

Plastic Bag Fee

Plastic Bag Fee: The City does not currently assess a fee on disposable plastic bag use by retailers.

Background

Prior to the imposition of a ban on certain plastic bags, an estimated 1 billion plastic bags were used in Chicago every year. On August 1, 2015 Chicago implemented a partial ban on disposable plastic bags. This requires large chain stores to eliminate the use of disposable plastic bags. It is too early to determine what the effect of this ban will be on plastic bag use.

Revenue

In 2010 Washington, D.C. imposed a \$.05/bag surcharge on plastic bags, with merchants keeping \$.01 and remitting the other \$.04 to the city. After the fee was introduced, usage of plastic bags declined by approximately 80 percent.

If Chicago were to implement a plastic bag fee similar to the fee charged in Washington, D.C., we would expect a similar reduction in usage. As a result, a \$.05/bag plastic bag fee in Chicago could yield:

- an estimated \$10 million if merchants send all \$.05 to the City
- an estimated \$8 million if merchants send \$.04 to the City and keep \$.01

Legal Authority

Imposing a per unit fee on the use of plastic bags is within the City's authority and would require amendment of the Municipal Code. However, the cost of the fee would need to be based on the cost of administering the program and any cost to the City that results from the use of plastic bags.

Comparison to Other Cities

Several major cities have also passed fees on the use of disposable plastic bags.

<i>City</i>	<i>Plastic Bag Fee</i>
San Francisco, CA	\$.17/bag
Los Angeles, CA	\$.10/bag
Washington, DC	\$.05/bag