Montgomery County Carryout Bag Tax

https://montgomerycountymd.gov/bag/
Inception

- Anacostia River study in 2008 shows plastic bags being highest volume of trash found
- District of Columbia passes and implements bag law in 2010
- Montgomery County Council passed tax on 5/3/11, set to begin 1/1/12

Initial Outreach

- PIO contract to inform businesses and residents of upcoming law
- Reusable bags were given away at various places including Black Friday events in 2011
- Webinars were held to help businesses program their systems for the bag law
- Website set up with resources for residents and retailers
Type of Bag Law

- Excise tax at point of sale
  - Must be written on receipt and non-taxable
- 5 cents for both plastic and paper bags
- Applies to ALL retail
- Exemption for restaurants to give paper bags
- With our law, customers have a choice to contribute to a fund that can only be used for improving water quality
- Patrons may choose to
  - (1) bring reusable bags
  - (2) refuse to purchase carry-out bags
  - (3) pay the tax
Revenue

Water Quality Protection Fund

• Money generated from law only used to help protect water quality
• Intended to help cover costs of funding water quality improvement projects and programs that fight litter, provide stormwater runoff pollution control, and improve local streams

• Water Quality Protection Fund:
  • reduce litter from bags and other trash
  • dispose of pet-waste properly
  • capture stormwater runoff through projects and RainScapes
  • educate residents and businesses about water quality
  • inspect and maintaining stormwater facilities
  • monitor our stream water quality
  • administer the Water Quality Protection Charge
Law Implementation

Enhanced Outreach

• Launched broader outreach program for law in 2016
• Offer free resources to businesses to help with implementation
• Began program giving away reusable bags at libraries, Manna food bank, and SNAP benefit offices
• Enforcement action: mailing to businesses we suspected should be registered but were not according to our records

Survey

• Contracted company to conduct bag tax survey of residents and business about the law
Enforcement

Type of law- Tax
• Finance Department holds authority for enforcement of tax laws

Early stage
• Complaint driven, visit and educate businesses based off citizen complaints
• Proactive outreach in the form of reusable bag giveaways, developing educational materials to hand out, outreach to residents about law

First enforcement action
• Mailing in 2017 (DEP letterhead), about 150 new businesses registered during mailing time period

Current enforcement action
• Mailing to retail businesses who are not registered in our system (Finance letterhead)
• 2,500 letters sent starting 9/12/19
• 190 new registrations from mailing
• Collected an additional $15,091.48 in about 1 month from new registrants to the bag law system
Progress

- Number of bags per retailers sold dropped by almost 2,000 in first months of law, while number of retailers registered went from 0 to almost 800
- In FY18, there was a total of 64,174,189 bags sold. This generated $2.5 million in funding for the WQPF supporting water quality programs
- Ongoing education programs and enforcement actions being taken
- Reusable bag giveaway program: distribute about 50,000 reusable bags to residents where the bag law may be a hardship
- Holiday campaign focus- Messages and events to encourage everyone to use reusable bags for all holiday shopping
Lessons Learned

- Bag ban and Scope debates
- Issues with enforcement authority
- Detailed implementation plan at law inception
- No baseline determined before law went into effect
- Hard to scientifically show evidence for law reducing plastic bag trash in waterways
Questions?

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