



September 27, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Alex Hirtle 
Legislative Budget and Policy Analyst

Policy Analysis and Fiscal Impact Statement
CB-079-2023 Better Bag Bill - Revisions

CB-079-2023 (*proposed by:* Council Members Oriadha, Blegay, and Burroughs)

Assigned to Transportation, Infrastructure, Energy, and Environment (TIEE) Committee

AN ACT CONCERNING BETTER BAG BILL- REVISIONS for the purpose of establishing a maximum charge for certain paper and reusable carryout bags provided by a retail establishment, with certain exceptions; establishing a certain supplemental nutrition exception for a maximum charge for certain paper and reusable carryout bags provided by a retail establishment; establishing certain exceptions for a maximum charge for certain reusable carryout bags provided by a retail establishment; and generally relating to the better bag bill revisions.

Fiscal Summary

Direct Impact:

Expenditures: Minimal to modest additional expenditures.

Revenues: No revenue impact likely.

Indirect Impact:

Potentially negative.

Legislative Summary:

CB-079-2023, sponsored by Council Members Oriadha, Blegay, and Burroughs was presented on September 6th, 2023, and referred to the Transportation, Infrastructure, Energy and Environment (TIEE) Committee.

The Bill would revise [CB-032-2023](#), which was enacted on June 20th, 2023, and is set to go into effect January 1st, 2024. The changes in this legislation would include:

- Prohibiting a retail establishment from charging more than 10 cents for each paper carryout bag or reusable carryout bag to the customer.
 - Adding reusable carryout bags to prescription medication orders and drive-through window or full-service restaurant after a meal for leftovers orders. To clarify, these types of services, under CB-032-2023, are *not* charged only if a paper carryout bag is used.
 - Prohibiting a charge for paper carryout bags and reusable carryout bags to any customer who uses any supplemental nutrition assistance programs, including supplemental nutrition assistance programs (SNAP), food coupons, or other type of allotment issued under 7 U.S.C.S. §§ 2011-2036, with food instruments, food vouchers, other type of certificate issued 16 under 42 U.S.C.S. § 1786 (Special Supplemental Food Program for Women, Infants, and 17 Children), with Pandemic Electronic Benefit Transfer (P-EBT), 7 CFR 284.1, and with the 18 Summer Electronic Benefit Transfer Program, 42 U.S.C.S. 1762, for any part of the transaction.
-

Current Law/Background:

Currently there is no requirement by retail establishments to charge consumers for carryout bags, although some grocery retailers (such as Lidl, My Organic Market, and Wegmans) presently do. [CB-032-2023](#), which was enacted on June 20th, 2023 by the County Council and is set to go into effect January 1st, 2024, prohibits retail establishments from providing plastic carryout bags to customers (with specific exceptions), and mandates these establishments charge at least 10 cents for each paper carryout bag and reusable carryout bag provided to customers, under most circumstances. CB-032-2023 sought to change the behavior of consumers by encouraging them to bring their own reusable bags, and to reduce the presence of plastic bags in the natural environment. This Bill also allows retail establishments to provide reusable bags free of charge as a promotion to customers one week per year, as dictated by the Department of the Environment.

Resource Personnel:

- Joel Peebles, District 7
-

Discussion/Policy Analysis:

It should be noted that there are jurisdictions that exempt bag fees for consumers that are on public assistance. New York City for example does not charge the five-cent bag fee for consumers on SNAP or WIC (Women, Infants, & Children Program).¹ The County of Los Angeles (California) has implemented a fee of ten cents on carryout bags, but again exempts SNAP and WIC recipients from the fee. The County also distributes complimentary reusable bags to residents at certain community events.² The success of this policy is unknown, as feedback from both the jurisdictions as well as the retail establishment has not been documented.³

Although the Bill appears to address the modest financial impact of CB-032-2023, *i.e.* the retail establishment's mandate to charge at least 10 cents for each paper carryout bag and reusable carryout bag on low and modest-income consumers, the Bill's actual result may be problematic in several ways.

1. Mandating that retail establishments charge no more than 10 cents for each paper carryout bag and reusable carryout bag may actually increase costs to consumers in general. Some retailers are already charging more than 10 cents for each paper carryout bag, and are charging at least several dollars for higher quality reusable carryout bags. Given the retail establishment's business model is partially based on the current amounts charged for these bags, some retailers may have to raise prices on other products they sell, increasing costs to all consumers. Additionally, retailers may stop carrying reusable carryout bags altogether if the wholesale cost of these bags is much higher than the mandated fee of this legislation.
2. Prohibiting a charge on a paper carryout or reusable carryout bag to any consumer in a supplemental nutrition assistance program (SNAP) may again disrupt a retailer's business model and force them to charge higher prices on their products. There are approximately 127,119 persons on SNAP, as defined by Census data, in Prince George's County.⁴ Assuming the average household size is 2.78 persons, about 45,726 households in the County could be exempted from paying any fee for paper or reusable carryout bags. However, this modest savings for SNAP recipients may be more than offset, albeit dispersed across all consumers, by higher prices in retail establishments, as noted earlier.

¹ <https://www.nyc.gov/assets/dsny/site/our-work/zero-waste/carryout-bags>

² <https://dpw.lacounty.gov/epd/aboutthebag/BackgroundAndFAQ.aspx>

³ September 26 telephone discussion with Prince George's County Sierra Club Executive Board member.

⁴ Census microdata from 2021, 5-year American Communities Survey data

3. The results of this legislation may actually exacerbate environmental injustice: assuming marginalized communities are taking advantage of no-fee paper carryout bags and using a larger percentage of paper bags than other communities, there is the cost of paper bags and paper degrading the immediate environment. As we have seen with plastic bags, paper bags and pieces of paper bags could be caught in trees, bushes, and other flora, be discarded on the side of roads and highways, and find ways into streams, waterways, gullies, and ditches. There is also the element of additional paper bag use creating additional greenhouse gasses and water contaminants, both pollutants that the County has sought to reduce with its Climate Action Plan ([CR-006-2023](#)).

As the current Better Bag Bill stands ([CB-032-2023](#)), it should have a minimal impact on low-income shoppers. As noted earlier, the Bill allows for the Department of the Environment to designate one week per year when retail establishments may provide reusable bags free of charge as a promotion. Additionally, when retailers start collecting the fees of customers using paper and other carryout bags, customers may see prices stabilize or even lowered when the retailers' cost of providing bags is no longer a liability to them. Low-income shoppers can take advantage of the free giveaway of reusable bags, purchase reusable bags at a nominal cost for themselves, and avoid ever having to pay for paper or other carryout bags. The Council may also want to consider amending the limitations on reusable bag fees to SNAP and WIC recipients, as well as allowing more frequent reusable bag giveaways at community events in moderate-income communities.

Fiscal Impact:

- *Direct Impact*

Enactment of CB-079-2023 could have a minimal to modest adverse fiscal impact. The Department of the Environment will be required to regulate and enforce any violations of this legislation. Additional staff time may need to be devoted to retail establishments that charge above the 10-cent cap mandated in this Bill, and to resolve any disputes that occur between customers and retailers with the no-bag charge for SNAP recipients. Enforcement of the legislation could also necessitate performing spot-inspections, follow-ups on alleged violations, regular inspections, and issuing citations.

- *Indirect Impact*

Enactment of CB-079-2023 could have an adverse indirect impact on the County by the increased use of paper bags instead of more residents using reusable bags. Increased use of paper bags could pollute waterways, street and road rights-of-way, public spaces, and private parcels with paper as litter. An environment with more litter and being less aesthetically pleasing can lower property values, discourage residents and businesses from moving in and remaining in the County, and create a less healthy environment.

Additionally, more paper and bags in the environment means more County resources are needed to go into litter clean-ups.

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law.

If you require additional information, or have questions about this fiscal impact statement, please reach out to me via phone or email.