

Town of Frisco Disposable Bag Fee Program

Why was a disposable bag fee program passed by the Frisco Town Council?

Frisco Town Council recognizes the importance of our natural environment and the value of being a leader on sustainability initiatives, and therefore, in Frisco's 2019-2020 Strategic Plan, they adopted a series of sustainability initiatives to support the protection of our natural environment and quality of life.

The use of all disposable shopping bags, both plastic and paper, has significant environmental impacts on a local and global scale, including impacts on greenhouse gas emissions, litter, harm to wildlife, water consumption and solid waste generation. Despite recycling and voluntary efforts to control pollution from disposable bags, relatively few disposable bags are recycled. Plastic bags last for decades in the landfill, or end up as litter.

The manufacturing of paper bags requires the destruction of trees, which sequester carbon dioxide and produce oxygen, and this has an obvious and direct impact on our environment. Although progress has been made in the manufacturing of grocery bags from recycled paper and plastic, the use of disposable bags does not align with the community and Town Council's vision to prioritize the protection of our precious natural environment.

When does the disposable bag fee program begin?

The disposable bag fee program began on January 1, 2020 through the implementation of <u>Town of Frisco Ordinance 19-14</u>. Town Council suspended the bag fee program on March 31, 2020 as an emergency ordinance, due to the many unknowns associated with living with COVID-19. Town Council decided to reinstate the bag fee starting on August 12, 2020 because there has been no evidence presented that bringing your own bag increases the likelihood of spreading COVID-19.

What does the disposable bag fee program do?

The disposable bag fee program requires retail stores to collect a \$0.25 fee for every disposable bag – **PAPER and PLASTIC**- given to customers at the point of sale.

The program also requires retail stores, which fall under the program, to display a sign in a location outside or inside of the store, viewable by customers, alerting customers to the Town of Frisco's disposable bag fee. The Town of Frisco will supply appropriate signage to retail stores.

How can retail employees and customers prevent respect sanitation protocols while using their own bags?

Retailers may ask customers who brought their own bags to bag their own items to avoid any unnecessary contact. It is also recommended that customers wash their reusable bags on a regular basis.

What is considered a disposable bag?

Any bag, other than a reusable bag, that is provided to a customer by a retailer at the point of sale for the purpose of transporting goods.

What is considered a reusable bag?

Any bag made of canvas, woven polypropylene or similar types of durable materials.

Which businesses does this apply to?

All commercial businesses selling personal consumer goods, household items, liquor or groceries

Which businesses does this <u>not</u> apply to?

- > Businesses where retail is clearly secondary to the primary business activity, such as restaurants, salons and spas
- > Temporary vendors, such as farmers' markets or other vendors at special events

Can retail stores refund or exempt customers from the disposable bag fee?

No, a retail store may not refund or exempt the customer from the disposable bag fee, either directly or indirectly. Please see the next section for exemptions.

What are the exemptions to the disposable bag fee program?

- > Customers who participate in federal and or state food assistance programs are exempt from the disposable bag fee program. Retail stores can provide these customers with a disposable bag free of charge. Federal and state food assistance include: Women, Infants and Children (WIC) or Temporary Assistance to Needy Families (TANF) support programs, or the federal Supplemental Nutrition Assistance Program (SNAP, formerly "Food Stamps," also known as Basic Food).
- A bag brought into a retail store by a customer and used to transport goods from the retail store
- A used bag or box that is made available to customers at a retail store
- > Bags used to package bulk items, such as fruit, vegetables, nuts, grains, candy or small hardware items like nails, nuts, and screws
- > Bags used to contain or wrap frozen or fresh foods, meat or fish
- > Bags used to contain or wrap flowers, potted plants or other items where dampness may be a problem
- > Bags used to contain unwrapped prepared foods or bakery goods
- A non-handled bag used to protect purchased items from damaging or contaminating other purchased items when placed in a disposable bag or a reusable bag
- Bags used for loose small retail items, including, but not limited to jewelry, buttons, beads, ribbon, herbs and spices, medical marijuana or adult-use marijuana (sold by a licensed retailer) and similar items.
- > Bags provided by pharmacists to contain prescription drugs
- Newspaper bags, door-hanger bags, laundry-dry cleaning and garment bags, and bags sold in packages containing multiple bags for uses such as food storage, garbage, pet waste, or yard waste

Will retailers be able to keep some a portion of the disposable bag fees they collect?

Yes. A retail store may retain 50% of the disposable bag fee they collect, up to a maximum amount of \$1,000 per month from January 1, 2020 through August 31, 2020 and up to a maximum of \$100 per month for all months thereafter.

What may retailers use these retained fees for?

The retained fees may only be used by the retail store to:

- > Provide educational information about the disposable bag fee to customers
- > Provide the signage required in the ordinance
- Train staff in the implementation and administration of the fee;
- > Improve or alter infrastructure to allow for the implementation, collection administration of the fee
- Collect, account for, and remit the fee to the Town
- > Develop and display informational signage to inform consumers about the fee
- Encourage the use of reusable bags or promote recycling of disposable bags
- > Improve infrastructure to increase disposable bag recycling

Is the bag fee exempt from Town of Frisco sales tax?

Yes. No tax should be charged on the .25 per bag fee.

How will retail stores charge and remit the disposable bag fees?

- > Retail stores will remit fees on a quarterly basis.
- The bag fee remittance form is available at <u>SustainableFrisco.com</u>.
- Retail stores will be required to record the number of disposable bags provided and the total amount of disposable bag fees charged on the customer transaction receipt as a separate and distinct item.
- Each retail store shall maintain accurate and complete records of the disposable bag fees collected and the number of disposable bags provided to customers.

How will the bag fee requirement be enforced?

- ➤ If requested, each retail store shall make its records available for audit by the Town of Frisco Finance Director to verify compliance with the provisions of the bag fee ordinance.
- > If any person fails, neglects or refuses to collect or pay the disposable bag fee, or underpays the disposable bag fee, the Finance Director shall make an estimate of the fees due, based on available information, and shall add thereto penalties, interest and any additions to the fees.
- > If payment of any amount of the disposable bag fee due to the Town is not received on or before the applicable due date, penalty and interest charges shall be added to the amount due in the amount of a penalty of ten percent of total due and an interest charge of one percent of total penalty per month.
- ➤ Every person found liable of a violation shall be punished as provided in section <u>1-14 of the general provisions of the Town Code</u>.

Questions?

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