



New Recycling Law Would Reimburse Towns for the Cost of Recycling

The Maine Legislature has shown support for a type of law called Extended Producer Responsibility (EPR) for Packaging that will reduce the cost burden for Maine's municipalities and help them manage recycling programs more effectively.

When fully implemented, this proven solution is projected to save Maine taxpayers \$16-17 million annually, by shifting the responsibility onto big, multinational corporations that are responsible for introducing packaging waste into Maine's municipal recycling programs in the first place. These corporations are already paying for local recycling programs in Canada, Europe, and dozens of other countries where EPR for Packaging has been implemented.

Municipal participation in an EPR for Packaging reimbursement program will be optional. Towns can choose to be reimbursed in order to reduce tax burden on residents or continue funding their recycling programs through tax revenues.

Frequently Asked Questions about How EPR for Packaging Will Save Towns Money

How will the program get implemented?

EPR for Packaging in Maine would be implemented by a stewardship organization that is responsible for coordinating recycling improvements across the state and delivering payments to cities and towns from the big corporations paying into the program. In other countries that have successfully implemented EPR for Packaging, a stewardship organization also provides a wide range of services such as data tracking and design guidelines to help make recycling the best it can be.

How will reimbursements to towns work?

The EPR for Packaging law directs the stewardship organization to calculate reimbursement payments for the costs associated with collection, processing, and transportation of recycling, using data that towns submit for their reimbursements.

- Maine's municipalities will be grouped into "similar municipalities" based on factors that influence the cost of recycling packaging.
- Reimbursement for recycling will be distributed to similar municipalities annually and on a median per ton basis, and reimbursement for non-recyclable packaging is on a per capita basis.
- A town may be reimbursed more than its actual costs if its costs are below the median.

This reimbursement method is designed to promote efficient municipal recycling programs. It will be the stewardship organization's job to help towns figure out everything they need to know to get reimbursed, and to provide guidance on how to get the most out of the new program.

"The cost of recycling has skyrocketed... EPR for Packaging is a step in the right direction by asking producers to be part of the solution."

—The Maine Municipal Association



What will towns need to do to participate?

To get reimbursed, towns will need to collect all of the “readily recyclable” materials in their community. The EPR for Packaging law defines “readily recyclable” as materials that can be processed in Maine and have had a consistent market for the past two years. The program is designed to incentivize corporations to develop packaging materials that can be more easily recycled because the manufacturers who use non-readily recyclable packaging will have to pay more. Those funds will be used to expand recycling infrastructure in every participating Maine community.

How will towns be able to use the reimbursement funds?

Since towns have already budgeted for and expended the funds, they will be able to use the money they are reimbursed however they wish. Some towns may choose to make improvements to their recycling programs or start a composting program.

How will the law impact Maine’s local businesses?

The law was specifically crafted to exempt the majority of Maine’s businesses that provide the economic backbone to our cities and towns. It is designed to target large, multinational corporations that are responsible for our waste problems and that already pay for local recycling programs in other places around the world. For more details, see NRCM’s EPR Fact Sheet for Businesses.

How does the new law protect the price of consumer goods?

We know from regions where EPR for Packaging has been implemented that businesses can save money through design efficiencies. Since the cost to companies required to participate is fractions of a penny per container, EPR programs do not cause increased prices for consumers. Experts who deliver these programs in other regions across the world report that there is no evidence these very minimal costs are passed onto consumers through price increases.

The price of consumer goods is defined by a wide variety of factors such as geography, shifting economic markets,

and consumer behavior and sensitivity. We also know from Maine’s other product stewardship laws, like the Maine Bottle Bill, that producer responsibility programs don’t raise prices. The cost of soda in Maine is the same as it is in places that don’t benefit from a bottle deposit law.

One of the primary reasons Nova Scotia’s provincial municipal association has lobbied their legislature to adopt EPR for Packaging is because the costs of consumer goods are the same in their province as they are in neighboring Quebec, where an EPR for Packaging law was implemented in 2004.

Will EPR for Packaging be considered by the 130th Legislature?

Yes, the proposed EPR for Packaging bill will be considered by lawmakers in the 130th Legislature and will be reviewed by the Environment and Natural Resources Committee. The bill was resubmitted after receiving widespread support from Maine people and municipalities in the previous legislative session, which was cut short due to the coronavirus pandemic. For updates, you can sign up for NRCM Action Alert emails or visit NRCM’s bill tracking web page at www.nrcm.org.

Who else supports this law?

EPR for Packaging has received broad support from Maine people, municipal officials, and local businesses. Supporters included the Maine Municipal Association, Maine Resource Recovery Association, ecomaine, TOMRA, 20 municipalities representing more than 200,000 Mainers, the Environmental Priorities Coalition, and many more. The public hearing for the bill in the previous legislative session lasted eight hours and had 163 people testifying, with 73% supporting the bill.

This is just what my town needs!

What can my town do to show support?

NRCM worked with the Maine Municipal Association to draft a municipal resolution that towns can adopt to show their official support. NRCM will deliver the resolutions to the Legislature in 2021.

