# DC Bag Law

Presented by Emily Rice Stormwater Management Division District Department of the Environment

COG Climate, Energy and Environment Policy Committee Wednesday July 27, 2011





#### **Presentation Outline**

- Overview of the law
- Enforcement process and stats
- Revenue collected and how we use it
- Evidence of bag use reduction
- Public perceptions



# Anacostia River Clean Up and Protection Act of 2009"Bag Law"

Effective January 1, 2010, all District retailers that sell food or alcohol must charge a 5¢ fee for each paper or plastic disposable bag provided to customers at the point of sale.





#### **Exemptions**

Some plastic and paper bags used inside a store are exempt from the fee if they:

- Package bulk items
- Contain or wrap "leaky" foods or items where dampness may be a problem
- Contain unwrapped prepared foods or bakery goods

and...

Restaurants get a paper bag exemption



## **Cash Register Receipt**

The retailer must indicate on any customer transaction receipt the number of disposable carryout bags provided and the total amount of fees collected.

The fees are not subject to the District of Columbia sales tax.



# **Paper and Plastic Bag Requirements**

- 100% Recyclable
- "Please Recycle This Bag" phrase
- Paper bags must contain a minimum of 40% post-consumer recycled content
- Plastic bags:

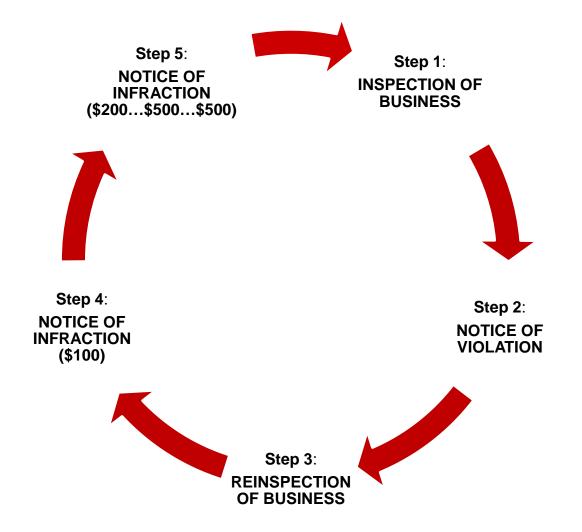








#### **Inspection and Enforcement Process**





## **Inspection and Enforcement Data**

OVER <u>5,000 BUSINESSES</u> ARE AFFECTED BY THE LAW.

#### #s to date:

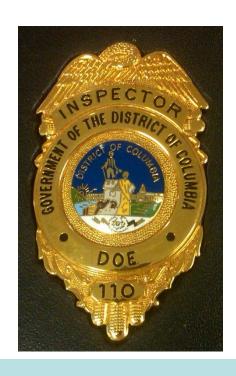
Number of Inspections/Re-inspections: 300

Number of NOIs issued: 10

Number of NOVs issued: 169

#### **Compliance Rates:**

- **56%** of businesses were found in violation
- 56% of all NOVs are for fee-related violations
- 32% of businesses are repeat offenders





## Where does the fee go?

Businesses retain \$.01 and submit \$.04 cents to the Office of Tax and Revenue

Carry-out Bag Credit Program allows businesses to keep \$.02 of the \$.05 collected.

Fees deposited into special purpose fund, administered by DDOE.





#### **Revenue Collected**

# \$ 2,748,240.91 to date!

# **How DDOE** is spending it

Stormwater Retention	\$484,000
Trash Education/Watershed Education	\$251,000
Trash Capture	\$339,000*
Stream Restoration	\$650,000*
Outreach and Reusable-Bag Distribution	\$275,000
Implementation (Project Management, Administration, &	
Enforcement)	\$550,000
Total Projected Bag Law Expenditures for FY11**	\$2,549,000



# Is the DC Bag Law Working?

#### **Anecdotal evidence:**

- •Businesses are ordering between 50-70% fewer bags
- •Environmental groups are reporting fewer bags in the river and tributaries

#### **Survey evidence:**

- •75% of District residents polled indicated that they have reduced their bag use
- •Many businesses surveyed said their consumption of bags is at least 50% lower
- Majority of businesses said that the bag fee has not affected their business
- Reduction in litter and a benefit to their bottom line with fewer bags purchased
- Very few specific negatives were mentioned



#### **Legislative Considerations**

- All retail or just food/beverage establishments?
- Material and labeling requirements?
- How will you measure success? Baseline data?
- Consider enforcement.
  - If secret shopping, be explicit about where the funding for inspections will come from.
- How will you collect the revenue?
  - We were able to add a line to our sales tax form and have an MOU with Office of Tax & Revenue to collect the fee.
  - BUT, now the <u>fee</u> is considered a <u>tax</u> and we have to request an amendment to obtain fee-related information from OTR



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