

LEGISLATIVE DIGEST

(Amendment of the Whole, dated 11/22/2011)

[Environment Code – Checkout Bags; Checkout Bag Charge]

Ordinance amending the San Francisco Environment Code by: 1) amending Section 1702, to extend the restrictions on checkout bags from supermarkets and chain pharmacies to all retail establishments and food establishments in the City, and clarify terms; 2) adding Section 1703.5, to require stores to add a checkout bag charge of 10 cents, rising to 25 cents, if they provide a customer with a checkout bag; 3) setting an operative date of July 1, 2012; and, 4) making environmental findings.

Restrictions on Checkout Bags

City law currently states that supermarkets and chain pharmacies may only provide three kinds of checkout bags to customers: recyclable paper bags, compostable plastic bags, and reusable bags. Supermarkets and chain pharmacies may not provide customers with any other kinds of single-use disposable checkout bags, whether the bags are made of paper or plastic.

The proposal would amend the Environment Code to extend these requirements to all retail establishments (in July 2012) and all food establishments (in July 2013) in the City. It would also modify various definitions used in the Chapter.

Checkout Bag Charge

Current City law does not require stores to collect any sort of charge for checkout bags that they provide to customers. California Public Resources Code Section 42254(b)(2) generally prohibits a city or county from imposing a plastic carryout bag fee. Section 42254 will expire by operation of law on January 1, 2013, unless the Legislature acts to extend it.

Beginning July 1, 2012, the amendment would require all stores to add a Checkout Bag Charge of ten cents for each recyclable paper or reusable checkout bag they provide to a customer. (These stores may only provide recyclable paper, compostable plastic, or reusable checkout bags to customers. As noted above, the City may not impose a fee on the compostable plastic bags prior to 2013.) The stores would keep the money that they collected.

Beginning July 1, 2013, the amendment would require all stores, now including food establishments, to add a Checkout Bag Charge of ten cents (\$0.10) for compostable plastic checkout bags as well as for recyclable paper or reusable checkout bags.

Beginning July 1, 2014, the Checkout Bag Charge for all stores, including food establishments, would increase to twenty-five cents (\$0.25) for each recyclable paper, compostable plastic, or reusable checkout bag they provide to a customer.

Prior to January 2014, the Controller would study and report to the Board on the impact of the Checkout Bag Charge on businesses at 10 cents per bag, and estimate the impact at 25 cents per bag.

Stores would have to show the Checkout Bag Charge as a separate charge on the customer's receipt.

Stores would not collect a Checkout Bag Charge when providing a Checkout Bag to a customer as part of a transaction paid for in whole or in part through the Special Supplemental Food Program for Women, Infants, and Children, or the State Department of Social Services Food Stamp Program.

The owner or operator of a store could petition the Director of the Department of the Environment for a full or partial waiver of these requirements, for up to one year, under limited circumstances.

The City could punish violations of these requirements with administrative fines.

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The amendment of whole, dated 11/22/2011, makes three changes to the legislation on file, dated 11/14/2011:

- *The amendment of the whole further revises the definition of "Recyclable Paper Bag."*
- *It adds a provision requiring the Controller to study and report to the Board of Supervisors, no later than January 2014, on the impact of the Checkout Bag Charge on businesses at 10 cents per bag, and the estimated impact at 25 cents per bag.*
- *It revises the Environmental Findings to reference and adopt the Categorical Exemption Determination on file.*