

# Annual Disposable Bag Fee Report

In accordance with Sec. 20.1307 of the Howard County Code

## Background

CB 64-2019 required that beginning October 1, 2020, Howard County retailers must collect \$0.05 for each disposable plastic bag provided to a customer at the point of sale. There were some exemptions allowed and these are described in the Implementation section below.

Additional CB64-2019 Requirements:

- Retailers that provide more than 1,000 disposable plastic bags during the quarter must remit \$0.04 for each bag provided on or before the last business day of the calendar quarter.
- The bag fee charged must be itemized on a customer's receipt.
- Stores must post signage notifying customers of the 5-cent fee at checkouts and where carts are kept.
- Retailers must keep their records regarding the bag fee for at least 3 years.

CB 67-2021 implemented a recommendation presented in the FY21 Annual Disposable Bag Fee Report to adjust the payment due dates from the last day of each quarter to the following:

### REMITTANCE SCHEDULE FOR QUARTERLY FEES COLLECTED BY STORE:

CALENDAR QUARTER	REMITTANCE ON OR BEFORE THE STORE'S LAST BUSINESS DAY OF:
JANUARY THROUGH MARCH	APRIL
APRIL THROUGH JUNE	JULY
JULY THROUGH SEPTEMBER	OCTOBER
OCTOBER THROUGH DECEMBER	JANUARY

## **Bag Fee Administration**

Howard County's Department of Finance and Office of Community Sustainability (OCS) collaborate closely on managing the Bag Fee Program. Members of each office worked together to design the program and continue to meet quarterly to discuss maintenance, compliance, and outreach issues/efforts.

The Department of Finance pulls a list of businesses each quarter from the State of Maryland that have a trader's license and operate within Howard County. The businesses that are added each quarter are sent a letter with their Bag Fee Customer Number, information about the Bag Fee Program, what the business needs to do to ensure compliance with the Bag Fee Program, as well as the contact information for the Bag Fee Program Administrator, who is the main point of contact to help businesses comply with the law.

The Bag Fee Program Administrator is proactive in reaching out to businesses that are not compliant via email, phone, or in-person visits to the location, and also responds to emails and phone calls that come in through the bag fee email, [bagfee@howardcountmd.gov](mailto:bagfee@howardcountmd.gov) or phone number 410-313-4063.

## **Compliance**

Retailers are considered in compliance for reporting purposes if they have remitted payment or submitted one of the 3 exemption forms. Closed businesses are also included as compliant.

Several times a month the Bag Fee Program Administrator and compliance vendor visits businesses that are not in compliance; these visits often produce compliance in the form of exemption forms and/or payment of fees collected. If a business remains non-compliant after multiple visits, a Notice of Violation is issued and can result in a Civil Citation (as of FY24, only one business has required this level of enforcement).

To educate stores about the program and increase compliance in the program, Howard County employs a compliance vendor. The compliance vendor is a contractor and the same vendor utilized by the Health Department for tobacco point of sale inspections/enforcement. During the compliance visit, the contractor makes note of signs & fee collection. Additionally, they provide an explanation of the exemptions and an informational packet (program summary & FAQs) as necessary.

The Bag Fee Program Administrator and compliance vendor visited approximately 380 retailers in FY24.

The Bag Fee Program Administrator also investigates stores when members of the public submit information with their experiences in stores. For example, in spring 2024, the Bag Fee Administrator received a complaint regarding lack of signage at 12 stores. These stores were visited within two weeks and discussed with the managers. Residents are encouraged to submit concerns to the Finance Department through an email to [bagfee@howardcountymd.gov](mailto:bagfee@howardcountymd.gov) or by calling 410-313-4603. Both can be found on the [Howard County Disposable Bag Fee webpage](#), which also includes "Contact Us" information at the top.

Compliance rates are as follows:

<u>Reporting Period</u>	<u>Compliance %</u>
<b>FY21</b>	
FY21 2Q (10/1/2020 – 12/31/2020)	97.48%
FY21 3Q (1/1/2021 – 3/31/2021)	97.34%
FY21 4Q (4/1/2021 – 6/30/2021)	97.20%
<b>FY22</b>	
FY22 1Q (7/1/2021 – 9/30/2021)	95.40%
FY22 2Q (10/1/2021 – 12/31/2021)	95.34%
FY22 3Q (1/1/2022 – 3/31/2022)	95.17%
FY22 4Q (4/1/2022 – 6/1/2022)	94.41%
<b>FY23</b>	
FY23 1Q (7/1/2022 – 9/30/2022)	89.76%
FY23 2Q (10/1/2022 – 12/31/2022)	91.65%
FY23 3Q (1/1/2023 – 3/31/2023)	90.91%
FY23 4Q (4/1/2023 – 6/1/2023)	90.23%
<b>FY24</b>	
FY24 1Q (7/1/2023 – 9/30/2023)	82.42%
FY24 2Q (10/1/2023 – 12/31/2023)	80.94%
FY24 3Q (1/1/2024 – 3/31/2024)	80.23%
FY24 4Q (4/1/2024 – 6/1/2024)	76.53%

	<u>FY24</u>	<u>FY23</u>	<u>FY22</u>	<u>FY21</u>
Total Customers in Programs	3,660	3,480	3,273	2,825
Total Program Exemption Customers	965	934	822	609
Total Annual Exemption forms received	790	1,052	1,160	1,118
Total Quarterly Minimum Exemption forms received	374	585	715	642

\*\* Compliance % and program totals as of 7/22/2024. Please note FY24 4Q due date is 7/31/2024.

## Bag Fee Revenue and Costs

Fees Collected by Reporting Period as of 7/22/2024

<u>Reporting Period</u>	<u>Total dollars*</u>	<u>Total Bags</u>
<b>FY21</b>		
FY21 2Q (10/1/20 – 12/31/20)	\$210,070.33	5,154,433
FY21 3Q (1/1/21 – 3/31/21)	\$174,832.56	4,339,409
FY21 4Q (4/1/21 – 6/30/21)	\$183,948.32	4,569,501
<b>FY21 Totals to date</b>	<b>\$568,851.21</b>	<b>14,063,343</b>
<b>FY22</b>		
FY22 1Q (7/1/21 – 9/30/21)	\$205,309.98	5,112,514
FY22 2Q (10/1/21 – 12/31/21)	\$233,114.80	5,874,282
FY22 3Q (1/1/22 – 3/31/22)	\$178,273.28	4,441,885
FY22 4Q (4/1/22 – 6/1/22)	\$173,468.18	4,327,993
<b>FY22 Totals to date</b>	<b>\$790,166.24</b>	<b>19,756,674</b>
<b>FY23</b>		
FY23 1Q (7/1/22 – 9/30/22)	\$154,492.95	3,854,843
FY23 2Q (10/1/22 – 12/31/22)	\$177,520.97	4,429,033
FY23 3Q (1/1/23 – 3/31/23)	\$153,195.63	3,824,409
FY23 4Q (4/1/23 – 6/1/23)	\$155,777.23	3,889,550
<b>FY23 Totals to date</b>	<b>\$640,986.78</b>	<b>15,997,835</b>
<b>FY24</b>		
FY24 1Q (7/1/23 – 9/30/23)	\$158,903.81	3,969,992
FY24 2Q (10/1/23 – 12/31/23)	\$171,217.17	4,267,893
FY24 3Q (1/1/24 – 3/31/24)	\$156,475.50	3,903,493
FY24 4Q (4/1/24 – 6/1/24)	\$145,138.97	3,628,093
<b>FY24 Totals to date</b>	<b>\$631,735.45</b>	<b>15,769,471</b>

\*Includes total late fees collected to date: \$10,176.39

## FY24 Program Expenditures as of 7/24/2024

<b><u>FY2024 Expense Summary</u></b>	
<u>Expense</u>	<u>Cost</u>
Salaries	\$244,330.98
Supplies and Materials	\$13,831.74
Contractual/Security Services (Finance)	\$8,006.20
Contractual Services (Other Sustainability Projects)	\$87,480.42
Contractual Services (Grants)	\$349,312.00
<b>Total</b>	<b>\$702,961.34</b>

## **Reducing Plastic Bag Use**

Some stores have started offering paper bags as an option instead of plastic bags and some grocery stores offer both paper and plastic. Some stores have been charging for paper bags, which are not reported to or collected by the County.

Based on what County staff have observed in stores, consumer and retailer behavior has changed since implementation of the fee. Stores routinely ask if customers want bags, and customers also often decline bags when they have a smaller number of items. More customers have gotten into the habit of taking their own reusable bags when they shop.

The total number of bags reported for FY21 was approximately 14 million, but the first year of the program only included three quarters of the fiscal year rather than four. FY22 was approximately 19.7 million. In FY23, approximately 16 million have been reported; FY24 was approximately 14 million bags.

As shown in the chart above, the overall trend is that bag use declined after year two of the program. FY21 can be reasonably estimated at 18,751,124, using an average of the existing three FY21 quarters (4,687,781). The overall trend is that FY21 and FY22 had higher disposable bag use while FY23 and FY24 had a drop in disposable bag use. It is unknown what the disposable bag use was before implementing the bag fee, so it is difficult to know the reduction as compared to before the bag fee.

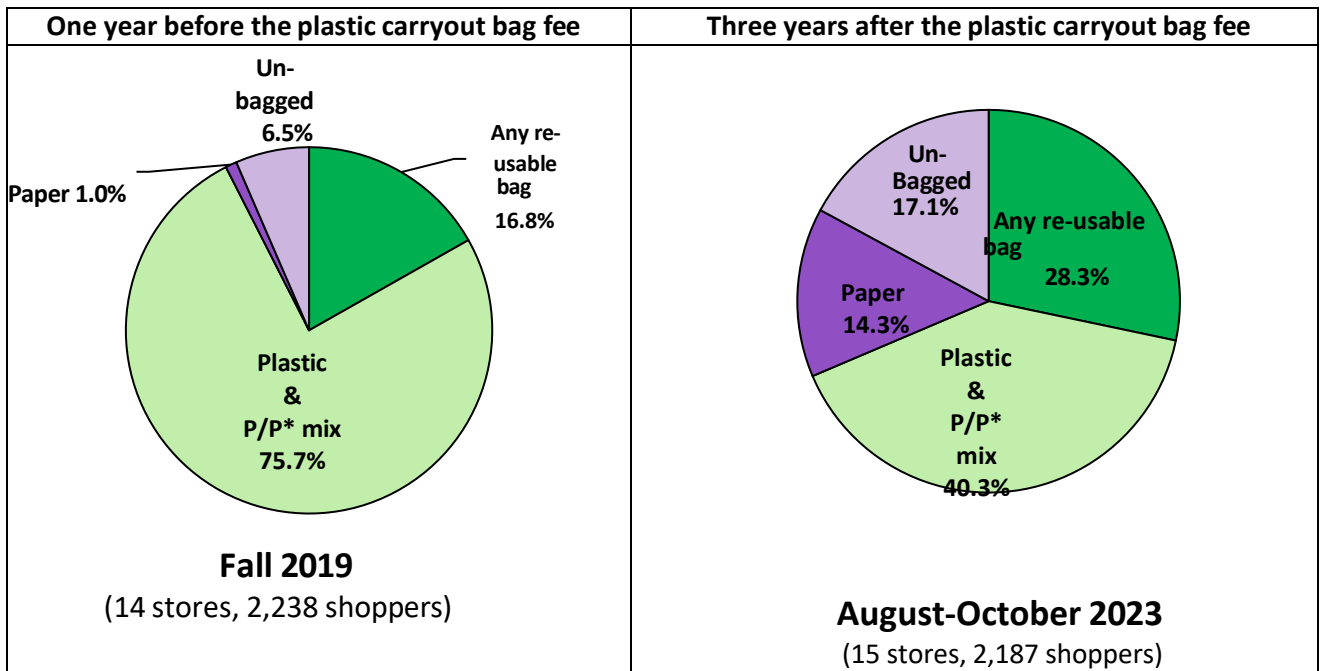
## **Local Group Research Shows Marked Decline in the Rate of Shoppers' Use of Plastic Bags**

Howard County staff were approached by two local groups that did research into the disposable bag fee program. County staff exchanged emails and met with both groups to learn more. Survey results were shared and were much appreciated.

### *Less Plastics Please/Sierra Club*

In order to measure the impact of the bag fee, the Howard County Sierra Club Zero Waste Team and Less Plastic Please conducted observational surveys of shoppers' bag use in grocery stores a year before (in 2019) and three years after (in 2023) the plastic bag fee was instituted. Their survey and April 2024 report show that single use plastic bag usage among shoppers dropped from 75.7% in 2019 to 40.3% in 2023, a decline of nearly half from levels seen before the plastic bag fee took effect. Paper bag usage, reusable bag usage and shoppers who used no bags also increased, as shown in their pie charts below.

Figure 1: Distribution of shoppers at four Howard County grocery chains according to their choice of carryout bag, before and after the 5-cent plastic bag fee (% of shoppers)



\*P/P mix= Plastic paper mix

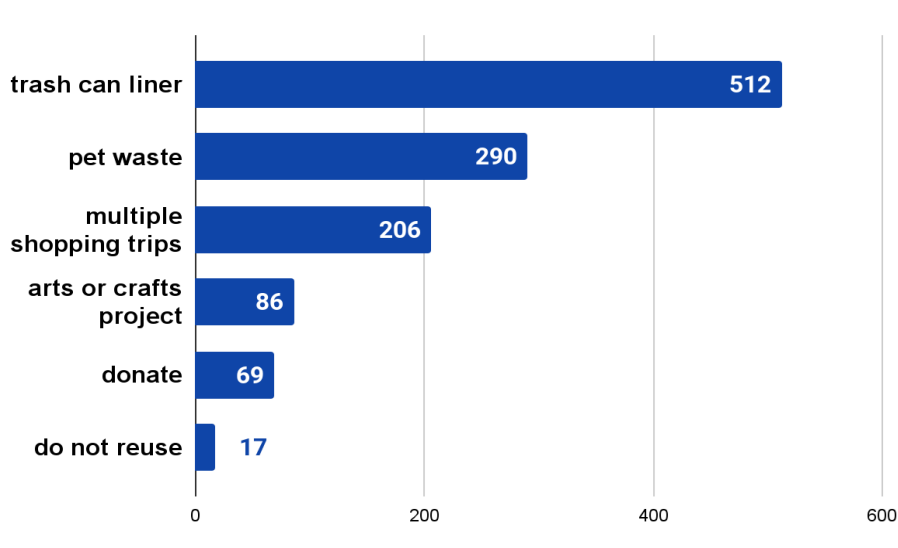
*Saint John’s Lane Elementary School*

Three Howard County staff members visited the St. John’s Lane Elementary School student green team on February 20, 2024. The students presented the results of their single-use plastics survey. Howard County staff answered questions about the bag fee program.

The school’s survey had 638 respondents. Results included:

- 98.4% of the respondents (628/638) were aware of the 5-cent bag fee.
- 84.3% replied “yes” to the question “Do you think you have reduced your use of single use plastic bags since the program began?”
- 96% (612/638) reported having reusable bags.
- For the question, “What makes it difficult to use reusable bags instead of single-use bags” the most responses were “Forgot in car” (330), “forgot at home” (313) and “no difficulty” (203). Respondents could choose more than one choice. “Cost too high” (23) and “Store won’t bag” (30) were chosen at a low rate.

- When respondents did get a disposable plastic bag, only 5.9% said they “never” reuse them. One time =41.7%, Two times =31.3%, Three or more = 21.1%.
- Reuse options were:



### Reusable Bags

Money collected from the bag fee by Howard County Government are kept separate from general funds and put into a Disposable Plastics Reduction Fund.

One of the approved uses of the fund is to provide reusable bags “predominantly to vulnerable individuals.” So far, Howard County has provided 7,336 reusable grocery bags to Howard County residents. 2,500 in FY21, 2,500 in FY22, and 2,336 in FY23. Broken down by partner organization, the overall reusable bag distribution totals through FY23 were: 3,900 to the Howard County Food Bank, 2,336 to the County’s Roving Radish meal kit and food distribution program, 900 to 50+ centers and community centers, and 200 through outreach events.

The Office of Community Sustainability continues to partner with non-profit groups to supply bags to those in need, expanding the number of partner organizations. In July 2024, 6,200 bags were purchased for shipment directly to the following organizations, most of which provide the bags along with their food distribution programs:

- 500 bags to Howard County Office of Community Sustainability for distribution at tabling events
- 1500 bags to Howard County Food Bank, Community Action Council of Howard County
- 1000 bags to Indian Cultural Association of Howard County
- 1000 bags to Elkridge Food Pantry
- 1000 bags to Columbia Community Care
- 1200 bags to Roving Radish meal kit program.

## Plastics Reduction and Environmental Protection (PREP) Grants

The Bag Fee Legislation indicated that funds may also be used by Howard County for environmental purposes including providing grants to local groups with projects and programs that will reduce litter, increase environmental education and awareness, and improve water and environmental quality of our communities.

The Office of Community Sustainability created the PREP grant program in 2021, along with a webpage to explain how to apply and to highlight the projects. Project results are also promoted through the Live Green Howard social media and e-newsletter. Summaries of the [2021, 2022, and 2023](#) projects and general information about the grant program can be found at <https://livegreenhoward.com/recycling-waste/plastic-bag-fee/prep-grants/>.

PREP grant funding supports community projects that otherwise might not exist, including plastic reduction education and outreach, community cleanups, waste reduction, student educational opportunities, green workforce development, and building non-profit group capacity to support environmental action.

\$957,533.95 in bag fee funded grants were disbursed in the first three years of the program (2021-2023). 2024 saw the largest number of proposals as the program continues to grow and support our local non-profit groups. As of July 2024, 17 organizations have applied for 2024 PREP grants, including four that are new to the grant. The 2024 PREP grant applications are being processed and will be underway by September 2024. The estimated total amount to be awarded in 2024 is approximately \$530,000. This would bring the cumulative total PREP grant expenditure to roughly \$1.5 million.

Each year's PREP grant results are as follows:

Year	Number of Projects	Amount Funded
2021	11	\$243,165
2022	11	\$364,347
2023	10	\$349,312

Through 2023, the following local non-profit organizations have received PREP grants:

- Clean Water Fund
- Community Ecology Institute
- Friends of the Patapsco Valley State Park Ltd.
- Howard Community College
- Howard County Chinese School
- Howard County Conservancy
- Howard EcoWorks
- Interfaith Partners for the Chesapeake
- Murray Hill HOA
- Oakland Mills Interfaith Center



- Patapsco Heritage Greenway
- Savage Community Association
- Upcycled
- Volunteers

## **2023 PREP Grants**

The following are descriptions of the 2023 PREP grant projects.

### **Community Ecology Institute: (\$50,000)**

Educating for Action

This grant supported CEI programming including Community Families in Nature (CFIN), Roots & Wings school field trips, Green SEED internships, Nourishing Gardens, Maker Space, and Volunteer Initiatives. The grant also allowed CEI to focus their experiential environmental education programs and initiatives to be in alignment with the County's Climate Action Plan and associated positive environmental impacts, especially carbon sequestration and consumer waste reduction.

### **Howard Community College: (\$40,000)**

Expanded Compost Program

This project improves and expands HCC's composting program and collection to other buildings on campus. Expanding collection to other buildings is expected to add another ton of composting each month and increase employee and student education and participation.

### **Howard EcoWorks: (\$31,926)**

EcoAmbassadors

EcoWorks has updated the EcoAmbassadors program into a summer opportunity and recruited 20 high school aged students for summer 2024. Each EcoAmbassador will receive a stipend, training and support to conduct outreach, education and behavior change projects while being empowered as changemakers for their schools and communities. EcoAmbassadors will also participate in Howard County's 20 Minute Cleanup program, Howard EcoWorks' Watershed Makeover, and one additional group project. Student projects will be highlighted and celebrated.

### **Patapsco Heritage Greenway (\$48,000)**

Water Quality Monitoring in the Patapsco Watershed

PHG is monitoring and building on the water quality data they have collected in local waterways since 2021. PHG engages individuals and groups as volunteers and to highlight how landowner actions contribute to water quality. PHG trains groups to collect data on Howard County streams and includes volunteers in stream cleanups to expand knowledge of the condition of our waterways and build stakeholder engagement.

### **Howard County Chinese School (\$13,970)**

Youth Plastic Reduction and Environment Protection Program

Howard County Chinese School continues its Youth Plastic Reduction and Environment Protection Program to provide outreach and education through the Howard County Chinese School and beyond. Projects include plastic reduction - promoting the use of non-plastic shopping bags and reducing the use of plastic items; environmental stewardship - removing litter from roads and streams; youth gardening and food donation; and student education initiatives.

**Oakland Mills Interfaith Center (\$32,450)**

The Greening of Oakland Mills Interfaith Center (OMIC)

OMIC is a five congregation interdenominational house of worship in Columbia, MD. This project supports the OMIC Green Team and Youth Green Team, including “reduce, reuse and recycle” messaging, enhanced composting activities, distribution of reusable, recyclable shopping bags made from recycled fibers, stormwater management practices, an environmental fair, use of native plants to replace grass, and continued teaching of sustainable waste management practices.

**The Howard County Conservancy (\$63,340)**

Hands-on Environmental Education for Howard County Secondary Students

This grant helps bring rigorous hands-on environmental education opportunities to every high school student in the Howard County Public School System through the Conservancy’s award-winning Watershed Report Card (WRC) program and Youth Climate Institute (YCI). Together, these programs engage students in 9th - 12th grade across Howard County in the health of their watershed, climate science, and civic action. The program invests in students as future stewards to help position Howard County as a leader in sustainability.

**Interfaith Partners for the Chesapeake (\$22,025)**

Engaging Howard County’s Faith Community in Waste Reduction

Interfaith Partners for the Chesapeake engages its partners in Howard County in waste reduction activities and developed a step-by-step action kit for the partners to use in carrying out their initiatives. This grant supports congregation partners by: Promoting the use of reusable grocery bags instead of single use plastic bags; Hosting and participating in educational waste reduction film showings (The Story of Plastic) to educate their communities; Hosting a “Lunch and Learn” focused on recycling and waste reduction; Participating in a stream cleanup within the Patapsco Valley Heritage Area; Building/strengthening green teams at their congregations to support these activities.

**Murray Hill Homeowners Association (\$1,100)**

Murray Hill 2023 Community Cleanliness Project

This project engages neighborhood youth with a weekly litter pickup. With nearly one hundred homes in the community and a walking trail, these cleanups keep litter at bay and promote cleanliness in the community.

**Upcycled (\$46,500)**

Waste to Wonder

This project reduces waste in landfills, emphasizes awareness regarding the plastic crisis, and encourages recycling through the creation of upcycled plastic products from locally recycled plastics. Lumber made from recycled plastics is used to build structures such as garden beds, benches, and picnic tables that are donated to local parks, schools, and community spaces. Upcycled collaborates with partners to educate the community about plastics and collect hard-to-recycle items while providing single-use plastic with a long-term purpose. This project also works with volunteers to conduct litter cleanups.

### **Future Plans and Expenses**

- OCS Personnel - \$174,486 including benefits  
Approximately \$49,000 to fund the OCS part-time, contingent employee who focuses on education and outreach, including waste, single-use plastic, and food waste reduction efforts, purchases and distributes the reusable bags as outlined by the bag fee legislation, and implements the PREP grant program including creating the grant agreements, tracking the work of the grantees, and amplifying their efforts. Approximately \$85,000 funds the full-time Climate Action Coordinator who assists implementation of the Climate Action Plan, organizes the Climate Action Subcabinet, leads the Waste climate action workgroup, and created and updates the Climate Forward Dashboard. This staff member also leads implementation of the Plastic Reduction law, CB13-2021 and applies for grants.
- Other Contractual Services - \$850,000  
This will fund the 2024 PREP Grant and other environmental projects and programs.
- Supplies and Materials - \$15,100  
Reusable bags and other supplies as needed to support outreach and education.
- Finance personnel - \$106,649 including benefits  
This Finance employee supports bag fee administration and fee collection.
- Finance contractor - \$10,000  
Contractor support associated with bag fee collection - mailings and education visits.
- System Upgrade for Finance - \*No Cost\*  
The Department of Finance is working to create a database that will help streamline our processes and more efficiently pull data in an effort to increase compliance and answer any questions presented about the Bag Fee Program.

### **Conclusions**

- Stores routinely encourage and remind customers to bring their own bags. Stores are increasing paper bag use.
- Paying for plastic bags has become expected in Howard County and we should expect to continue to see a drop in the number of plastic bags used.

- There has clearly been notable consumer and retailer behavior change since the plastic bag fee was instituted.
- Stores routinely ask if customers want bags and customers refuse bags more than they did before the fee, suggesting that the plastic bag fee is discouraging the use of such bags.
- Some stores discontinued the use of disposable plastic bags altogether.
- Howard County has used the collected fees to promote environmental education, single-use plastics reduction projects, and other environmental projects, including grants to local non-profits. In four years of grants thus far, the County expects that, approximately \$1.5 million in bag fee funded grants will have been disbursed by the end of calendar year 2024.

### **Recommendations**

- Stay abreast of changes from state regarding banning disposable plastic bags.
- Revisit disposable plastic bag definition to include thicker plastic bags (i.e. CVS, Sprouts, etc.).  
See: [Article about thicker plastic bags in California](#)