereafter, the organization, and any additional producer responsibility organization, will create a program report, as specified in the bill, and deliver it to the Advisory Board for review. The Advisory board will forward the report to the Director for publication.

The Director will compile a general report on program progress and reimbursements. Beginning in 2028, and every three years thereafter, the general report must also include a consumer cost impact review conducted by the Department. The annual general report must be published on the Department's website and submitted to the Governor, and the General Assembly.

If minimum collection and recycling rates are not met, the Director may require final plan amendment.

If an organization, plan administrator or producer violates the provisions of the bill, the organization, administrator, or producer is liable for penalties as specified in the bill. The Director will serve the administrative penalty in person or by certified mail. Appeals may be submitted to the Administrative Hearing Commission.

Activities solely for implementing approved plans are immune from State Antitrust laws.

The bill specifies producers that are exempt from the requirements of the bill.

No point-of-sale or collection fees are allowed to recoup the costs of complying with the bill. Private service providers are not required to participate in this Program.

The bill creates the "Producer Responsibility Program for Statewide Recycling Fund" to hold producer dues and any appropriations and will reimburse the Department for its administrative, Advisory Board, and enforcement costs. The Department must annually notify the organization of associated costs.