

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 655 (Senator Augustine)
 Education, Energy, and the Environment

Electronic Device Producer Responsibility Program - Established

This bill requires that electronic device manufacturers establish and participate in an electronic device producer responsibility program for collecting, transporting, and recycling electronic devices, including (1) registering with, and paying fees to, the Maryland Department of the Environment (MDE) and (2) forming an electronic device producer responsibility organization to develop and implement an electronic device producer responsibility program. An electronic device producer responsibility program must, among other things, provide electronic device collection and recycling (or refurbishment or reuse) free of charge to the public and cover collection sites’ costs of collecting, storing, managing, and transporting “covered electronic devices,” and collection entities’ and public sector agencies’ costs of covered electronic device recycling agreements.

Fiscal Summary

State Effect: Special fund expenditures increase by at least \$67,800 and special fund revenues increase by at least \$146,000 in FY 2027, as discussed below. Future years reflect ongoing minimum revenues and implementation costs.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$146,000	\$0	\$81,900	\$185,500	\$186,100
SF Expenditure	\$67,800	\$78,200	\$81,900	\$185,500	\$186,100
Net Effect	\$78,200	(\$78,200)	\$0	\$0	\$0

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

Local Effect: Local government finances are affected, as discussed below.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill modifies State law relating to electronic device recycling, refurbishment, and reuse – primarily by requiring that electronic device manufacturers establish and participate in an electronic device producer responsibility program (or programs) for collecting, transporting, and recycling electronic devices – as follows:

- **Participation Required in Order to Sell Electronic Devices in the State** – The bill prohibits an electronic device manufacturer from selling or offering for sale, to any person in the State, a new covered electronic device unless the manufacturer registers with MDE and participates in an electronic device producer responsibility program. (A manufacturer that can provide proof that it sold less than 50 covered electronic devices in the State during the immediately preceding calendar year, however, is not required to participate.) An electronic device retailer similarly may not sell a manufacturer’s device unless the covered electronic device is labeled with a brand and the brand is included on a list – made publicly available by MDE – of brands for which the manufacturer has complied with specified requirements, including registration with MDE and participation in an electronic device producer responsibility program.
- **“Electronic Device Manufacturer” and “Covered Electronic Device” Defined** – While specified in more detail in the bill, in general, “electronic device manufacturer” includes manufacturers, brand owners, and, in certain cases, importers of electronic devices. “Covered electronic device” includes various specified types of electronic devices (*e.g.*, desktop computers, laptops, tablets, televisions, and cameras), but also excludes several types of electronic devices, including a telephone of any type and devices that are a part of a motor vehicle, household appliance, or larger piece of equipment or system used in a commercial, retail, industrial, or other specified setting. MDE is authorized to, in consultation with the electronic device producer responsibility advisory council (discussed below), amend or expand the definition of “covered electronic device.”
- **Registration with the Maryland Department of the Environment** – Each electronic device manufacturer must register with MDE and include with the registration (1) a list of all brands of devices manufactured, sold, or imported by the manufacturer and (2) the name of the manufacturer’s designated electronic device producer responsibility organization. “Electronic device producer responsibility organization” is an organization designated by an electronic device manufacturer or a group of manufacturers to act as their agent in order to develop and implement an electronic device producer responsibility program on their behalf.

- **Program Plans Submitted to the Department** – An electronic device producer responsibility organization must annually submit to MDE a plan for implementing an electronic device producer responsibility program, and multiple organizations may coordinate their respective plans before submitting them to the department. The bill does not clearly establish when the first plan must be submitted; however, it appears intended that the first plan be submitted on or around March 1, 2029, since the bill requires MDE to establish a one-time plan review fee for reviewing an initial plan by March 1, 2029.

Among other things, the plan must indicate how the organization will (1) finance, manage, and conduct a statewide program to collect all makes and models of covered electronic devices from “covered entities” (households, businesses/nonprofits with 10 or fewer employees, public agencies/entities, and any person providing seven or fewer devices at any one time); (2) provide for environmentally sound management practices; (3) provide for advertising and promotion of collection opportunities throughout the State and on a regular basis; and (4) provide specified convenient and equitable service throughout the State, including, at a minimum, through a network of collection sites distributed to ensure that 95% of residents of the State are within 15 miles of a collection site (including specified numbers of collection sites in each jurisdiction based on a local jurisdiction’s population). MDE must approve or deny a plan within 60 days of receipt. If MDE approves more than one program, it must set a timeline for the electronic device producer responsibility organizations to designate an electronic device coordinating body to coordinate activities between the organizations.

- **Producer Responsibility Organization Implements Plan and Covers Costs** – An electronic device producer responsibility organization must implement the plan that it submits to MDE and must (1) with the exception of an allowable charge for specified premium services (*e.g.*, at-home or curbside pickup) provide for collection, transportation, reuse, refurbishment, and recycling of covered electronic devices for covered entities free of charge; (2) provide fair financial compensation to collection sites calculated to cover the costs of collecting, storing, managing, and transporting covered electronic devices (and allowing a collection site to recover collected covered electronic devices for refurbishment and resale at retail); (3) enter into agreements with all willing public sector agencies and collection entities to cover the costs of covered electronic device recycling agreements; and (4) annually report detailed information on its implementation of the plan (including information on devices collected, collection sites, public awareness activities, and whether goals were met).

The bill establishes provisions governing the electronic device producer responsibility organization’s, or electronic device coordinating body’s,

determination of individual manufacturers' financial obligations under the program(s), based on a manufacturer's percentage market share within each electronic device product category and the product category's percentage of the total weight of all covered electronic devices recycled during the immediately preceding calendar year.

- **Information Provided to the Public** – Each electronic device producer responsibility organization or, if applicable, an electronic device coordinating body, must consult with MDE to develop coordinated educational and instructional materials, resources, and public awareness activities relating to the program(s), generally ensuring that the public is aware of, and has sufficient information to take advantage of, the ability to provide covered electronic devices for collection under the program(s). Also, an electronic device retailer must provide to a consumer – at the time of sale of a covered electronic device – information from MDE's website that provides details about where and how a consumer can recycle, reuse, or refurbish covered electronic devices in the State. MDE must also (1) maintain and make publicly available specified information relating to manufacturers, brands, and electronic device producer responsibility program plans and (2) maintain, on its website, information on collection opportunities.
- **Fees Paid to the Department** – Each electronic device manufacturer that sold at least 100 covered electronic devices in 2026 must pay a registration fee (of \$10,000 for manufacturers who sold at least 1,000 devices, and \$5,000 for manufacturers who sold between 100 and 999 devices) to MDE by March 1, 2027. MDE may adjust the fee by regulation. Beginning March 1, 2029, and each March 1 thereafter, electronic device producer responsibility organizations pay the registration fee, along with other specified fees (established by MDE by regulation) associated with MDE's review of plans and annual reports. An electronic device producer responsibility program is established in the department, which appears to consist of MDE's oversight, review, and regulation of the electronic device producer responsibility programs developed and implemented by electronic device producer responsibility organizations. The program is funded by the fees collected by MDE. MDE is authorized to adopt specified regulations (in addition to regulations establishing or adjusting fees) to implement and administer the bill's provisions.

The fees collected by MDE under the bill are deposited in a separate account within the State Recycling Trust Fund (SRTF) and must be used to fund the costs of administering, implementing, and enforcing MDE's electronic device producer responsibility program and to reimburse expenses of members of the electronic device producer responsibility advisory council.

- **Electronic Device Producer Responsibility Advisory Council** – The bill establishes an electronic device producer responsibility advisory council – staffed by MDE – to advise MDE on the enforcement, regulation, implementation, and administration of the department’s electronic device producer responsibility program. Members of the advisory council may not receive compensation but are entitled to reimbursement for expenses. The council has various responsibilities, including (1) reviewing and commenting on draft and final regulations relevant to the implementation and administration of MDE’s electronic device producer responsibility program and (2) studying and making recommendations regarding several aspects of the program, including changes to the definition of “covered electronic device” and the program plans, annual reports, registrations, and fees submitted under the program. The advisory council must report its findings and recommendations to MDE by December 1, 2028, and each December 1 thereafter.
- **Penalties** – Existing penalty provisions apply to violations of the bill’s provisions. The penalty provisions allow for (1) a civil penalty of up to \$10,000 for each day of a violation and (2) an administrative penalty of up to \$10,000 for each day of a violation, but not exceeding \$100,000 total. In addition to any other penalty, a retailer who violates the prohibition against selling or offering for sale a covered electronic device that is not labeled with a listed brand (discussed above) or the requirement for a retailer to provide consumers with specified information at the time of sale, after three warnings, is subject to a fine of up to \$1,000 for each violation, not exceeding \$10,000 total. Each day that a violation occurs or continues is a separate violation. Penalties are deposited in SRTF.
- **Notice to Manufacturers, Evaluation of Federal Law, and General Assembly Intent** – MDE must notify manufacturers of the bill’s requirements by December 1, 2026. In addition, MDE must (1) evaluate any federal law that establishes a national program for the collection and recycling, reuse, and refurbishment of electronic devices and (2) report to the General Assembly – if the federal law substantially meets or exceeds the bill’s requirements and intent – on the substance of the law in relation to the bill’s requirements. The bill establishes the General Assembly’s intent that (1) specified efforts of electronic device producer responsibility organizations are in the best interests of the public; (2) electronic device manufacturers participating in an electronic device producer responsibility program under the bill are exempt from State antitrust laws; and (3) information protected by trademark or patent received by MDE under the bill constitutes a trade secret and confidential commercial information.

- **Statewide Electronics Recycling Program Replaced by the Bill’s Provisions –** The bill replaces provisions of existing law referred to as the “Statewide Electronics Recycling Program” (see Current Law).

Current Law:

Statewide Electronics Recycling Program

Under existing law referred to as the “Statewide Electronics Recycling Program,” a manufacturer of a covered electronic device may not sell or offer for sale to any person in the State a new covered electronic device (by any means, including transactions conducted through sales outlets, catalogs, or the Internet) unless (1) it is labeled with the manufacturer’s name or brand label and (2) the manufacturer has registered with MDE and, if applicable, submitted a registration fee. In addition, a retailer may not sell or offer for sale a manufacturer’s covered electronic devices if the manufacturer has not submitted a registration and fee.

A manufacturer’s registration and fee must be submitted to MDE by March 1 of each year. Among other things, the registration must include the brand names under which the manufacturer sells or offers for sale covered electronic devices in the State and the number of covered electronic devices sold in the State in the prior year.

“Covered Electronic Device”

“Covered electronic device” means a computer or video display device with a screen that is greater than four inches measured diagonally, but does not include a video display device that is part of a motor vehicle or contained within a household appliance or commercial, industrial, or medical equipment.

Fee Amounts

With the exception of manufacturers that sold less than 100 covered electronic devices in the State in the prior year (for whom there is no registration fee), the registration fee is \$5,000, unless the manufacturer had an implemented covered electronic device takeback program in the prior year, in which case the registration fee is \$500. For any new registrants, the fee the first year is \$10,000 for a manufacturer that sold at least 1,000 covered electronic devices in the State in the prior year and \$5,000 for a manufacturer that sold at least 100 but not more than 999 covered electronic devices in the State in the prior year. The fee is paid into SRTF.

Among other authorized uses, SRTF may be used to provide grants to counties that have addressed methods for the separate collection and recycling of covered electronic devices,

as well as to municipalities to implement local covered electronic device recycling programs.

Covered Electronic Device Takeback Program

“Covered electronic device takeback program” means a program, established by a covered electronic device manufacturer, or a group of covered electronic device manufacturers, for the collection and recycling, refurbishing, or reuse of a covered electronic device labeled with the manufacturer’s name or brand label, including (1) providing, at no cost to the returner, a method of returning a covered electronic device to the manufacturer; (2) contracting with a recycler, local government, other manufacturer, or any other person; or (3) any other program approved by MDE. As mentioned above, a manufacturer that implements a takeback program pays a reduced registration fee each year. A manufacturer that is participating in a covered electronic device takeback program established by a group of covered electronic device manufacturers is considered as having implemented a covered electronic device takeback program.

Penalties

A person who violates the Statewide Electronics Recycling Program law is subject to (1) a civil penalty of up to \$10,000 for each day of a violation and (2) an administrative penalty of up to \$10,000 for each day of a violation, but not exceeding \$100,000 total. In addition to any other penalty, a retailer who violates the prohibition against selling or offering for sale a manufacturer’s covered electronic device if the manufacturer has not submitted a registration and fee, after three warnings, is subject to a fine of up to \$1,000 for each violation, not exceeding \$10,000 total. Each day that a violation occurs or continues is a separate violation. Penalties are deposited in SRTF.

State Fiscal Effect:

Maryland Department of the Environment

The quantified fiscal effect of the bill on MDE is summarized in **Exhibit 1** and discussed below.

Exhibit 1
Quantified Fiscal Effect on the Maryland Department of the Environment

<u>Type</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
SF Exp	\$67,766	\$78,228	\$81,946	\$185,517	\$186,130
SF Rev	\$145,994		\$81,946	\$185,517	\$186,130
<i>SF Pos's (New)</i>	<i>1.0</i>			<i>1.0</i>	
State Net Effect	\$78,228	(\$78,228)	\$0	\$0	\$0
Total Pos's (New)	1.0			1.0	

Exp: Expenditures
 Pos's: Positions
 Rev: Revenues
 SF: Special Fund

Source: Department of Legislative Services

The bill has the following quantified fiscal effects on MDE:

- Special Fund Expenditures (and Positions):** Special fund (SRTF) expenditures increase by at least \$67,766 in fiscal 2027, reaching \$186,130 by fiscal 2031, reflecting the cost of hiring (1) one natural resources planner within MDE to, along with existing staff, implement the department's oversight, review, and regulation of electronic device producer responsibility organizations and their electronic device producer responsibility programs (including notifying manufacturers of the bill's requirements, staffing the electronic device producer responsibility advisory council, drafting and adopting regulations, receiving registrations and fees, communicating with manufacturers and the electronic device producer responsibility organization(s), and reviewing plans and annual reports) and (2) one environmental compliance specialist to handle compliance and enforcement efforts once implementation of the electronic device producer responsibility program(s)/plan(s) begins (assumed to be in fiscal 2030, assuming plans are submitted for approval by March 1, 2029, and approved and implemented relatively soon thereafter). The estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year expenditures reflect full salaries, with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

- **Special Fund Revenues:** Special fund (SRTF) revenues – from the registration and other fees collected under the bill – are assumed to increase correspondingly with expenditures, with the exception that the bill does not appear to provide for collection of fees in fiscal 2028, so it is assumed that sufficient registration fees are collected in fiscal 2027 to cover expenditures in both fiscal 2027 and 2028. MDE indicates that the registration fee amounts established in the bill (\$10,000 for manufacturers who sold at least 1,000 devices and \$5,000 for manufacturers who sold between 100 and 999 devices) result in an increase in registration fees received from electronic device manufacturers (in comparison to registration fees received from manufacturers under the existing Statewide Electronics Recycling Program law, in the absence of the bill) of approximately \$475,000 annually. However, because the registration fee revenue can only be used for the costs of administering, implementing, and enforcing MDE’s electronic device producer responsibility program, this analysis assumes that MDE uses the authority it is given by the bill to adjust (reduce) the registration fee by regulation to approximate its costs each year (and for fiscal 2027, its costs in both fiscal 2027 and 2028).

While not reflected in this estimate, MDE indicates that special fund revenues and expenditures may be somewhat higher than those associated with the costs of hiring the natural resources planner and environmental compliance specialist to the extent MDE uses fee revenues collected under the bill to support a portion of existing staff’s salaries to account for existing staff’s time spent on the program. The revenues and expenditures may also be higher to cover any minimal expense reimbursements for the electronic device producer responsibility advisory council members.

Maryland Environmental Service

This analysis assumes that the bill does not have a direct, material effect on Maryland Environmental Service (MES) nonbudgeted revenues and expenditures. MES indicates that its revenues and expenditures could be indirectly affected to the extent the bill results in changes in the extent to which it manages electronic device collection sites on behalf of counties; however, any such changes are subject to county decisions and not a direct impact of the bill.

State Agencies and Higher Education Institutions

State agencies and higher education institutions may benefit as “covered entities” under the bill, from electronics recycling (or refurbishment or reuse) provided free of charge under an electronic device producer responsibility program.

Penalties

Any penalties collected for violations of the bill's provisions are not expected to significantly affect SRTF revenues.

Local Fiscal Effect: Local governments are expected to benefit from the bill through compensation or reimbursement for electronic device collection and recycling efforts that they undertake and/or a reduced need for local government-operated or -supported efforts. The bill requires an electronic device producer responsibility organization to ensure distribution of collection sites across the State and to (1) provide fair financial compensation to collection sites calculated to cover the costs of collecting, storing, managing, and transporting covered electronic devices and (2) enter into agreements with all willing public sector agencies and collection entities to cover the costs of covered electronic device recycling agreements.

For context, the Northeast Maryland Waste Disposal Authority (a multi-county agency that provides waste management planning and financing services to its member jurisdictions – Baltimore City and Anne Arundel, Baltimore, Carroll, Frederick, Harford, Howard, and Montgomery counties) indicates that, among its eight member jurisdictions, four incurred net costs in calendar 2025 (Baltimore City and Baltimore, Carroll, and Frederick counties) totaling \$195,321.

Local governments may also benefit as “covered entities” under the bill, from electronics collection and recycling (or refurbishment or reuse) provided free of charge under an electronic device producer responsibility program.

The bill repeals statutory provisions authorizing use of SRTF to provide grants to counties that have addressed methods for the separate collection and recycling of covered electronic devices, as well as to municipalities to implement local covered electronic device recycling programs. MDE indicates, however, that grants have not been made to counties or municipalities under those provisions in recent years; thus, the repeal of the provisions is not expected to affect local government finances.

Small Business Effect: Small businesses engaged in recycling, refurbishment, or reuse of electronic devices may meaningfully benefit from the compensation provided to collection sites by the electronic device producer responsibility organization(s) under the bill. To the extent any current or future covered electronic device manufacturers who sell covered electronic devices in the State are Maryland small businesses, they may be meaningfully affected by having to pay the manufacturer registration fee, join an electronic device producer responsibility organization, and pay their financial obligation toward the organization's electronic device producer responsibility program. Businesses with 10 or fewer employees may benefit as “covered entities” under the bill, from electronics

collection and recycling (or refurbishment or reuse) provided free of charge under an electronic device producer responsibility program.

Additional Comments: The extent to which costs incurred by manufacturers under the bill may result in increased costs of their electronic devices (incurred by the public and by State and local governments), if at all, is beyond the scope of this analysis. In addition, the cost of the programs is unknown at this time (prior to the development of an electronic device producer responsibility program plan), and the extent to which the costs are passed on to electronic device consumers is subject to business decisions of individual manufacturers.

Additional Information

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

Designated Cross File: HB 992 (Delegate Stein) - Environment and Transportation.

Information Source(s): Department of Information Technology; Maryland Environmental Service; Baltimore City; Calvert and Prince George's counties; Maryland Association of Counties; Northeast Maryland Waste Disposal Authority; City of Annapolis; Maryland Municipal League; University System of Maryland; Morgan State University; Maryland Department of the Environment; Department of General Services; Maryland Department of Health; Maryland Department of Transportation; Department of Legislative Services

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