

CB13-0501
Plastic & Paper Bag Fee
Councilwoman Debbie Ortega



**HEALTH, SAFETY,
EDUCATION & SERVICES
COMMITTEE**
AUGUST 13, 2013

Denver Policy Commitments



- ❖ Chapter 48 (Solid Waste) of the Revised Municipal Code Article IX purpose:
 - ❖ Protect public health and safety, implement the city's Department of Environmental Health Budget and Peak Performance Goals, its Solid Waste Master Plan, and its 2020 Sustainability Goals
- ❖ The Department of Environmental Health:
 - ❖ Determined that the city, through its policies, programs, and laws, support efforts to reduce by 20% the amount of waste sent to landfills by 2020*

*<http://www.greenprintdenver.org/wp-content/uploads/2013/03/2020-Sustainability-Goals.pdf>

Annually, **130,000,000** disposable single-use bags are consumed from convenience and food stores in Denver (Office of Environmental Health)



Clean Up Costs



- ❖ Trash clean ups along South Platte River in 2012
 - ❖ Overall 8-11% of all pieces of trash collected were plastic bags, putting it into the top four categories of trash collected*
- ❖ Denver's composting program
 - ❖ Contamination from plastics results in an estimated 20% increase in operating costs for A-1 Organics**
- ❖ Urban Drainage & Flood Control District
 - ❖ Routine maintenance & debris removal in 2012 = \$50,000**

*Platte River Greenway Foundation & Environmental Health

**Wastewater/Environmental Health



Best Practice - National Research



- ❖ **Washington D.C.** in 2009 adopted an ordinance that implemented a \$0.05 bag fee in 2010. Studies have revealed a reduction in paper and plastic bag usage greater than 60% in just the first two years of the program. (See Beacon Hill Institute Study, 2011)
- ❖ **Santa Monica, CA** passed the first plastic bag ban combined with a fee on paper bags which was implemented in September, 2011.
- ❖ **Eugene, OR** passed an ordinance in October 2012 banning plastic bags and also mandating that merchants could only give out recycled paper bags and a fee of \$0.05 must be charged for each recycled paper bag given to a customer. The single-use plastic bag ban, along with the paper bag pass-through charge, went into effect on May 1st, 2013. Thirteen days later, the Eugene Council voted to re-think its position on the five cents fee because of complaints from low income residents that hadn't been informed of the fee. Outcome TBD.
- ❖ **Oakland, CA** implemented a \$0.10 fee for paper bags and plastic bags are banned as of January 2013. Businesses affected by the new law include liquor stores, pharmacies, grocery stores and other establishments that sell packaged foods, alcohol or both. Restaurants, bakeries and coffee shops are the only exceptions.
- ❖ **Los Angeles, CA** – On June 18, 2013, the City Council moved to ban plastic carryout bags and place a \$0.10 charge on paper bags at grocery stores and select retailers throughout the city. The ordinance goes into effect on January 1, 2014 for large stores and July 1, 2014 for smaller stores.
- ❖ **Austin, TX** – On March 2013 implemented legislation that bans plastic & paper bags.
- ❖ **Seattle, WA** – Beginning July 1, 2012 single-use plastic bags are banned, and a \$0.05 fee is levied on paper bags. Customers using vouchers or electronic benefit cards from state or federal food assistance programs for grocery purchases are exempt from the paper bag charge.
- ❖ **State of Hawaii** – Effective January 17, 2013, Hawaii is the first to enact a statewide \$0.05 per bag fee. Under the ordinance, all businesses including grocery stores, restaurants, farmers markets and other retailers must charge a \$0.05 fee for single-use plastic carryout bags. By Jan. 17, 2014 all single-use plastic bags will be prohibited on the island completely

(The description of fees and taxes are characterized by the enacting governments and would not necessarily be characterized the same in Denver)

Best Practice – Local Research



- **Aspen** – Adopted October 2011, bans plastic carryout bags and a \$0.20 fee on paper bags.
- **Basalt** – Adopted September 2011, \$0.20 fee on plastic and paper checkout bags.
- **Boulder** – Adopted November 2012, a \$0.10 fee on all disposable plastic and paper bags at all grocery stores; effective July 1, 2013.
- **Breckenridge** – Adopted April 2013, \$0.10 fee on every disposable bag provided to customers to transport merchandise
- **Carbondale** – Adopted May 2012, a ban on plastic bags.
- **Durango** – Adopted August 2013, a \$0.10 fee on disposable plastic and paper bags at the supermarket checkout
- **Fort Collins** – March 2013, an ordinance to impose a bag fee received a tie vote by City Council
- **Telluride** – adopted October 5, 2010, implements a ban on all plastic carryout bags (including compostable plastic), \$0.10 fee on “permitted paper bags”; applies to ALL businesses.
- **Englewood** –in the middle of efforts to adopt bag reduction programs

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Ordinance Details – Retailers



- ❖ Food store retail establishment or business must meet two thresholds:
 - ❖ Retail space greater than 1500 square feet, in a permanent building, operating year round, that is full-line, self-service
 - ❖ Receives more than 2% of its revenue from sales of staple foodstuffs or other perishable items
- ❖ Six month delay between adoption and effective date Earth Day 2014 (April 22, 2014)

Ordinance Details – Fee Structure



- ❖ Five cents (\$0.05) for each disposable point of sale paper and plastic bag provided to a customer
- ❖ Two cents (\$0.02) retained by retailer to offset administrative, labor and other related costs associated with this program
- ❖ Three cents (\$0.03) returned to the city and linked to a program to mitigate the effects of trash associated with disposable bags (distribute reusable bags, conduct public education with retailers and the public, enforcement)

Additional Details



- ❖ Ordinance provision that supports the donation of reusable bags from retailers
- ❖ Required signage referencing city ordinance to inform customers about Bag Fee program
 - ❖ Stores allowed to place their logo on sign
 - ❖ Cost covered by \$0.02 fee collected
- ❖ Quarterly Remittance to Environmental Health
- ❖ Consumer cost
 - ❖ At 8 bags per household per week, financial impact estimated to be 40 cents per week or \$20.80 per year

Stakeholder List



- ❖ Denver Department of Public Works
- ❖ City of Boulder
- ❖ Denver Department of Environmental Health
- ❖ Constituent Survey – November 2012
- ❖ Denver Mayor Michael B. Hancock
- ❖ First Plymouth Congregational Church
- ❖ Waste Management
- ❖ Denver Post Editorial Board
- ❖ The Town of Breckenridge
- ❖ The City of Durango
- ❖ Colorado Restaurant Association
- ❖ Larry Ambrose, INC
- ❖ Downtown Denver Partnership Retail Committee
- ❖ Renewable Bag Council
- ❖ Helix-Poly
- ❖ Mile High Business Alliance
- ❖ Whole Foods
- ❖ Wal-Mart
- ❖ 7 –Eleven
- ❖ Speer Wealth Management Group
- ❖ Cherry Creek North BID
- ❖ Cherry Creek Shopping Center
- ❖ Downtown Denver Partnership Economic Development Council
- ❖ UFCW, Local 7, Executive Board
- ❖ Alliance for Climate Education
- ❖ Alliance for Sustainable Colorado
- ❖ Safeway
- ❖ King Soopers
- ❖ Colorado Retail Council
- ❖ FRESC
- ❖ The GrowHaus
- ❖ Target
- ❖ Groundwork Denver
- ❖ A-1 Organics
- ❖ Colorado Licensed Beverage Association
- ❖ The Greenway Foundation
- ❖ Rocky Mountain Food Industry Association
- ❖ Hispanic Chamber of Commerce
- ❖ Mayor Hancock's Sustainability Advisory Council
- ❖ Sprouts
- ❖ Petroleum Marketers and Convenience Store Association
- ❖ Walgreens
- ❖ Denver Human Services
- ❖ Denver Metro Chamber of Commerce
- ❖ American Progressive Bag Alliance

Legislative Calendar



- ❖ August 13, 1:30pm – Health Safety Committee - Presentation to Committee with 15 minutes Public Comment
- ❖ August 20, 1:30pm – Health Safety Committee – Expected action to move ordinance forward
- ❖ August 27, 9:30am – Mayor/Council
- ❖ September 9, 5:30 pm – City Council – First reading
- ❖ September 16, 5:30 pm – City Council – Second Reading and Public Hearing

Ordinance Goal



The goal of this ordinance is to reduce the consumption of single-use bags in Denver!