Development of a Plastic Bag Tax Ordinance

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Legislation Overview

• Legislation authorizes Fairfax County to adopt an ordinance imposing a $0.05 tax on most disposable plastic bags provided by grocery stores, convenience stores and drugstores.

• The state Tax Commissioner is “to collect, administer, and enforce” the tax in essentially the same manner that the retail sales and use tax is collected, administered, and enforced.

• Revenues are to be appropriated for (1) environmental clean-up, (2) mitigation of pollution and litter, (3) education, and (4) the provision of reusable bags to recipients of federal food support program (i.e., SNAP and WIC).
State Guidelines

• State law provides in part that “[t]he Tax Commissioner shall develop and make publicly available guidelines implementing the provisions of this article.”

• No state guidelines to date. Instead, Virginia Department of Taxation has notified localities that:
  • it intends to wait to issue guidelines until at least one locality adopts an ordinance (November 6); and
  • it sees no reason to set forth specific policy decisions, despite locality questions on topics including scope of applicability and enforcement (November 17).
Revenue Considerations

• The SB 11 Fiscal Impact Statement estimated that the proposed tax could potentially generate annual aggregate local revenues of between $20.8-$24.9 million statewide.

• Based on experiences of other jurisdictions, such a tax likely will recover declining revenues over time, as customer behavior changes.

• Montgomery County and DC annual plastic-bag revenues are about $2 million/year, but county revenues likely will be below this because the tax would apply to fewer types of retailers and bags.
Regional Activity

• The NVRC Waste Management Board has begun exploring issues related to the legislation.

• City of Alexandria staff is monitoring activity through the fall and plans to make a recommendation to the City Council.

• Arlington County plans to convene a public workgroup early in 2021 to discuss adoption of a plastic bag tax and issues including equity.
Next Steps

• OEEC is coordinating with county agencies (OCA, DMB, DTA, DPWES) and external actors (NVRC and local jurisdictions in the region).

• OEEC anticipates a two-phase process in 2021:
  • A public engagement phase focused on obtaining community input.
    • Following this phase, OEEC would report to the Board and request Board direction.
  • A second phase, triggered by Board direction, that would involve a joint effort on the part of county agencies to develop a draft.
    • The draft would reflect input received during the first phase.
Anticipated Activities

Phase 1: Public Engagement

- Development of an informative webpage
- One or more workshops or meetings (virtual if needed) to solicit input
- An electronic survey

Phase 2: Development of an Ordinance

- An updated webpage with the proposed ordinance and request for comment
- Presentations to EQAC and the Board’s Environmental Committee
- Requests for Board authority to advertise a public hearing and to hold the public hearing
Questions?

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