

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3671

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 19, 2016

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No. 3671.

The bill, as amended, would establish a fee on the use of single-use carryout bags provided by certain types of stores to customers and dedicate revenue from the fee to the “Health Schools and Community Lead Abatement Fund” established in the bill.

Specifically, beginning on June 1, 2017, the bill would require each operator of a store to impose a \$0.05 fee on a customer for each single-use carryout bag that is provided to the customer. However, the bill provides that no fee would be charged if the customer is 65 years of age or older, or is enrolled as a participant in the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), or the Work First New Jersey program. “Store” is defined in the bill as a drug store, supermarket, or retail establishment that has over 2,000 square feet of retail space or is part of a chain, and that provides carryout bags to its customers as a result of the sale of a product. A “chain” is any business with 10 or more locations in the State or nationally and doing business under the same trade name or under common ownership or control, or as franchised outlets of a parent business. “Single-use carryout bag” is defined as any bag that is not a reusable carryout bag, and would include single-use compostable and non-compostable plastic bags and paper bags.

Under the bill, each store operator would be required to indicate the total number of single-use carryout bags provided to a customer and the total fee charged for the bags on the sales or other receipt given to the customer. Store operators would retain \$0.01 of the fee collected, and pay the remaining \$0.04 to the Director of the Division of Taxation, in a manner prescribed by the director. The director could use up to one percent of the revenues collected to defray the cost of administration of the bill. The director would deposit the remaining revenues into the “Healthy Schools and Community Lead Abatement Fund” established in the bill. Moneys in the fund would be used by

the Department of Environmental Protection (DEP), in consultation with the Department of Education, the Department of Community Affairs, and the Department of Health, for lead abatement in schools and communities, including: removal and replacement of water fountains, plumbing, and pipes that contain lead; stripping lead paint from schools and residential dwellings; and other lead abatement programs.

The bill also would require the DEP to establish a public information program which addresses the harmful environmental effects caused by single-use carryout bags, and encourages consumers to use reusable carryout bags for retail shopping. The public information program would include information on the fee charged for single-use carryout bags pursuant to the bill.

Finally, the bill would supersede and preempt all municipal and county rules, regulations, codes, and ordinances concerning the regulation or prohibition of carryout bags or fees charged for those bags.

COMMITTEE AMENDMENTS

The committee amendments to the bill would:

(1) apply the fee established in the bill to all single-use carryout bags, as opposed to only non-compostable plastic bags;

(2) delete the incremental fee, and instead establish a \$0.05 fee on the customer for each single-use carryout bag provided by a store, which would not expire;

(3) provide that any persons who is 65 years of age or older, or who is enrolled as a participant in the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), or the Work First New Jersey program is exempt from paying the fee;

(4) permit a store to retain \$0.01 of the fee and require the store to pay the remaining \$0.04 to the Director of the Division of Taxation;

(5) revise the definition of "chain" to apply to a business with 10 or more locations in the State or nationally, rather than 20;

(6) omit section 2 of the bill which would have established a ban on non-compostable plastic bags;

(7) specify that the bill supersedes and preempts all municipal and county rules, regulations, codes, and ordinances with regard to the regulation or prohibition of carryout bags and fees charged for those bags;

(8) require the DEP to establish a public information program concerning single-use carryout bags; and

(9) require the DEP to develop guidelines to prioritize the disbursement of funds under the bill and submit an annual report to the Governor and the Legislature on the lead abatement activities undertaken and the funds disbursed pursuant to the bill.