

LEGISLATIVE DIGEST
(Substitute Legislation, dated 11/16/2010)

[Environment Code – Checkout Bags; Checkout Bag Charge]

Ordinance amending Chapter 17 of the San Francisco Environment Code by amending Section 1702, to extend the mandatory use of recyclable or compostable checkout bags from supermarkets and chain pharmacies to all retail establishments in the City, and clarify terms, and adding Section 1703.5, to require stores to add a Checkout Bag Charge of 10 cents if they provide a customer with a checkout bag; setting an operative date of July 1, 2011 and 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 the City. It would also modify the definitions of "Checkout Bag," "Reusable Bag" and "Recyclable Paper Bag."

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.

The amendment would add to this legislation the provisions currently proposed in the ordinance on file in Board File No. 101054. Beginning July 1, 2011, 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 and compostable plastic 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 January 1, 2013, the amendment would require stores to add a Checkout Bag Charge of ten cents (\$0.10) for compostable plastic checkout bags as well.

Stores would have to show the Checkout Bag Charge as a separate charge on the customer's receipt. The amendment would urge the stores and other retail establishments to use the proceeds of the Charge to promote the use of reusable checkout bags.

Stores would not collect a Checkout Bag Charge from a customer participating in the Special Supplemental Food Program for Women, Infants, and Children, or a customer participating in 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 if the owner or operator could establish that the business as a whole could not generate a fair rate of return on investment under the terms of the Section.

Violations of these requirements could be punished with administrative fines.