

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2015

Bill Number: H.295 Name of Bill: An act relating to the use of disposable carryout bags

Agency/ Dept: ANR/Env. Conservation Author of Bill Review: Cathy Jamieson

Date of Bill Review: 2/25/2015 Related Bills and Key Players: H.247 is a similar bill

Status of Bill: (check one): Upon Introduction As passed by 1st body As passed by both

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8

Analysis of Bill

1. **Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*
This bill would require retailers to charge 5 cents per disposable bag (paper and plastic bags). One cent per disposable bag would be retained by retailers and the remaining four cents per bag must be submitted to the Dept. of Tax, to be placed in the General Fund from effective date until July 1, 2016, after which it would be placed in the Waste Management Assistance Fund (for use as the Solid Waste Management Assistance Fund). The purpose of the fee is to discourage use of single use carryout bags, and to authorize ANR to disperse these funds to businesses engaged in recycling or other waste management projects.
2. **Is there a need for this bill?** *Please explain why or why not.*
Yes. Disposable bags use resources and, when disposed, take up landfill space. Plastic bags are easily blown away, contribute to litter, and pose a threat to wildlife. There is a need to financially support both private and public sectors that are engaged in implementing the Universal Recycling law. Collection and distribution of revenue generated from the carryout bag tax would provide a source for such funding without being a burden on taxpayers or the General Fund.
3. **What are likely to be the fiscal and programmatic implications of this bill for this Department?**
ANR would be given enforcement authorities. If there is overall compliance with the bag fee requirement this proposal should not take much staff time.
4. **What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**
The Tax Department would be responsible for the oversight of the disposable bag fees to be collected by retailers and submitted to the Tax Department.
5. **What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** *(for example, public, municipalities, organizations, business, regulated entities, etc.)*
Retailers would have to charge customers for the use of disposable bags. Some retailers may not want to have to charge customers for bags. Retailers would have to track the number of disposable bags "sold" and

Please return this bill review as a Microsoft Word document to laura.gray@state.vt.us and jessica.mishaan@state.vt.us

the amount of money to be submitted to the Tax Department. Customers would be subject to paying for disposable bags if they did not use/bring their own bags for use.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why? Environmental groups and solid waste planning entities; Landfill operators (plastic bags get blow around the landfills and can be carried off site by swirling winds. Facility operators are the ones responsible to collect these bags); and Materials Recovery Facility (MRF) operators, as plastic bags cannot be recycled along with bottles, cans, and paper and need to be pulled from the recycling sorting lines.

6.2 Who else is likely to oppose the proposal and why? Retailers who would have to charge customers for disposable bags; bag manufacturers and distributors who would lose sales of disposable bags; consumers and groups representing lower income individuals who may view the payment for disposable bags or the purchase of more durable bags a financial burden.

7. Rationale for recommendation: *Justify recommendation stated above.*

There is a need for a source of funding to support the implementation of the Universal Recycling law. Following that time, it is recommended that the revenue be split equally from the WMAF and the General Fund.

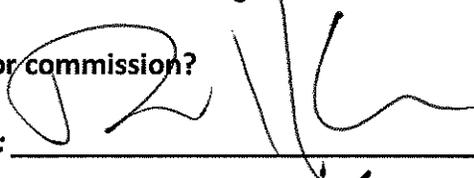
The tax will provide an incentive to customers to increase their use of reusable bags, and mitigate the impact on Vermont's recycling facilities and landfills that often are burdened with removal of bags from machinery and nearby vegetation. Additionally, in order to implement the Universal Recycling law funding is needed for capital projects and education and outreach programs. This funding source would have minimal impact on Vermonters and retailers in general.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

Some states and cities that have bag tax programs have seen a significant decline in the revenue gathered from the tax after 18 months following the date of implementation. The bill requires the Tax Department to place the fees submitted by retailers into the General Fund from the effective date until July 1, 2016, after which it would be placed into the Waste Management Assistance Fund (for use as the Solid Waste Management Assistance Fund). The bill should be changed to require the Tax Department to place the submitted fees into the Waste Management Assistance Fund (for use as the Solid Waste Management Assistance Fund) starting with the effective date of the bill. Redirection of the revenue into the General Fund should not be permitted prior to 24 months following the effective date of the law.

9. Gubernatorial appointments to board or commission?

Commissioner has reviewed this document:



Date:

2/25/15

Secretary has reviewed this document:



Date:

3-2-15