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Testimony on the Proposed Paper Carryout Bag Fee

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Submitted to the NYC Council Committee on Sanitation and Solid Waste Management

The Citizens Budget Commission (CBC), a nonpartisan, nonprofit think tank whose mission is to achieve constructive change in the finances and services of New York State and New York City government, submits this testimony in support of proposed legislation to impose a 5-cent fee on most paper carryout bags.

Single-use bags are an environmental problem.¹ Plastic bags make up about 2 percent, or 71,000 tons, of the City's residential waste stream; they cost \$12.1 million annually to landfill and take more than 500 years to decompose.² While paper bags will degrade if landfilled, they also have negative environmental impacts. They require substantial water to produce and are heavier to transport than single-use plastic bags, leading to higher associated greenhouse gas emissions.³

The New York State Plastic Bag Task Force, convened by Governor Andrew Cuomo in March 2017, found that a hybrid ban on plastic bags along with a fee on alternatives is more effective than a simple ban.⁴ Absent the fee, which provides the economic incentive to bring reusable bags to the store, simple bans tend to shift consumers from one type of bag to another rather than reducing the use of single-use bags.⁵ For example, in Chicago, which banned plastic bags based on thickness, stores simply provided thicker single-use bags. The ban was repealed and replaced by a 7-cent tax, which was credited with a reduction in the use of single-use bags.⁶ Similarly, Washington D.C.'s fee on single-use paper and plastic bags is credited with reducing the use of single-use bags and increasing the use of reusable bags.⁷ A similar effort in Los Angeles led to a 94 percent reduction in single-use bags.⁸

Following the Task Force report, CBC called on the City to reauthorize a ban on single-use plastic bags with a fee on paper and other single-use bags.⁹ The New York State Fiscal Year 2020 Adopted State Budget included legislation to ban single-use plastic bags statewide and provided a local option to impose a fee on paper bags.¹⁰ CBC supports legislation to authorize this fee, which would take effect on March 1, 2020, concurrent with the statewide plastic bag ban. Residents who use the Supplemental Nutrition Assistance

Program (SNAP), or Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to pay for their purchases would be exempted from the fee. The revenue collected will be remitted by the retailer to the New York State Department of Taxation and Finance. According to state law, 40 percent of the revenue collected in New York City will be returned to the City to buy and distribute reusable bags within the City, with priority given to low-income and fixed-income communities. The remaining 60 percent be deposited in the State Environmental Protection Fund.

CBC recommends adopting the paper carryout bag fee to realize the fiscal and environmental benefits of sharply reducing the number of single-use bags from the waste stream.

¹ For a detailed discussion of this topic, see: New York State Plastic Bag Task Force, *An Analysis of the Impact of Single-Use Plastic Bags: Options for New York State Plastic Bag Legislation* (January 13, 2018), www.dec.ny.gov/docs/materials_minerals_pdf/dplasticbagreport2017.pdf.

² City of New York, Department of Sanitation, *2017 NYC Residential, School and NYCHA Waste Characterization Study* (2018), p. 34, <http://dsny.wpengine.com/wp-content/uploads/2018/04/2017-Waste-Characterization-Study.pdf>, and *Carryout Bags* (accessed April 15, 2019), <https://www1.nyc.gov/assets/dsny/site/our-work/zero-waste/carryout-bags>.

³ Some municipalities require paper bags be made partly from recycled materials. Ben Adler, “Banning Plastic Bags is Great for the World, Right? Not So Fast,” *Wired* (June 10, 2016), www.wired.com/2016/06/banning-plastic-bags-great-world-right-not-fast/.

⁴ New York State Plastic Bag Task Force, *An Analysis of the Impact of Single-Use Plastic Bags: Options for New York State Plastic Bag Legislation* (January 13, 2018), p. 22, www.dec.ny.gov/docs/materials_minerals_pdf/dplasticbagreport2017.pdf.

⁵ Jennie Romer, “Why Carryout Bag Fees Are More Effective than Plastic Bag Bans,” *Huffington Post* (February 15, 2017), https://www.huffingtonpost.com/entry/why-carryout-bag-fees-are-better-than-plastic-bag-bans_us_588187ace4b08f5134b61f79.

⁶ New York State Plastic Bag Task Force, *An Analysis of the Impact of Single-Use Plastic Bags: Options for New York State Plastic Bag Legislation* (January 13, 2018), p. 11, www.dec.ny.gov/docs/materials_minerals_pdf/dplasticbagreport2017.pdf.

⁷ Jennie Romer, “Why Carryout Bag Fees Are More Effective than Plastic Bag Bans,” *Huffington Post* (February 15, 2017), https://www.huffingtonpost.com/entry/why-carryout-bag-fees-are-better-than-plastic-bag-bans_us_588187ace4b08f5134b61f79.

⁸ The County of Los Angeles ordinance banned single-use plastic carryout bags and charged a 10 cent fee on recyclable paper bags. Los Angeles County Department of Public Works, *Implementation of the County of Los Angeles Plastic and Paper Carryout Bag Ordinance* (November 2012), <http://dpw.lacounty.gov/epd/aboutthebag/PDF/Bag%20Ban%20Status%20Nov%202012.pdf>.

⁹ Ana Champeny, “The Time is Right for New York City to Act on Plastic Bags,” *Citizens Budget Commission Blog* (April 16, 2018), <https://cbcny.org/research/time-right-new-york-city-act-plastic-bags>.

¹⁰ New York State Assembly, *Part H of A.2008-c* (2019-2020 Session), https://nyassembly.gov/leg/?default_fld=%0D%0A&leg_video=&bn=A02008&term=2019&Summary=Y&Text=Y.