


SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ADOPTING MSB 3.80 TO ESTABLISH A PROGRAM DESIGNED TO REDUCE THE USE OF PLASTIC BAGS BY IMPOSING AN EXCISE TAX FOR PLASTIC CARRYOUT BAGS ON LARGE RETAILERS.

AGENDA OF: August 1, 2017

ASSEMBLY ACTION:
 postponed indefinitely 1-16-18


MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER: _____

Route To:	Department/Individual	Initials	Remarks
	Originator	TS/BD	
	Finance Director	BB for CH	
	Borough Attorney	NS	
	Borough Clerk	JMM	7/24/17

ATTACHMENT (S): Fiscal Note: YES X NO _____
 Ordinance Serial No. 17-099 (20 pp)
 News Article - The Denver Post (5 pp)
 News Article - Chicago DNAinfo (5 pp)
 Certificate of Plastic Bag Tax (1 pp)

SUMMARY STATEMENT: The Matanuska-Susitna Borough seeks to reduce the negative effects associated with plastic carry out bags by imposing a ten cent (\$.10) per bag tax on large retailers who bring plastic carry out bags into the Matanuska-Susitna Borough and deliver those bags to customers.

A plastic bag tax is an excise tax levied on large retailers who deliver plastic carry out bags to customers. The proposed ordinance will encourage responsible behavior by customers and retailers and ultimately reduce the use of plastic carry out bags by Matanuska-Susitna Borough residents. Some additional goals of implementing the plastic bag tax relate to reducing the negative effects of plastic bags which include:

- Reducing waste entering the public landfill,

- Reducing pollution by plastic bags that escape into trees, creeks, streams thereby affecting the pristine environment, and
- Reducing ingestion of plastic bags by local animals to include caribou and other animals who are known to regularly ingest plastic bags, resulting in their death.

Retailers who properly and timely file tax returns may retain twenty percent (20%) of the excise tax due to the Borough. Likewise, if a Retailer files an incomplete return or late return, the Retailer forfeits the refund.

Municipalities across the nation have begun imposing taxes on the distribution of plastic carry out bags to reduce the negative effects of those bags. Chicago, for example, imposed a 7-cent per bag tax on February 1, 2017. The tax applied to plastic and paper carry out bags. According to a recent study conducted by New York University and the University of Chicago Energy and Environmental Lab, the number of plastic and paper bags used by customers dropped 42 percent in the first month after Chicago imposed the tax.

The estimated costs of collecting the plastic bag tax are approximately \$60,000 which will pay for one half-time position. The plastic bag tax will be collected at the wholesale level and collected quarterly. Borough residents use approximately 21,000,000 plastic bags each year. This ordinance proposes a tax of ten cents per plastic bag that is distributed to a customer equating to approximately \$2,100,000 of additional revenue each year. However, with the anticipated reduction in use of plastic bags, the amount of revenues will be less. It is the intent to use these revenues to help fund recycling programs and promote recycling education in the Matanuska-Susitna Borough and to alleviate the need to use valuable landfill space for waste.

Because this tax is an excise tax, no sale or transfer of goods or services need occur for the tax to apply. The tax will apply anytime a retailer (as defined in the ordinance) provides a plastic bag to another regardless of whether there is a sale involved.

RECOMMENDATION OF ADMINISTRATION: Adopt legislation.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: August 1, 2017

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ADOPTING MSB 3.80 TO ESTABLISH A PROGRAM DESIGNED TO REDUCE THE USE OF PLASTIC BAGS BY IMPOSING AN EXCISE TAX FOR PLASTIC CARRYOUT BAGS ON LARGE RETAILERS.

ORIGINATOR: TRINA SEARS ON BEHALF OF ASSEMBLYMEMBER DOTY

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT (YES) NO
AMOUNT REQUESTED \$60,000 *	FUNDING SOURCE Excise tax revenues
FROM ACCOUNT # 100.120.119.4XX.XXX	PROJECT #
TO ACCOUNT :	PROJECT #
VERIFIED BY: <i>Barbara Baumgart</i>	CERTIFIED BY:
DATE: 7/24/17	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Personnel Services		60	—————→			
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING		60	—————→			

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund		60	—————→			
State/Federal Funds						
Other						
TOTAL		60	—————→			

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) * Approximate cost for part time staff.

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: *Barbara Baumgart* DATE: _____
 APPROVED BY: *for Cheryl Heindel* DATE: _____

OPINION

Meyer: Plastic bag bans and fees work. So what's the holdup in Denver?



A shopper carries groceries in plastic bags outside a Safeway in Boulder. The city enacted a 10-cent fee on plastic bags last July.

By **JEREMY P. MEYER** | jpmeyer@denverpost.com | The Denver Post

PUBLISHED: March 14, 2014 at 5:31 am | UPDATED: April 27, 2016 at 6:17 pm

On a soggy weekday, shoppers leaving a Boulder grocery store ran through the rain to the parking lot with their arms filled with groceries.

IM 17-134
OR 17-099

Attachment No. 1
Page 1 of 5

Without bags, they juggled oranges, gripped milk jugs and balanced cereal boxes in their hands. They pushed grocery carts laden with produce rolling around in them until they could throw everything into the back seats of their cars.

Few paid the 10-cent fee for a plastic bag if they hadn't brought their own bags from home. Even more did bring their own.

This is what the world looks like six months into a law that charges shoppers 10 cents for a plastic bag — an ordinance enacted with the hopes of reducing the number of plastic bags in the community.

Boulder officials, who estimated 22 million disposable checkout bags had been used every year in their city alone before the fee was enacted, said the new law has resulted in a 68 percent reduction in the use of plastic and paper bags.

That is a good thing.

More than 150 communities across the country have begun enforcing anti-bag laws that range from outright bans to fees or taxes. The efforts are intended to rid the world of those ubiquitous bags that don't biodegrade. Plastic bags snarl recycling systems, fly from trees, jam storm drains and sit for decades in landfills.

Critics, however, say the laws make shopping inconvenient and more expensive. Some shoppers say they want the plastic bags, which they reuse for things like picking up dog poop. And some decry the movement as nanny-style government trying to force change in consumer behavior.

So what? That is part of what government does. For example, smoking bans, cigarette taxes and clean indoor air acts force people to change their behaviors.

Plastic bags are convenient, but they are gumming up our world. We don't need them. Reusable bags are everywhere and are just as convenient — if you remember to bring them to the store.

From Seattle to Austin, from Washington, D.C., to Portland, Ore., laws against plastic bags have become almost a fad. Even California lawmakers have proposed a statewide ban of the bag and hope it will spread to other states.

But here, the bag is somewhat sacred. Only a few Colorado communities have passed restrictions, among them Boulder, Telluride, Carbondale, Breckenridge and Aspen. A state law from 1989 forbids local governments from banning the use or sale of plastic materials or products. A bill this year to erase that law failed in the legislature.

In 2012, after Aspen implemented a 20-cent bag fee, the town wound up in court over a lawsuit that has yet to be decided that claimed the fee was essentially a tax unapproved by voters as state law mandates.

Durango's council in August passed a 10-cent bag fee that was overturned by voters three months later.

And Denver City Councilwoman Debbie Ortega spent more than a year crafting a bag ordinance — necessary, she said, to reduce the estimated 130 million plastic bags used every year in Denver. She got a slim majority of the council on her side only to have Mayor Michael Hancock say he would veto the bill if it got to his desk.

Ortega has tabled the issue.

Now, ninth-graders from STRIVE Prep Excel High School in north Denver are pushing for a ballot measure that, if passed, would ban plastic bags in the city and charge consumers 25 cents for a paper bag.

One of the students, Micah Eaton, told The Denver Post the ban “could make a big change in Denver that could affect the world in years to come.”

Denver Assistant City Attorney David Broadwell cautioned the students that if passed, the measure could face a legal challenge for violating the state law against plastic bans.

Seattle did a similar dance with the plastic bag. Officials there estimated 292 million disposable bags were used every year, which had become a huge problem for the region's waterways. In 2008, the city council passed a 20-cent bag fee only to have voters overturn it. The American Chemistry Council poured more than \$1.4 million into defeating the bag fee.

The council returned in 2011 with a ban on plastic bags and a 5-cent fee on paper bags — a measure that went into effect July 2012. Seattle officials say that measure has worked.

"Plastic lightweight bags have disappeared from the streets of Seattle," said Dick Lilly of Seattle Public Utilities. "Our bag use was 400 to 500 bags per family every year," he said. "Now, we don't see the lightweight bag hardly at all anymore. "

Recently, I visited Seattle, where my father lives. On a trip to the grocery store, my dad dutifully grabbed reusable bags he keeps in his car before heading in to shop. I asked whether that was a pain to remember.

"Not really," he responded. "Why?"

I explained the controversy in Denver, the split council, the mayor claiming that a bag fee would hit poor people hard and put the city at an economic disadvantage.

"Really? It's not a problem here," my father said.

In other cities, there were similar reactions. Officials in San Jose, Calif., says plastic bag litter has declined by 89 percent since its ban went into effect in 2012.

And officials in Austin, Texas, say anecdotal evidence shows a 90 percent reduction in single-use bag waste in the year since its ban has been in place.

Washington, D.C., officials report a 60 percent drop in household bag use in four years and fewer bags littering the streets. However, that city's tax revenue derived from the 5-cent fee have remained stable, indicating the use has not declined.

A Princeton doctoral student observed 16,000 shoppers at 16 grocery stores in Washington, D.C., and in nearby Montgomery County, Md., and determined that the 5-cent bag tax reduced overall demand by more than half and prompted consumers to change behaviors.

Conversely, she found taxes worked better than incentives, such as paying customers 5 cents for bringing their own bags.

"I think it's more of an ideological fight than a fight over reality," said Mike O'Brien, the Seattle councilman who led the fight to ban plastic bags. "Now, there are a bunch of examples of it working. Countries around the world, like Bangladesh and Kenya, have banned them."

Bangladesh in 2002 became the first country to ban plastic bags, which were blamed for blocking storm drains in the 1988 and 1998 during floods that submerged most of the country.

Mexico City has also banned plastic bags, as have major cities in India.

“Anyone who says people will flee the city and dog poop will be rampant, none of that will materialize,” O'Brien said.

A ban on plastic bags will certainly have an environmental impact, he said. “Ultimately, 10 years from now, kids will say, ‘I can't believe you had plastic bags.’ “

E-mail Jeremy Meyer at jpmeyer@denverpost.com. Follow him on Twitter: [@JPMeyerDPost](https://twitter.com/JPMeyerDPost)

Jeremy P. Meyer

Jeremy P. Meyer was a reporter and editorial writer with The Denver Post until 2016. He worked at a variety of weeklies in Washington state before going to the Walla Walla Union-Bulletin as sports writer and then copy editor. He moved to the Yakima Herald-Republic as a feature writer, then to The Gazette in Colorado Springs as news reporter before landing at The Post. He covered Aurora, the environment, K-12 education, Denver city hall and eventually moved to the editorial page as a writer and columnist.

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BY CN TRAVELER

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Chicago's Plastic Bag Tax Is Working — Big Time, Study Shows

By Heather Cherone (//www.dnainfo.com/chicago/about-us/our-team/editorial-team/heather-cherone) and Patty Wetli (//www.dnainfo.com/chicago/about-us/our-team/editorial-team/patty-wetli) | April 24, 2017 1:00pm | Updated on April 24, 2017 1:30pm



The mayor signaled a possible compromise Monday on a proposed ban on plastic grocery bags.

[View Full Caption](#)

Flickr/life_chasing

CITY HALL — The number of plastic and paper bags Chicagoans used to haul home their groceries dropped 42 percent in the first month after city officials imposed a 7-cents per bag tax in an effort to keep the disposable sacks out of area landfills.

The study paid for by the city — and conducted by ideas42 (<http://www.ideas42.org>), a behavior design lab, as well as researchers from New York University and the University of Chicago Energy and Environment Lab —measured plastic and paper bag use at large grocery stores in Chicago one month before and one month after the tax was imposed.

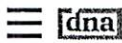
"I am glad so many Chicagoans are choosing to forgo paper or plastic bags at checkout, and encourage others to help Chicago further reduce disposable bag use in the city," Mayor Rahm Emanuel said in a statement. "By decreasing our paper and plastic bag use, Chicago is making important progress in reducing our carbon footprint as well as reducing street litter and improving recycling operations."

IM 17-134
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Heather Cherone · DNAinfo Reporter

Attachment No. 2
Page 1 of 5



Has the new disposable bag tax prompted you to change your behavior at the grocery store?
CHICAGO

VOICE YOUR OPINION ON NHSQ →



+43

(https://neighborhoodsquare.com/n/item/4zQn?utm_campaign=Garfield+Park&utm_medium=integration_partner&utm_source=dnainfo&utm_content=hcherone%40dnainfo.com&prompt=top)

Before the tax went into effect Feb. 1, shoppers took home an average of 2.3 disposable bags every time they shopped at a big grocery store. After the tax went into effect, shoppers took home one fewer bag, according to the study.

Jordan Parker, the founder of Bring Your Bag Chicago (<https://www.facebook.com/bringyourbagchicago/>), an advocacy group that helped shape the city's tax, said she was thrilled city officials were using data to evaluate the law. The group has reformed as a nonprofit dubbed Green City Campaigns, and plans to work across the nation.

"It's perceived as a little needle, a little dig," Parker said. "And people don't like that pinprick."

Of the 14,168 Chicago shoppers surveyed, only 49 percent used at least one disposable bag — down from the 82 percent who used at least one disposable bag every time they went to the grocery store before the tax went into effect.

Parker credited store cashiers with the tax's success — by asking whether shoppers want to buy a bag, they are forcing everyone to consider their behavior.

But Parker said she was concerned that once the initial shock of "people feeling offended" by the tax wears off the numbers will creep back up as people adjust or businesses absorb the cost.

"The next most important question is how many times people are reusing their reusable bag," Parker said. "We want to see a lifestyle shift. We want to see people integrating reusable bags into their routine and using them hundreds of times."

Illinois Environmental Council Executive Director Jen Walling said the study proved the tax was working.

"We've all seen where disposable bags often end up — wrapped around trees and bushes, in Lake Michigan or the Chicago River, blowing around on windy days," Walling said. Hopefully the reduction we've seen so far is a first step in getting all of these bags out of our environment."

In addition, the number of Chicagoans who brought a reusable tote to the grocery store rose 20 percent, according to the study.



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A central part of Mayor Rahm Emanuel's 2017 spending plan (https://www.dnainfo.com/chicago/20161114/midway/city-council-2017-budget-mayor-rahm-emanuel), the tax on plastic and paper bags was expected to add \$9.2 million to the city's coffers.

The tax was prompted after the city's ban on single-use, thin plastic bags approved by the council in 2014 is largely considered a failure (https://www.dnainfo.com/chicago/20160205/downtown/is-chicagos-plastic-bag-ban-working-no-advocates-say-people-must-pay).

The city gets a nickel from the sale of each bag, with the store owner getting the other two cents.

Have something to say about this story? Voice your opinion on Neighborhood Square.



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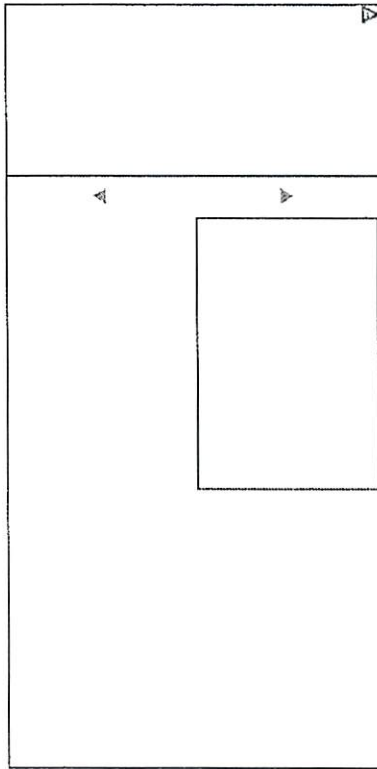
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Attachment No. 2 Page 3 of 5



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(<http://www.dnainfo.com/chicago/2017/04/24/lincoln-square-were-using-42-percent-fewer-plastic-bags>)
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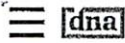
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IM 17-134
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Attachment No. 2
Page 4 of 5



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IM 17-134
OR 17-099

Attachment No. 2
Page 5 of 5



MATANUSKA-SUSITNA BOROUGH

CERTIFICATE OF PLASTIC BAG TAX

NO. _____

The Matanuska Susitna Borough charges
a **10 cent excise tax per plastic bag**
provided by this Retailer.

Name of Operator _____

Business Location _____

Signature

Title

Date