

**Department of Legislative Services**  
 Maryland General Assembly  
 2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 92 (Delegate Schindler, *et al.*)  
 Environment and Transportation

**Environment - Beverage Containers Connected With Plastic Rings - Restriction on Sale**

This bill prohibits a person from selling, offering for sale, or distributing for sale beverage containers that are connected to other beverage containers with a plastic ring connector unless the connector is made of a “biodegradable material.” The Maryland Department of the Environment (MDE) must adopt regulations to administer and enforce the prohibition. The bill specifies that existing enforcement and penalty provisions under §§ 9-334 through 9-344 of the Environment Article apply to violations of the prohibition and any related regulations or orders. Monetary penalties collected under the bill are paid into the Maryland Clean Water Fund.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$120,000 in FY 2027. Future years are annualized and reflect ongoing costs and inflation. Special fund revenues may increase beginning as early as FY 2027 due to the bill’s penalty provisions.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	-	-	-	-	-
GF Expenditure	\$120,000	\$136,900	\$146,500	\$153,200	\$159,900
Net Effect	(\$120,000)	(\$136,900)	(\$146,500)	(\$153,200)	(\$159,900)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill is not anticipated to materially affect local finances or operations.

**Small Business Effect:** Potential meaningful.

## Analysis

**Bill Summary:** “Biodegradable material” means a material that is able to be broken down into natural, harmless substances by living microorganisms.

### **Current Law:**

#### *Standards for Plastic Products under Subtitle 21 of Title 9 of the Environment Article*

Current law does not specifically address plastic ring connectors for beverage containers. However, Chapter 374 of 2017 established a general prohibition on selling a plastic product that is labeled as biodegradable, degradable, decomposable, or any other term that implies that the product will break down, fragment, biodegrade, or decompose in a landfill or any other environment. In addition, unless a product meets specified standards, a person is prohibited from (1) selling a plastic product in the State that is labeled as compostable or home compostable or (2) selling a film plastic product labeled as “soil degradable AG mulch film” or “biodegradable mulch film.” Further, a person who sells or distributes a compostable plastic bag or a compostable food or beverage product that is intended for sale or distribution by a retailer in the State must ensure that the bag or product meets specified labeling requirements.

A person who violates the standards for plastic products established under Chapter 374 is subject to a civil penalty of \$500 for a first violation, a civil penalty of \$1,000 for a second violation, and a civil penalty of \$2,000 for a third and subsequent violation. Any penalties collected under these provisions are paid to the county, municipality, or other local government that brought the enforcement action.

#### *Producer Responsibility for Covered Materials*

Chapter 431 of 2025 expanded the State’s producer responsibility program and the responsibilities of the Producer Responsibility Advisory Council with the intent to provide a framework for (1) minimizing the environmental and human health impacts of packaging; (2) conserving resources by increasing the recycling rates and recycled content of covered products; (3) modernizing and improving waste and recycling systems in the State; and (4) making producers financially responsible for investing in needed infrastructure and reimbursing local governments and other service providers for costs associated with transporting, collecting, and processing covered materials.

The State’s producer responsibility standards broadly establish a framework for MDE to approve a producer responsibility organization and for producers to submit producer responsibility plans to MDE for review and approval by July 1, 2028. These producer responsibility plans govern the sale, distribution, and importation of covered materials in the State.

### *Relevant Enforcement Provisions*

The provisions of §§ 9-334 through 9-340 of the Environment Article, which are established under provisions relating to Title 9, Subtitle 3 of the Environment Article (Water Pollution Control), establish enforcement procedures that govern (1) the ability of MDE to issue complaints, conduct hearings, issue corrective orders, and obtain injunctive relief and (2) judicial review of final decisions.

In addition to being subject to an injunctive order, § 9-342 of the Environment Article establishes a civil penalty of up to \$10,000 for a violation of applicable statute or any related rule, regulation, order, or permit. Each day is a separate violation. In addition, MDE may impose an administrative penalty of up to \$10,000 for each violation, not exceeding \$100,000 total. Each day is a separate violation. An administrative penalty must be assessed with consideration given to several specified factors.

Under § 9-343 of the Environment Article, a person who violates any provision of or fails to perform any duty imposed by Title 9, Subtitle 3 of the Environment Article, or who violates any provision or fails to perform any duty imposed by a rule, regulation, order, or permit adopted or issued under that subtitle, is guilty of a misdemeanor and on conviction is subject to a maximum fine of \$25,000 and/or imprisonment for up to one year for a first offense and a maximum fine of \$50,000 and/or imprisonment for up to two years for a subsequent offense. The person may also be enjoined from continuing the violation. Each day on which a violation occurs is a separate violation.

In addition, a person is guilty of misdemeanor and on conviction is subject to a maximum fine of \$50,000 and/or imprisonment for up to two years if the person (1) knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under the subtitle or (2) falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under the subtitle or any rule, regulation, order, or permit adopted or issued under the subtitle.

Pursuant to § 9-344 of the Environment Article, the Attorney General is in charge of prosecuting and defending cases that arise on behalf of the State.

### **State Fiscal Effect:**

#### *Costs to Administer and Enforce the Bill*

General fund expenditures increase by \$120,046 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of hiring two-part time (50%) employees (one assistant Attorney General and one natural resources planner)

within MDE to adopt regulations and administer and enforce the bill’s prohibition. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions (full-time equivalent)	1.0
Salaries and Fringe Benefits	\$103,847
Operating Expenses	<u>16,199</u>
<b>Total FY 2027 State Expenditures</b>	<b>\$120,046</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

MDE and the Office of the Attorney General advise that two full-time employees (one natural resources planner and one assistant Attorney General) are needed within MDE to implement the bill. However, the Department of Legislative Services disagrees that the new responsibilities resulting from the bill justify the need for two full-time staff.

*Penalty Provisions*

Special fund revenues to the Maryland Clean Water Fund in MDE may increase, beginning as early as fiscal 2027, from any penalties collected for violations of the bill.

The application of existing criminal penalty provisions to violations of the bill is not anticipated to materially affect State incarceration expenditures. Similarly, the bill is not anticipated to materially affect the finances or operations of the Judiciary.

**Small Business Effect:** Small businesses involved in packaging beverage containers for sale may incur additional costs to obtain and use compliant ring connectors. There may also be costs to upgrade packaging machinery or equipment. Any manufacturers of plastic ring connectors in the State that are not made of biodegradable materials may see a decrease in the demand for their products. On the other hand, manufacturers of biodegradable plastic ring connectors or ring connectors made of other compliant materials likely see an increase in the demand for their products. The extent to which any affected manufacturers are Maryland small businesses, however, is unknown. Any increased manufacturing or packaging costs are likely passed on to distributors, retailers, and consumers in the form of higher prices.

Because the bill’s prohibition takes effect October 1, 2026, there is little time for affected businesses to phase out existing stock and to identify/incorporate the use of compliant ring connectors. Retailers may also have noncompliant stock they are unable to sell before the prohibition takes effect.

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Municipal League; Office of the Attorney General; Maryland State Commission on Criminal Sentencing Policy; Judiciary (Administrative Office of the Courts); Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Maryland Department of the Environment; Maryland Department of Health; Department of Juvenile Services; Department of Public Safety and Correctional Services; Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2026  
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Analysis by: Kathleen P. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510