

| 1 | L.D. 349 | | | |
|----------------------|---|--|--|--|
| 2 | Date: 5/1/2017 Majority (Filing No. S-58) | | | |
| 3 | ENVIRONMENT AND NATURAL RESOURCES | | | |
| 4 | Reproduced and distributed under the direction of the Secretary of the Senate. | | | |
| 5 | STATE OF MAINE | | | |
| 6 | SENATE | | | |
| 7 | 128TH LEGISLATURE | | | |
| 8 | FIRST REGULAR SESSION | | | |
| 9 10 | COMMITTEE AMENDMENT "A" to S.P. 115, L.D. 349, Bill, "An Act To Establish a Mattress Stewardship Program" | | | |
| 11 | Amend the bill by striking out the title and substituting the following: | | | |
| 12 | 'An Act To Facilitate the Recycling of Discarded Mattresses' | | | |
| 13 14 | Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following: | | | |
| 15 | 'Sec. 1. 38 MRSA §1611 is enacted to read: | | | |
| 16 | §1611. Mattress recycling | | | |
| 17 18 | 1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings. | | | |
| 19 20 | A. "Discarded mattress" means a mattress that a person discards, abandons or sends for recycling. | | | |
| 21 22 23 24 | B. "Foundation" means any ticking-covered structure used to support a mattress and composed of one or more of the following: a constructed frame, foam or a box spring. "Foundation" does not include a bed frame or base made of wood, metal or other material that rests upon the floor and serves as a brace for a mattress. | | | |
| 25 | C. "Fund" means the Mattress Recycling Grant Fund established in subsection 3. | | | |
| 26 27 28 29 | D. "Mattress" means any resilient material or combination of materials that is enclosed by ticking, used alone or in combination with other products, and intended or promoted for sleeping upon. "Mattress" includes any foundation, renovated foundation or renovated mattress. "Mattress" does not include: | | | |
| 30 31 32 | (1) An unattached mattress pad or an unattached mattress topper, including any item with resilient filling, with or without ticking, intended for use with or on top of a mattress; | | | |
| 33 | (2) A sleeping bag or pillow; | | | |

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| (<u>3) A car bed;</u> |
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| (4) Juvenile products, including a carriage, basket, dressing table, stroller, playpen, infant carrier, lounge pad, crib bumper or any pad for such products; |
| (5) A product that contains liquid-filled or gas-filled ticking, including a waterbed or air mattress that does not contain upholstery material; or |
| (6) Any upholstered furniture not otherwise containing a detachable mattress, including, but not limited to, a fold-out sofa bed or a futon. |
| E. "Mattress core" means the principal support system present in a mattress, including, but not limited to, springs, foam, an air bladder, a water bladder or resilient filling. |
| F. "Mattress recycling fee" or "fee" means the amount added to the purchase price of mattresses sold in the State in accordance with subsection 2. |
| <u>G.</u> "Program" means the Mattress Recycling Grant Program established in subsection <u>4.</u> |
| H. "Recycling" has the same meaning as in section 1771, subsection 7. "Recycling" does not include the renovation of a mattress. |
| I. "Renovate" or "renovation" means to alter a mattress for the purpose of resale including replacing the ticking or filling of a mattress, to add filling to a mattress or to replace mattress components with new or recycled materials. "Renovate" does not include stripping a mattress of its ticking or filling without adding new material or sanitizing or sterilizing a mattress without otherwise altering the mattress. |
| J. "Retailer" means a person that offers a mattress for sale in the State in a retail sale, as defined in Title 36, section 1752, subsection 11, including remote sales conducted through sales outlets, catalogs or the Internet or any other similar electronic means. |
| K. "Sell" or "sale" means any transfer of title for consideration, including remote sales conducted through sales outlets, catalogs or the Internet or any other similar electronic means. |
| L. "Ticking" means the outermost layer of fabric or material of a mattress. "Ticking" does not include any layer of fabric or material quilted together with, or otherwise attached to, the outermost layer of fabric or material of a mattress. |
| M. "Upholstery material" means all material, loose or attached, between the ticking and the mattress core. |
| 2. Mattress recycling fee. Except as provided in paragraph D, beginning January 1, 2018 and ending December 31, 2021, a retailer shall apply a mattress recycling fee of \$5, in accordance with this subsection, to each mattress sold at retail in the State. |
| A. A retailer that first sells a mattress in the State shall add the mattress recycling fee to the purchase price of the mattress. The fee must be clearly visible on invoices or functionally equivalent billing documents as a separate line item. |
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32 33 B. Notwithstanding Title 36, section 1811, or any other provision of law to the contrary, the mattress recycling fee imposed under this subsection is not subject to the sales tax.

C. A retailer that adds the mattress recycling fee to the purchase price of a mattress shall remit to the department on a quarterly basis payment of all mattress recycling fees collected on mattresses sold in the State during the quarter, except that the retailer may retain \$1 of each mattress recycling fee collected to cover the administrative costs incurred by the retailer in collecting, remitting and otherwise administering the fee.

D. A retailer that has established a program for the recycling of discarded mattresses, the cost of which is included in the purchase price of mattresses sold by the retailer, may apply to the commissioner for an exemption from the requirements of this subsection. The commissioner shall grant the exemption upon a finding that the program established by the retailer adequately provides for the recycling of discarded mattresses.

<u>E.</u> Fee payments received by the department pursuant to this subsection must be deposited into the fund.

3. Mattress Recycling Grant Fund. The Mattress Recycling Grant Fund is established as a dedicated, nonlapsing fund to be administered by the department to support programs, projects, initiatives or activities designed to increase the recycling and diversion from disposal of discarded mattresses in the State in accordance with subsection 4. The fund receives all fees collected under subsection 2.

4. Mattress Recycling Grant Program. The Mattress Recycling Grant Program is established to provide grants to public and private entities to assist in the development, implementation or improvement of programs, projects, initiatives or activities designed to increase the recycling and diversion from disposal of discarded mattresses in the State.

A. The department shall administer the program and may disburse revenue from the fund based on approved grant requests from public and private applicants. The department may provide grants for the documented costs of application proposals consistent with the criteria in paragraph B and the priorities in paragraph C. Costs incurred by the department in the development and administration of the program may be paid with revenue from the fund, except that such costs may not exceed 10% of the revenue deposited in the fund in a calendar year.

34 B. The department may disburse grants under this subsection from the fund, to the 35 extent that funds are available, on a quarterly basis, to any public or private entity 36 demonstrating, in the department's determination, that a proposed program, project, initiative or activity is likely to increase the recycling and diversion from disposal of 37 38 discarded mattresses within a particular community, municipality or region or the 39 State. Programs, projects, initiatives or activities eligible for funding include, but are 40 not limited to, municipal or regional mattress recycling programs, including the 41 establishment of such programs or the purchase of infrastructure, equipment or other 42 items necessary to implement such programs, including, but not limited to, storage 43 containers or other structures for holding collected discarded mattresses; and 44 programs or business models designed to provide equipment for or otherwise

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1 establish or support the collection, transportation for recycling, processing or 2 recycling of discarded mattresses in the State or the incineration or combustion of 3 discarded mattresses in the State for the generation of heat, steam or electricity. C. The department shall give priority in the awarding of funds under this subsection 4 5 to applicants based in the rural areas of the State and to those proposed programs, projects, initiatives or activities that will, in the department's determination, support 6 the recycling and diversion from disposal of discarded mattresses primarily in the 7 8 rural areas of the State and that otherwise meet the department's eligibility criteria. 9 The awarding of funds under this subsection must be consistent with the solid waste management hierarchy established under section 2101 and must be prioritized to 10 provide the most benefit to the State in terms of increasing the recycling and 11 12 diversion from disposal of discarded mattresses in the State. 13 D. The department may require, as a condition of grant approval, that an applicant 14 demonstrate its ability to provide in-kind contributions relating to the grant applied 15 for or to provide a certain level of matching funding to supplement the grant applied 16 for. 17 E. Revenue from the fund disbursed by the program is subject to audit as determined 18 by the department, and the recipient of any such funding must agree to be subject to 19 audit and to cooperate with the auditor as a condition of receiving funding. 20 5. Report. Beginning February 15, 2019 and annually thereafter, the department 21 shall submit a report to the joint standing committee of the Legislature having jurisdiction 22 over environmental and natural resources matters containing information on the revenues 23 added to the fund in the prior calendar year; the revenues disbursed from the fund in the 24 form of approved grants in the prior calendar year, including a brief description of each 25 approved grant; updated data or information, if available, as to the effect of the program 26 on the recycling and diversion from disposal of discarded mattresses in the State; and any recommendations for improvements or changes to the program, including, but not limited 27 28 to, changes to the fee structure under subsection 2 to better support the purposes of the 29 program. The report may be included in the report required pursuant to section 1772, 30 subsection 1. 31 6. Rulemaking. The department may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, 32 33 chapter 375, subchapter 2-A. 34 7. Repeal. This section is repealed December 31, 2022. 35 Sec. 2. Appropriations and allocations. The following appropriations and 36 allocations are made. 37 **ENVIRONMENTAL PROTECTION, DEPARTMENT OF** 38 **Mattress Recycling Grant Fund N242** 39 Initiative: Provides allocations for one part-time Environmental Specialist III position to 40 administer the Mattress Recycling Grant Program and for program grants to entities and 41 businesses.

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| OTHER SPECIAL REVENUE FUNDS | 2017-18 | 2018-19 |
|------------------------------------|-----------|-----------|
| POSITIONS - LEGISLATIVE COUNT | 0.500 | 0.500 |
| Personal Services | \$22,114 | \$44,229 |
| All Other | \$199,030 | \$398,058 |
| OTHER SPECIAL REVENUE FUNDS TOTAL | \$221,144 | \$442,287 |

SUMMARY

This amendment, which is the majority report of the committee, replaces the bill, changes the title and applies, starting January 1, 2018 and ending December 31, 2021, a recycling fee of \$5 on each mattress sold at retail in the State. This mattress recycling fee will be deposited in the Mattress Recycling Grant Fund to support the Mattress Recycling Grant Program, which are both established in the amendment. Revenue in the Mattress Recycling Grant Fund will be used by the Department of Environmental Protection to provide grants under the Mattress Recycling Grant Program to public and private entities demonstrating that a proposed program, project, initiative or activity is likely to increase the recycling and diversion from disposal of discarded mattresses within a particular community, municipality or region or the State. These provisions are repealed December 31, 2022.

The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

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128th MAINE LEGISLATURE

LD 349

LR 445(02)

An Act To Establish a Mattress Stewardship Program

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-58) Committee: Environment and Natural Resources Fiscal Note Required: Yes

Fiscal Note

| | FY 2017-18 | FY 2018-19 | Projections FY 2019-20 | Projections FY 2020-21 |
|---|------------|------------|---------------------------|---------------------------|
| Appropriations/Allocations Other Special Revenue Funds | \$221,144 | \$442,287 | \$442,287 | \$442,287 |
| Revenue Other Special Revenue Funds | \$221,144 | \$442,287 | \$442,287 | \$442,287 |

Fiscal Detail and Notes

This bill establishes a mattress recycling fee of \$5 added to the retail price of each mattress sold in the State starting on January 1, 2018, and ending December 31, 2021. Retailers may retain \$1 of the fee for the administrative costs of collecting the fee, with the remaining \$4 deposited into the newly established Mattress Recycling Grant Fund (MRGF) within the Department of Environmental Protection (DEP). Based on a similar program in Connecticut and an estimated total for national mattress sales and then prorated for population, it is anticipated that approximately 110,572 mattresses will be disposed of annually in Maine. The mattress recycling fee will generate \$221,144 to the Mattress Recycling Grant Fund in fiscal year 2017-18 and \$442,287 in fiscal year 2018-19. The MRGF will be used to provide grants to entities or programs designed to increase the recycling of disposed mattress units and reduce their entry into the waste stream. Up to 10% of the revenue deposited into the MRGF may be used by the DEP for the development and administration of the program.

The bill includes allocations to the MRGF of \$22,114 in fiscal year 2017-18 and \$44,229 in fiscal year 2018-19 for one part-time Environmental Specialist III position to administer the mattress recycling grant program. It also includes allocations of \$199,030 in fiscal year 2017-18 and \$398,058 in fiscal year 2018-19 for grants to entities or programs that meet the mattress recycling program criteria.