



MEMORANDUM

P.O. BOX 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: NANCY KERRY, TOWN MANAGER
RE: DISPOSABLE BAG FEE ORDINANCE
DATE: AUGUST 27, 2019

Summary and Background: This is the second reading of adopting a fee for use of disposable bags during the work session and on regular to provide the opportunity to adopt the attach ordinance.

During the Town Council Strategic Planning Workshop in April, Council created the Strategic Priority, Sustainable Environment. To meet this priority Council created the goal to reduce the amount of waste that the Town of Frisco produces with plans to adopt a disposable bag (both paper and plastic) fee ordinance. The disposable bag fee will address the environmental problems associated with disposable bags and to meet the Town Council's goal of reducing waste. The Town Council intends that the requirements of this ordinance will assist in offsetting the costs associated with using disposable bags to pay for the mitigation, educational, replacement, and administrative efforts of the Town.

Analysis: The Town, through its policies, programs, and laws, supports efforts to reduce the amount of waste that must be land-filled and pursue sustainability initiatives as a goal by emphasizing waste prevention efforts. The use of single-use disposable bags has severe impacts on the environment, from both a local and global scale, including greenhouse gas emissions, litter, harm to wildlife, atmospheric acidification, water consumption and solid waste generation.

Despite recycling and voluntary solutions to control pollution from disposable carryout bags, many disposable single-use bags ultimately are disposed of in landfills, litter the environment, block storm drains and endanger wildlife. The Town Council aims to conserve resources, reduce greenhouse gas emissions, waste, and litter, and to protect the public health, safety, and welfare, including wildlife, all of which increase the quality of life for the town's residents and visitors. Studies document that charging a mandatory fee on disposable bags can dramatically reduce the use of these bags.

Key Features of the Ordinance

Bag fee: Proposed at \$0.25 (ten cents), which is a common, if not standard fee.

Requires creation of “*Disposable bag fee public outreach plan*” to raise awareness and educate residents and visitors regarding the Disposable Bag Fee and requires informational sessions and communications with Retail Stores to explain the Disposable Bag Fee.

Implementation date: January 1, 2020 to provide retailers sufficient time for education, awareness and implementing processes.

Financial Impact: The amount of revenue generated is not anticipated to be significant, as many communities nationwide have long ago adopted a similar fee resulting in measurable increase in the number of people who already use reusable bags. Proceeds from the fee will fund the education, outreach, and staff support of the program.

Over the years, with many communities around the country banning single-use plastic bags, or adopting a fee for use of single-use and disposable bags, the impact to businesses has been minimized as the use of reusable bags trended upward. In addition, the attached Ordinance allows businesses to keep the revenue collected for the first twelve months, up to \$1,000 per month, to offset first-year implementation expenses.

Alignment with Strategic Plan: Adoption of a fee for use of disposable bags will help reduce single use plastic bags and other disposable bags. Adoption of the attached ordinance aligns with Town Council’s Sustainable Environment goals in the 2019-2020 Strategic Plan.

Staff Recommendation: Staff recommends the Council take one of the following options:

1. Adopt the attached ordinance; or
2. Provide direction to staff regarding changes to the ordinance in accordance with Town Council’s interests and goals.

Reviews and Approvals:

Bonnie Moinet, Finance Director - Approved

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 19-14**

AN ORDINANCE ESTABLISHING A “DISPOSABLE BAG FEE”; PROVIDING FOR THE PAYMENT AND COLLECTION OF SUCH FEE; AND PROVIDING OTHER DETAILS RELATED TO THE DISPOSABLE BAG FEE AND, IN CONNECTION THEREWITH, ESTABLISHING A NEW TITLE FOR CHAPTER 124 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, CONCERNING NUISANCES, AND RE-ORDERING THE PROVISIONS OF SAID CHAPTER.

WHEREAS: the use of all disposable shopping bags (plastic and paper) has significant environmental impacts on a local and global scale, including greenhouse gas emissions, litter, harm to wildlife, water consumption, and solid waste generation; and

WHEREAS: the Town Council adopted the “Frisco 2019-2020 Strategic Plan” on May 28, 2019, which sets forth a series of sustainability initiatives that the Town should undertake; and set a Town Council high priority to “Adopt the Climate Action Plan,” and initiatives including “reducing waste,” “promotion of reusable” products; and

WHEREAS, despite recycling and voluntary efforts to control pollution from disposable bags, relatively few disposable bags are recycled, and these bags last decades in the landfill or end up as litter; and

WHEREAS, numerous studies have documented the prevalence of disposable bags littering the environment, blocking storm drains, and endangering wildlife; and

WHEREAS, approximately two billion disposable bags are used annually in Colorado, but less than five percent are recycled; and

WHEREAS, the best alternative to disposable bags is to shift to reusable bags for shopping; and

WHEREAS, the Town Council aims to conserve resources, reduce greenhouse gas emissions, waste, and litter, and to protect the public health, safety, and welfare, including wildlife, all of which increase the quality of life for the Town’s residents and visitors; and

WHEREAS, studies document that charging a mandatory fee on Disposable Bags can dramatically reduce the use of these bags; and

WHEREAS, The Town of Frisco believes that residents and visitors should use reusable bags and that a fee on the distribution of disposable bags is appropriate to dissuade the use of

disposable bags and fund the Town’s efforts to educate residents, businesses, and visitors about the impact of disposable bags on the regional environmental health and to fund the use of reusable bags, Town cleanup events, and infrastructure and programs that reduce waste in the community; and

WHEREAS, based on the information that has been provided to the Town Council by the Town staff, the disposable bag fee imposed by this Ordinance bears a reasonable relationship to the anticipated cost of providing the Town programs and services described in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO:

Section 1. That Chapter 124 of the Code of Ordinances of the Town of Frisco (the “Code”) shall be re-titled from “NUISANCES” to “PUBLIC HEALTH AND SAFETY,” and that there shall be established in Chapter 124 a new Article I thereof, entitled “Nuisances” consisting of Sections 124-1 through 124-11. Further, that each and every reference within said Sections 124-1 through 124-11 to the word “Chapter” shall be replaced with the word “Article.”

Section 2. That a new Article II of Chapter 124, titled “Disposable Bag Fee” is hereby established to read in its entirety as follows:

ARTICLE II

DISPOSABLE BAG FEE

§ 124-12. Intent.

A. The Disposable Bag Fee adopted by this Article is necessary to address the environmental problems associated with Disposable Bags and to relieve Town taxpayers of the costs imposed upon the Town associated with the use of Disposable Bags. The Town Council intends that the requirements of this Article will assist in offsetting the costs associated with using Disposable Bags by paying for the mitigation, educational, replacement, and administrative efforts of the Town.

B. The Disposable Bag Fee established by this Article is not designed to raise revenues to defray the general expenses of Town government, but rather is a charge imposed for the purpose of defraying the cost of the particular Town services and programs described in this Article.

§ 124-13. Purpose.

It is the purpose of this Article to protect the public health, safety, and welfare, and to implement both the Town’s 2019-2020 Strategic Plan, including its Climate Action Plan, initiatives to promote reusable products, and the Town’s Comprehensive Plan.

§ 124-14. Definitions.

As used in this Article, the following words shall have the following meanings. Where terms are not defined, they shall have their ordinarily accepted meanings within the context that they are used.

Customer: means any person who makes a retail purchase from a Retail Store.

Disposable bag: means, except as provided in Section 124-19, any bag, other than a Reusable Bag, that is provided to a customer by a retailer at the point of sale for the purpose of transporting goods.

Disposable bag fee: means the Town fee imposed by this Article that is required to be paid by each Consumer making a purchase from a Retail Store for each Disposable Bag used during the purchase, and imposed for the purpose of mitigating the impacts of Disposable Bags.

Disposable bag fee public outreach plan: means a program to be put in place by the Town to raise awareness and educate both residents and visitors on the Disposable Bag Fee. The program shall at a minimum include informational sessions and communications with Retail Stores to explain the Disposable Bag Fee and the Retail Store's obligations.

Finance director: means the Finance Director of the Town of Frisco, or such person's designee.

Retail store: means any public commercial business engaged in the sale of personal consumer goods, household items, or groceries to customers who use or consume such items. "Retail store" does not include temporary vendors at farmer's markets or other temporary events; or restaurants or other businesses (e.g., service providers such as salons and spas) where retail sales are clearly secondary and incidental to the primary activity occurring within the business.

Reusable bag: means a bag made of canvas, woven polypropylene, or similar types of durable materials.

§ 124-15. Disposable Bag Fee Established.

For each Disposable Bag provided to a Customer, each Retail Store shall collect from customers, and customers shall pay, at the time of purchase a Disposable Bag Fee of \$0.25. The Disposable Bag Fee shall be remitted by the Retail Store to the Town in accordance with Section 124-17 of this Article. The Town Council may annually evaluate and change by resolution the amount of the Disposable Bag Fee, the amount of the Retained Percent, or both the amount of the Disposable Bag Fee and the amount of the Retained Percent.

§ 124-16. Disposable Bag Fee Requirements.

A. Retail Stores shall record the number of Disposable Bags provided and the total amount of Disposable Bag Fees charged on the customer transaction receipt as a separate and distinct item.

B. A Retail Store shall not refund to the customer any part of the Disposable Bag Fee, either directly or indirectly, nor shall the Retail Store advertise or state to customers that any part of the Disposable Bag Fee will be refunded to the customer.

C. A Retail Store shall not exempt any customer from any part of the Disposable Bag Fee for any reason except as stated in Section 124-19.

§ 124-17. Retention, Remittance, and Transfer of the Disposable Bag Fee.:

A. A Retail Store may retain 50 percent of each Disposable Bag Fee collected, which is the “Retained Percent”, up to a maximum amount of \$1,000 per month to and through August, 2020, and \$100 per month maximum for all months thereafter.

B. The Retained Percent may only be used by the Retail Store to:

1. Provide educational information about the Disposable Bag Fee to customers;
2. Provide the signage required by Section 124-18, “Required Signage”;
3. Train staff in the implementation and administration of the fee;
4. Improve or alter infrastructure to allow for the implementation, collection, administration of the fee;
5. Collect, account for, and remit the fee to the Town;
6. Develop and display informational signage to inform consumers about the fee
7. Encourage the use of Reusable Bags or promote recycling of Disposable Bags; and
8. Improve infrastructure to increase disposable bag recycling.

C. The Disposable Bag Fee shall be exempt from the Town of Frisco sales tax.

D. The amount of the Disposable Bag Fee collected by a Retail Store in excess of the Retained Percent shall be paid to the Town and shall be used only as set forth in Subsection G to mitigate the effects of Disposable Bags in Frisco.

E. Every Retail Store providing Disposable Bags subject to the Disposable Bag Fee shall be liable and responsible for the payment of the amount outlined in Subsection D. above to the Town, and shall file a report each month on forms prescribed by the Finance Director before the twentieth day of each month for the preceding month. All sums of money collected by Retail

Stores for the Disposable Bag Fee imposed by this chapter minus the “Retained Percent” are intended exclusively for use as outlined in Subsection G. Each Retail Store required to collect and remit the Disposable Bag Fee shall hold such monies in trust until paying them to the Town.

F. The Disposable Bag Fee shall be administered by the Finance Director. The Finance Director is authorized to adopt administrative rules to implement this Article, prescribe forms and provide methods of payment and collection, and otherwise implement requirements of this Article.

G. Funds from the Disposable Bag Fee paid to the Town shall be used only for the expenditures that are intended to mitigate the effects of Disposable Bags, including without limitation the following:

1. Administrative costs associated with developing and implementing the Disposable Bag Fee.
2. Activities of the Town to:
 - a. Provide Reusable Bags to residents and visitors;
 - b. Educate residents, businesses, and visitors about the impact of Disposable Bags on the Town’s environmental health, the importance of reducing the number of Disposable Bags entering the waste stream, and the impacts of Disposable Bags on wildlife and the environment;
 - c. Fund programs and infrastructure that allow the Frisco community to reduce waste associated with Disposable Bags;
 - d. Purchase and install equipment designed to minimize bag pollution, including, recycling containers, and waste receptacles associated with Disposable Bags;
 - e. Fund community cleanup events and other activities that reduce litter associated with Disposable Bags;
 - f. Maintain a public website that educates residents on the progress of waste reduction efforts associated with Disposable Bags; and
 - g. Fund the administration of the Disposable Bag Fee program.

H. No Disposable Bag Fees collected in accordance with this Article shall be used only for general municipal or governmental purposes or spending.

I. Disposable Bag Fees collected in accordance with this Article shall be continually available for the uses and purposes set forth in subsection G. of this section without regard to fiscal year limitation. No Disposable Bag Fee funds shall be used for any purpose not authorized in this Article.

§ 124-18. Required Signage.

Every retail store required to collect the Disposable Bag Fee shall display a sign in a location outside or inside of the store, viewable by customers, alerting customers to the Town of Frisco's Disposable Bag Fee.

§ 124-19. Exemptions.

The Disposable Bag Fee imposed by this Article does not apply to:

A. A bag brought into a Retail Store by a customer and used to transport goods from the Retail Store.

B. A bag that was previously used and made available to customers at a Retail Store.

C. A bag provided to a customer at no charge if the customer provides evidence that he or she is a participant in a federal or state Food Assistance Program.

D. Bags used by consumers inside Retail Stores to:

a. Package bulk items, such as fruit, vegetables, nuts, grains, candy or small hardware items like nails, nuts, and screws;

b. Contain or wrap frozen or fresh foods, meat, or fish;

c. Contain or wrap flowers, potted plants, or other items where dampness may be a problem; and

d. Contain unwrapped prepared foods or bakery goods;

E. A non-handled bag used to protect purchased items from damaging or contaminating other purchased items when placed in a Disposable Bag or a Reusable Bag.

F. Bags used for loose small retail items, including, but not limited to, jewelry, buttons, beads, ribbon, herbs and spices, medical marijuana or adult-use marijuana if sold by the holder of a permit issued pursuant to applicable law, and similar items.

G. Bags provided by pharmacists to contain prescription drugs.

H. Newspaper bags, door-hanger bags, laundry-dry cleaning and garment bags, and bags sold in packages containing multiple bags for uses such as food storage, garbage, pet waste, or yard waste.

§ 124-20. Audits, and Collection of the Disposable Bag Fee.

A. Each Retail Store shall maintain accurate and complete records of the Disposable Bag Fees collected, the number of Disposable Bags provided to Customers, the form and recipients of any notice required pursuant to this Article, and any underlying records, including any books, accounts, invoices, or other records necessary to verify the accuracy and completeness of such records. It shall be the duty of each Retail Store to keep and preserve all such documents and records, including any electronic information, for a period of three years from the end of the calendar year of such records.

B. If requested, each Retail Store shall make its records available for audit by the Finance Director during regular business hours for the Town to verify compliance with the provisions of this Article. All such information shall be treated as confidential commercial documents.

C. If any person fails, neglects, or refuses to collect or pay the Disposable Bag Fee, or underpays the Disposable Bag Fee, the Finance Director shall make an estimate of the fees due, based on available information, and shall add thereto penalties, interest, and any additions to the fees. The Finance Director shall serve upon the delinquent Retail Store personally, by electronic mail or by first class mail directed to the last address of the Retail Store on file with the Town, written notice of such estimated fees, penalties, and interest, constituting a Notice of Final Determination, Assessment, and Demand for Payment, (also referred to as “Notice of Final Determination”) due and payable within 30 calendar days after the date of the notice. The Retail Store may request a hearing on the assessment as provided in Section 124-21 of this Article.

D. If payment of any amount of the Disposable Bag Fee due to the Town is not received on or before the applicable due date, penalty and interest charges shall be added to the amount due in the amount of:

1. A penalty of ten percent of total due; and
2. Interest charge of one percent of total penalty per month.

§ 124-21. Hearings.

A. A Retail Store may request a hearing on any proposed fee imposed under this Article after receiving a Notice of Final Determination, by filing a written request for hearing within 30 calendar days of the date of mailing of the Notice of Final Determination. The request for hearing shall set forth the reasons for and amount of changes in the Notice of Final Determination that the Retail Store seeks and such other information as the Finance Director may prescribe.

B. The Finance Director shall notify the Retail Store in writing of the time and place of the hearing at least ten days before it is scheduled, unless the Retail Store agrees to a shorter time.

The hearing shall be held within 60 days of the date of receipt of the request for a hearing, unless the Retail Store agrees to a later date.

§ 124-22. Violation and Penalties.

A. It is unlawful for any person to violate any provision of this Article.

B. Every person found liable for such a violation shall be punished as provided in Section 1-14 of this Code.

Section 3. That the Finance Director shall develop and implement the administrative and financial processes for the collection of the Disposable Bag Fee imposed by this Ordinance.

Section 4. The Town Council finds, determines and declares that this Ordinance is necessary and proper to provide for the safety, preserve the health, promote the prosperity, and improve the order, comfort and convenience of the Town of Frisco and the inhabitants thereof.

Section 5. This Ordinance shall become effective January 1, 2020 provided, however, that the Disposable Bag Public Outreach Plan has been implemented not later than November 1, 2019. If the Disposable Bag Public Outreach Plan has not been implemented prior to November 1, 2019 then the collection of the Disposable Bag Fee and required store signage provisions of this ordinance shall not take effect until the Town Manager certifies that Disposable Bag Public Outreach Plan has been approved and implemented by the Town.

ADOPTED ON SECOND AND FINAL READING AND PUBLICATION BY TITLE
ORDERED THIS _____ DAY OF _____, 2019.

TOWN OF FRISCO, COLORADO

Gary Wilkinson, Mayor

Attest:

Deborah Wohlmuth, CMC, Town Clerk

From: [McBride, Diane](#)
To: [Boilard, Brodie](#)
Cc: [Kerry, Nancy](#)
Subject: FW: bag fee
Date: Tuesday, August 20, 2019 8:26:26 AM

FYI....

-----Original Message-----

From: Bob Winsett [<mailto:bwinsett@earthlink.net>]
Sent: Monday, August 19, 2019 3:58 PM
To: McBride, Diane
Subject: bag fee

Diane,

Hope you are having a great summer.

Please add my name to the list of people who support the \$.25 bag fee for any number of reasons. Most of my friends agree as well and applaud the TOF for being proactive with this fee and for your concern for the environment and how the Town can mitigate our impact whenever possible.

Sincerely,

Bob