Disposable Bag Fee Requirements

Educational Webinar for Denver Retailers
October 23, 2023
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Office of Climate Action, Sustainability, and Resiliency

- High Performance Buildings & Homes
- Zero Waste & Circular Economy
- Renewable Energy
- Sustainable Transportation
Zero Waste & Circular Economy

- Bring Your Own Bag Program
- Refuse and Reuse
- Skip the Stuff, Say No to Single-Use Condiments & Service Ware
- Sustainable Resource Management Plan
- Waste No More
Denver’s Disposable Bag Fee Team

Our role: support retailers with implementation & compliance with Disposable Bag Fee program
• Resources & Education
• Customer Service
• Compliance Support
• In-Person Visits

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Disposable Bag Fee Webinar Series

Disposable Bag Fee Requirements
October 23, 2023, 2-3 PM

State Policy Change: Ban on Plastic Bags & Foam
January 22, 2024, 4-5 PM

Disposable Bag Fee Best Practices
March 25, 2024, 6-7 PM
Webinar 1: Disposable Bag Fee Requirements

Agenda:
- What is the Disposable Bag Fee?
- Ordinance Definitions, Exemptions & Requirements
- How to Reach Compliance
- Online Filing Tutorial
- Online Resources & Supports
What is the Disposable Bag Fee Ordinance?

- As of July 1, 2021, retail stores within the City and County of Denver are required to charge a ten cents ($0.10) fee on all disposable bags provided to customers.
- Stores must remit 60% of fees collected to the City & County of Denver on a quarterly basis.
- Since July 2021, the Disposable Bag Fee has generated $4 Million in a Special Purpose Revenue Fund
Disposable Bag Fee Ordinance Updates

• December 2022: Updated to align with the State of Colorado’s Plastic Pollution Reduction Act
• Ban on plastic bags & polystyrene foam containers will take effect in January 2024
• Updated definitions, requirements & exemptions
Where does the money from Disposable Bag Fees go?

60% is Remitted to the City & County of Denver. Allowable Uses Include:

- Administrative costs, educational campaigns, waste reduction programs, free reusable bags for residents

40% is Retained by the Store. Allowable Uses Include:

- Cost of implementation & employee training, educational signage, free reusable bags to customers, improve infrastructure to increase plastic bag recycling
Why Charge $0.10 for Disposable Bags?

• Change in Consumer Behavior
• Reduce single-use carryout bags
• Protect Denver’s Environment & Waterways
• Fund City-Wide Zero Waste Initiatives
Disposable Bag (except as provided in section 2-414.5, D.R.M.C.) means any bag, other than a reusable carryout bag, that is provided to a customer by a store or retail food establishment at the point of sale for the purpose of transporting goods.
Ordinance Definitions

*Store* means a grocery store, supermarket, convenience store, liquor store, dry cleaner, pharmacy, drug store, clothing store, or other type of retail establishment at which carryout bags are traditionally provided to customers. Store includes a farmers market, roadside market or stand, festival, or other temporary vendor or event that includes temporary vendors.
**Ordinance Definitions**

*Disposable bag fee* means the fee of ten cents ($0.10) imposed by the city and county of Denver and required to be paid by each customer making a purchase from a store for each disposable bag used during the purchase.
What is a “Reusable” Bag?

- Specifically made to be reused
- Durable, washable
- Made of cloth or fiber
- Handles
Exemptions (Section 2-414.5)

The Disposable Bag Fee Does Not Apply To...

- A bag that a customer brings into a store
- A bag that is provided to a participant in a federal or state food assistance program.
- A bag that is used to contain bulk items, frozen or fresh foods, unwrapped prepared foods or bakery goods, or other items where dampness may be a problem
Exemptions Continued

• A bag used to protect purchased items from damaging or contaminating other purchased items when placed in a disposable or reusable carryout bag.

• Newspaper bags, door-hanger bags, laundry-dry cleaning and garment bags, bags used to contain prescription drugs, and bags sold in packages containing multiple bags for uses such as food storage, garbage, pet waste, or yard waste.
Exemptions Continued

• Non-Retail Businesses
• Stores that choose to not provide disposable bags to customers
• Stores that only provide reusable bags to customers
• Businesses that do not have in-store operations (e-commerce)
What is required for Disposable Bag Fee Compliance?

• Charge of $0.10 for each disposable bag
• In-Store Signage
• Fee never paid on behalf of customer
• Customers on EBT, SNAP or TANF do not get charged $0.10
• Customer receipts need to show the bag fee
• Stores remit 60% of fees collected
How to Implement the Disposable Bag Fee

1. Adjust your registers
2. Know which bags are exempt
3. Alert your customers
4. Educate your employees
5. Encourage customers to bring their own bags
6. Keep record of disposable bags provided to customers for reporting purposes
How Should Stores Remit Disposable Bag Fees?

**Quarterly Deadlines**

- **April 20**
  Quarter 1: January-March

- **July 20**
  Quarter 2: April-June

- **October 20**
  Quarter 3: July-September

- **January 20**
  Quarter 4: October-December

**Disposable Bag Fee Remittance:** Stores remit 60% of Disposable Bag Fees collected to the City and County of Denver

**Disposable Bag Fee Quarterly Filing Form:** Stores submit this form including data on disposable bags provided to customers & fees remitted to the city on a quarterly basis

**Late Penalty:** If remittance is late, a penalty of 10% of total remittance is added to the total amount owed

**Late Interest:** If remittance is late, an interest rate of 1% of total remittance is added to the total amount owed for each month the filing is late
How Should Stores Remit Disposable Bag Fees?

Denver Disposable Bag Fee Filing Form Quarterly

Business Name: Disposab Bag Fee Team
Account Number: 123456
Phone Number: 720-913-5110
Period End Date: 30-Sep-2023

Instructions:
1. Total Number of Disposable Bags Distributed: Add totals for each type of bag in Box A under Total Bag Count.
2. Multiply Line 1 by $0.06. If payment is remitted or before the twelfth day of the month following the end of the quarter, skip to Line 4. If payment is made after the twentieth day, please fill out Lines 3a and 3b. If the form is filed or paid after the due date, multiply Line 2 by 0.10 and enter that amount here.
3. Penalty: 10% of Line 2. Interest: 1% of Line 2 for each month that the form is late.
4. TOTAL DUE AND PAYABLE: Add Line 2, Line 3a, and Line 3b. Enter total amount here.

Therby certify, under penalty of perjury, that the statements made herein are to the best of my knowledge true and correct.

DENVER DISPOSABLE BAG FEE FORM

ACCOUNT NUMBER: 123456
PERIOD END: 30-sept-2023
DUE DATE: 20-Oct-2023
MEDIA # 0000000009

BOX A: ENTER TOTAL BAGS BY TYPE
PLASTIC 400
PAPER 240
OTHER 24

DENVER CLIMATE ACTION, SUSTAINABILITY & RESILIENCE

CONNECT WITH US: 311 | POCKETGOV | DENVERGOV.ORG | DENVER 8 TV

@DenverCASR | @SustainableDen | @denvercasr
How Should Stores Submit their Paper Filing Form?

Mail To:
City and County of Denver Office of Climate Action Sustainability & Resiliency
P.O. Box 735216
Dallas, TX 75373

Deliver in-person to:
Tax Services
Wellington E. Webb Municipal Building
201 West Colfax Ave, 1st floor
Denver, CO
How Should Stores Remit Disposable Bag Fees Online?

www.denvergov.org/ebiztax
What happens if a store does not submit their Disposable Bag Fees on-time or correctly?

Stores are considered **delinquent** when:
- Quarterly Filing Form is not received
- Quarterly Filing Form does not include bag counts
- Quarterly Filing Form does not include payment
- Payment submitted through Quarterly Filing Form is less than payment owed

Stores that remain delinquent may receive citations up to $999 & possible freeze on business license renewals.

Please reach out for assistance:
- Disposable Bag Fee Team: (720) 913-8510; bringyourownbag.finance@denvergov.org
What resources are available for businesses?

www.denvergov.org/bringyourownbag
Disposable Bag Fee for Businesses
Disposable Bag Fee for Businesses Webpage

Disposable Bag Fee for Businesses

- Overview
- Exemption Request Form
- Bag Fee Citation Appeal Form
- Retailer Guide
- Pay Bag Fee Citation
- Bag Fee Refund Request
- Frequently Asked Questions
- Colorado Plastic Pollution Reduction Act

Contact Us

Have questions or want to learn more? We're here to help.
Email Us
(720) 913-8510

Overview

- Remit Fees Online
- Exemption Request Form
- Bag Citation Appeal Form
Retailer Guide

- How to Remit Bag Fees
- How to Complete the Quarterly Filing Form
- Checklist for Retailers
- Cashier Sheet
- POS Placards
- Posters
Q&A
Upcoming Webinar

New State Law: Ban on Plastic Bags and Foam

Monday, January 22, 2024

- Colorado Plastic Pollution Reduction Act (PPRA)
- Colorado State Policy & City and County of Denver Policy
- Ban on Plastic Bags & Expanded Polystyrene
- Compliance Requirements & Timelines
Thank you!

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Appendix
Allowable Uses of each $0.04 kept by a store (Section 2-415)

The four cents ($0.04) that the store may retain may only be used to:

1. Provide educational information about the disposable bag fee to customers;
2. Develop and display informational signage to inform consumers about the fee, encourage the use of reusable carryout bags, or promote recycling of disposable bags;
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. Provide free reusable carryout bags to customers; and
6. Improve infrastructure to increase disposable plastic bag recycling.
As of Q2 2023, Recreational Cannabis Retailers are required to comply with Disposable Bag Fee Requirements

1. Why were Cannabis Retailers previously exempt from Disposable Bag Fee Requirements?
   • State Law update: small bag exemption removed.

2. Are Medical Cannabis Retailers required to comply with the disposable bag fee?
   • No, bags containing prescription drugs are exempt from the Disposable Bag Fee.

3. Are customers able to bring their own bags while shopping at a Cannabis store?
   • Yes! If all product containers are child-proof, customers should be able to refuse a carry-out bag or bring their own bag while shopping.

4. Are Cannabis Retailers required to provide an exit bag for marijuana products?
   • Not necessarily. According to Colo. Code Regs. § 212-3-3-1010, if a marijuana product is sold in a child-proof container, an opaque exit package is “permitted but not required”.
   • However, if a marijuana product is sold in a container that is not child-proof, an opaque exit package is required.
Marijuana Code Regs

Colo. Code Regs. § 212-3-3-1010

a. **Exit Packages Permitted for Child-Resistant Containers.** A Medical Marijuana Store, Retail Marijuana Store, or Accelerator Store may but is not required to place a Child-Resistant Container into an Opaque Exit Package at the point of Transfer to the patient or consumer.

b. **Exit Packages Required for Regulated Marijuana Flower, Trim, and Seeds.** Any Regulated Marijuana flower, trim, or seeds in a Container that is not Child-Resistant shall be placed into a Child-Resistant Exit Package at the point of Transfer to a patient or consumer. The Exit Package is not required to be labeled but may include the Medical Marijuana Store's, Retail Marijuana Store's, or Accelerator Store's Identity Statement and/or Standardized Graphic Symbol.