

2016

Ban on Single-Use Plastic Bags. Referendum.

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Ban on Single-Use Plastic Bags. Referendum. California Proposition 67 (2016).
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PROPOSITION **BAN ON SINGLE-USE PLASTIC BAGS.**
67 REFERENDUM.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

A “Yes” vote approves, and a “No” vote rejects, a statute that:

- Prohibits grocery and certain other retail stores from providing single-use plastic or paper carryout bags to customers at point of sale.
- Permits sale of recycled paper bags and reusable bags to customers, at a minimum price of 10 cents per bag.

SUMMARY OF LEGISLATIVE ANALYST’S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Relatively small fiscal effects on state and local governments. Minor increase of less than a million dollars annually for state administrative costs, offset by fees. Possible minor savings to local governments from reduced litter and waste management costs.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Carryout Bag Usage. Stores typically provide their customers with bags to carry out the items they buy. One type of bag commonly provided is the “single-use plastic carryout bag,” which refers to a thin plastic bag used at checkout that is not intended for continued reuse. In contrast, “reusable plastic bags” are thicker and sturdier so that they can be reused many times. Many stores also provide single-use paper bags. Stores frequently provide single-use paper and plastic carryout bags to customers for free, and some stores offer reusable bags for sale. Each year, roughly 15 billion single-use plastic carryout bags are provided to customers in California (an average of about 400 bags per Californian).

Many Local Governments Restrict Single-Use Carryout Bags. Many cities and counties in California have adopted local laws in recent years restricting or banning single-use carryout bags. These local laws have been implemented due to concerns about how the use of such bags can impact the environment. For example, plastic bags contribute to litter and can end up in waterways. In addition, plastic bags can be difficult to recycle because they can get tangled in recycling machines. Most of these local laws ban single-use plastic carryout bags at grocery stores, convenience stores, pharmacies, and liquor stores. They also usually require the store to charge at least 10 cents for the sale of any carryout bag. Stores are allowed to keep the resulting revenue. As of June 2016, there were local carryout bag laws in about 150 cities and counties—covering about 40 percent of California’s population—mostly in areas within coastal counties.

Passage of Statewide Carryout Bag Law. In 2014, the Legislature passed and the Governor signed a statewide carryout bag law, Senate Bill (SB) 270. As described in more detail below, the law prohibits certain stores from providing single-use plastic carryout bags. It also requires these stores to charge

customers for any other carryout bag provided at checkout.

PROPOSAL

Under the State Constitution, a new state law can be placed before voters as a referendum to determine whether the law can go into effect. This proposition is a referendum on SB 270. Below, we describe what a “yes” and “no” vote would mean for this measure, its major provisions, and how this measure could be affected by another proposition on this ballot.

What a “Yes” and “No” Vote Mean

“Yes” Vote Upholds SB 270. Certain stores would be prohibited from providing single-use plastic carryout bags and generally required to charge at least 10 cents for other carryout bags. These requirements would apply only to cities and counties that did not already have their own single-use carryout bag laws as of the fall of 2014.

“No” Vote Rejects SB 270. A store could continue to provide single-use plastic carryout bags and other bags free of charge unless it is covered by a local law that restricts the use of such bags.

Main Provisions of Measure

Prohibits Single-Use Plastic Carryout Bags. This measure prohibits most grocery stores, convenience stores, large pharmacies, and liquor stores in the state from providing single-use plastic carryout bags. This provision does not apply to plastic bags used for certain purposes—such as bags for unwrapped produce.

Creates New Standards for Reusable Plastic Carryout Bags. This measure also creates new standards for the material content and durability of reusable plastic carryout bags. The California Department of Resources Recovery and Recycling (CalRecycle) would be responsible for ensuring that bag manufacturers

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

meet these requirements. The measure also defines standards for other types of carryout bags.

Requires Charge for Other Carryout Bags. This measure generally requires a store to charge at least 10 cents for any carryout bag that it provides to consumers at checkout. This charge would not apply to bags used for certain purposes—such as bags used for prescription medicines. In addition, certain low-income customers would not have to pay this charge. Under the measure, stores would retain the revenue from the sale of the bags. They could use the proceeds to cover the costs of providing carryout bags, complying with the measure, and educational efforts to encourage the use of reusable bags.

Another Proposition on This Ballot Could Affect Implementation of This Measure

This ballot includes another measure— Proposition 65—that could direct revenue from carryout bag sales to the state if approved by voters. Specifically, Proposition 65 requires that revenue collected from a state law to ban certain bags and charge fees for other bags (like SB 270 does) would have to be sent to a new state fund to support various environmental programs.

If both measures pass, the use of the revenues from carryout bag sales would depend on which measure receives more votes. Figure 1 shows how the major provisions of SB 270 would be implemented differently depending on different voter decisions on the two measures. Specifically, if Proposition 67 (this referendum on SB 270) gets more “yes” votes, the revenue would be kept by stores for specified purposes. However, if Proposition 65 (initiative) gets more “yes” votes, the revenue would be used for environmental programs. We note that Proposition 65 includes a provision that could be interpreted by the courts as preventing SB 270 from going into effect at all should

both measures pass and Proposition 65 gets more “yes” votes. However, this analysis assumes that the other provisions of SB 270 not related to the use of revenues—such as the requirement to ban single-use plastic carryout bags and charge for other bags— would still be implemented.

FISCAL EFFECTS

Minor State and Local Fiscal Effects. This measure would have relatively small fiscal effects on state and local governments. Specifically, the measure would result in a minor increase of less than a million dollars annually in state costs for CalRecycle to ensure that bag manufacturers meet the new reusable plastic bags requirements. These costs would be offset by fees charged to makers of these bags. The measure could also result in other fiscal effects—such as minor savings to local governments from reduced litter cleanup and waste management costs.

Visit <http://www.sos.ca.gov/measure-contributions> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-16-gen-v2.html> to access the committee’s top 10 contributors.

**Figure 1
Implementation of Referendum Would Be Affected by Outcome of Proposition 65**

	Proposition 67 (SB 270 Referendum) Passes	Proposition 67 (SB 270 Referendum) Fails
Proposition 65 (Initiative) Passes	Statewide carryout bag law in effect. Use of revenues from sale of carryout bags depends on which proposition gets more votes: <ul style="list-style-type: none"> • If more “yes” votes for referendum, revenue is kept by stores. • If more “yes” votes for initiative, revenue goes to state for environmental programs.^a 	No statewide carryout bag law. Revenue from any future statewide law similar to SB 270 would be used for environmental programs.
Proposition 65 (Initiative) Fails	Statewide carryout bag law in effect and revenue from the sale of carryout bags is kept by stores.	No statewide carryout bag law.

^a Alternatively, a provision of Proposition 65 could be interpreted by the courts as preventing Senate Bill (SB) 270 from going into effect at all.

★ ARGUMENT IN FAVOR OF PROPOSITION 67 ★

67

YES on 67 to REDUCE LITTER, PROTECT OUR OCEAN and WILDLIFE, and REDUCE CLEAN-UP COSTS.

Single-use plastic shopping bags create some of the most visible litter that blows into our parks, trees and neighborhoods, and washes into our rivers, lakes and ocean. A YES vote will help keep discarded plastic bags out of our mountains, valleys, beaches and communities, and keep them beautiful. The law also will save our state and local communities tens of millions of dollars in litter clean-up costs.

PLASTIC BAGS ARE A DEADLY THREAT TO WILDLIFE.

“Plastic bags harm wildlife every day. Sea turtles, sea otters, seals, fish and birds are tangled by plastic bags; some mistake bags for food, fill their stomachs with plastics and die of starvation. YES on 67 is a common-sense solution to reduce plastic in our ocean, lakes and streams, and protect wildlife.”—Julie Packard, Executive Director, Monterey Bay Aquarium

YES on 67 CONTINUES CALIFORNIA'S SUCCESS IN PHASING OUT PLASTIC BAGS.

A YES vote will keep in place a law passed by the Legislature and signed by the Governor that will stop the distribution of wasteful single-use plastic shopping bags. This law has strong support from organizations that are committed to protecting the ocean, wildlife, consumers, and small businesses.

It will be fully implemented statewide once voters approve Prop. 67.

Many local communities are already phasing out plastic bags. In fact, nearly 150 local cities and counties have banned single-use plastic bags. These laws have already been a success; some communities have seen a nearly 90 percent reduction in single-use bags, as well as strong support from consumers.

OUT-OF-STATE PLASTIC BAG COMPANIES ARE OPPOSING CALIFORNIA'S PROGRESS.

Opposition to this law is funded by four large out-of-state plastic bag companies. They don't want California to take leadership on plastic bag waste, and are trying to defeat this measure to protect their profits.

Don't believe their false claims. We should give California's plastic bag law a chance to work, especially with so much success already at the local level.

YES on 67 to PROTECT CALIFORNIA'S PLASTIC BAG LITTER REDUCTION LAW.

JULIE PACKARD, Executive Director
Monterey Bay Aquarium

JOHN LAIRD, Chairperson
California Ocean Protection Council

SCOTT SMITHLINE, Director
California Department of Resources Recycling and Recovery

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 67 ★

WE ALL WANT TO PROTECT THE ENVIRONMENT, BUT PROP. 67 IS A FRAUD.

It is a \$300 million per year HIDDEN BAG TAX on California consumers who will be forced to pay a minimum 10 cents for every paper and thick plastic grocery bag they are given at checkout.

AND NOT ONE PENNY WILL GO TO THE ENVIRONMENT.

Instead, the Legislature gave all \$300 million in new bag tax revenue to grocers as extra profit.

THAT'S \$300 MILLION EVERY YEAR!

STOP THE SPECIAL INTEREST SWEETHEART DEAL.

In a sweetheart deal brokered by special interest lobbyists, Proposition 67 will grow profits for grocery stores by up to \$300 million a year.

Big grocery store chains get to keep ALL of the new tax revenue.

Grocers will grow \$300 million richer every year on the backs of consumers.

DON'T BE FOOLED: NOT ONE PENNY OF THE BAG BAN TAX GOES TO THE ENVIRONMENT.

The Legislature could have dedicated the new tax revenue to protect the environment, but their goal wasn't to protect the environment . . . IT WAS ABOUT GROWING PROFITS FOR GROCERY STORES AND LABOR UNIONS.

The measure SPECIFICALLY REQUIRES GROCERS TO KEEP ALL OF THE NEW TAX AS PROFIT!

STOP THE SWEETHEART DEAL AND HIDDEN BAG TAX.

VOTE NO ON PROP. 67.

DOROTHY ROTHROCK, President
California Manufacturers & Technology Association

THOMAS HUDSON, Executive Director
California Taxpayer Protection Committee

DEBORAH HOWARD, Executive Director
California Senior Advocates League

★ ARGUMENT AGAINST PROPOSITION 67 ★

DON'T BE FOOLED BY PROP. 67.

It is a \$300 million per year HIDDEN TAX INCREASE on California consumers who will be forced to pay a minimum 10 cents for every paper and thick plastic grocery bag they are given at the checkout.

And not one penny goes to the environment.

Instead, the Legislature gave all \$300 million in new tax revenue to grocers as extra profit.

Stop the sweetheart special interest deal . . . VOTE NO ON PROP. 67.

STOP THE BAG TAX

Prop. 67 bans the use of plastic retail bags and REQUIRES grocers to charge and keep a minimum 10 cent tax on every paper or thicker plastic reusable bag provided at checkout.

Consumers will pay \$300 million more every year just to use shopping bags grocery stores used to provide for free.

TAX REVENUE GOES TO GROCERS, SPECIAL INTERESTS

Proposition 67 will grow profits for grocery stores by up to \$300 million a year.

Big grocery store chains get to keep all of the tax revenue.

Grocers will grow \$300 million richer on the backs of consumers.

NOT ONE PENNY OF THE BAG TAX GOES TO HELP THE ENVIRONMENT

The Legislature could have dedicated the new tax revenue to protect the environment, but it did not. Instead, it REQUIRED grocery stores to keep the new bag tax revenue.

STOP THE SPECIAL INTEREST BAG TAX DEAL

Prop. 67 is a deal cooked up by special interest lobbyists in Sacramento to grow profits for grocery stores.

The Legislature passed SB 270 and hidden in the fine print is a NEW BAG TAX on consumers—a minimum 10 cents on every paper and thick plastic reusable bag provided to shoppers—all dedicated to grocer profits.

STOP THE SWEETHEART DEAL AND HIDDEN BAG TAX

VOTE NO ON PROP. 67.

DOROTHY ROTHROCK, President
California Manufacturers & Technology Association

THOMAS HUDSON, Executive Director
California Taxpayer Protection Committee

DEBORAH HOWARD, Executive Director
California Senior Advocates League

67

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 67 ★

A YES vote on 67 confirms that California can move forward with its ban on plastic grocery bags. It's that simple.

Don't be fooled by the deceptive campaign waged by plastic bag corporations from Texas and South Carolina, who claim they are looking out for our environment. Phasing out single-use plastic bags brings major benefits to California.

These bags kill wildlife, pollute our oceans, ruin recycling machines, and cause litter that is expensive to clean up.

Many local communities across California have already phased out plastic grocery bags, and a YES vote would continue this progress.

"Don't buy the industry spin! . . . shoppers can avoid the 10-cent fee on paper or reusable plastic bags simply by bringing their own."—*The Los Angeles Times editorial board*

"Across California, small local grocery stores like ours support a YES vote on Prop. 67. In our local

community, we have a ban on single-use plastic bags that is working well. Our customers are bringing their own reusable bags, and are happy to do their part to reduce unneeded plastic litter. It's good for small businesses and consumers."—*Roberta Cruz, La Fruteria Produce*

"Californians are smarter than the plastic bag makers, especially those from out of state, seem to think."—*Sacramento Bee Editorial Board*

Vote YES on 67 to protect California's success in phasing out plastic bag litter and waste.

DOLORES HUERTA, Co-Founder
United Farm Workers

SAM LICCARDO, Mayor
City of San Jose

MARY LUÉVANO, Commissioner
California Coastal Commission

(1) A full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000) or more that sells a line of dry groceries, canned goods, or nonfood items, and some perishable items.

(2) Has at least 10,000 square feet of retail space that generates sales or use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code) and has a pharmacy licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Business and Professions Code.

(3) Is a convenience food store, foodmart, or other entity that is engaged in the retail sale of a limited line of goods, generally including milk, bread, soda, and snack foods, and that holds a Type 20 or Type 21 license issued by the Department of Alcoholic Beverage Control.

(4) Is a convenience food store, foodmart, or other entity that is engaged in the retail sale of goods intended to be consumed off the premises, and that holds a Type 20 or Type 21 license issued by the Department of Alcoholic Beverage Control.

(5) Is not otherwise subject to paragraph (1), (2), (3), or (4), if the retail establishment voluntarily agrees to comply with the requirements imposed upon a store pursuant to this chapter, irrevocably notifies the department of its intent to comply with the requirements imposed upon a store pursuant to this chapter, and complies with the requirements established pursuant to Section 42284.

Article 2. Reusable Grocery Bags

42281. (a) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may sell or distribute a reusable grocery bag to a customer at the point of sale only if the reusable bag is made by a producer certified pursuant to this article to meet all of the following requirements:

(1) Has a handle and is designed for at least 125 uses, as provided in this article.

(2) Has a volume capacity of at least 15 liters.

(3) Is machine washable or made from a material that can be cleaned and disinfected.

(4) Has printed on the bag, or on a tag attached to the bag that is not intended to be removed, and in a manner visible to the consumer, all of the following information:

(A) The name of the manufacturer.

(B) The country where the bag was manufactured.

(C) A statement that the bag is a reusable bag and designed for at least 125 uses.

(D) If the bag is eligible for recycling in the state, instructions to return the bag to the store for recycling or to another appropriate recycling location. If recyclable in the state, the bag shall include the chasing arrows recycling symbol or the term "recyclable," consistent with the Federal Trade Commission guidelines use of that term, as updated.

(5) Does not contain lead, cadmium, or any other toxic material that may pose a threat to public health. A reusable bag manufacturer may demonstrate compliance with this requirement by obtaining a no objection letter from the federal Food and Drug Administration. This requirement shall not affect any authority of the Department of Toxic Substances Control pursuant to Article 14 (commencing with Section 25251) of Chapter 6.5 of Division 20 of the

Health and Safety Code and, notwithstanding subdivision (c) of Section 25257.1 of the Health and Safety Code, the reusable grocery bag shall not be considered as a product category already regulated or subject to regulation.

(6) Complies with Section 260.12 of Part 260 of Title 16 of the Code of Federal Regulations related to recyclable claims if the reusable grocery bag producer makes a claim that the reusable grocery bag is recyclable.

(b) (1) In addition to the requirements in subdivision (a), a reusable grocery bag made from plastic film shall meet all of the following requirements:

(A) On and after January 1, 2016, it shall be made from a minimum of 20 percent postconsumer recycled material.

(B) On and after January 1, 2020, it shall be made from a minimum of 40 percent postconsumer recycled material.

(C) It shall be recyclable in this state, and accepted for return at stores subject to the at-store recycling program (Chapter 5.1 (commencing with Section 42250)) for recycling.

(D) It shall have, in addition to the information required to be printed on the bag or on a tag, pursuant to paragraph (4) of subdivision (a), a statement that the bag is made partly or wholly from postconsumer recycled material and stating the postconsumer recycled material content percentage, as applicable.

(E) It shall be capable of carrying 22 pounds over a distance of 175 feet for a minimum of 125 uses and be at least 2.25 mils thick, measured according to the American Society of Testing and Materials (ASTM) Standard D6988-13.

(2) A reusable grocery bag made from plastic film that meets the specifications of the American Society of Testing and Materials (ASTM) International Standard Specification for Compostable Plastics D6400, as updated, is not required to meet the requirements of subparagraph (A) or (B) of paragraph (1), but shall be labeled in accordance with the applicable state law regarding compostable plastics.

(c) In addition to the requirements of subdivision (a), a reusable grocery bag that is not made of plastic film and that is made from any other natural or synthetic fabric, including, but not limited to, woven or nonwoven nylon, polypropylene, polyethylene-terephthalate, or Tyvek, shall satisfy all of the following:

(1) It shall be sewn.

(2) It shall be capable of carrying 22 pounds over a distance of 175 feet for a minimum of 125 uses.

(3) It shall have a minimum fabric weight of at least 80 grams per square meter.

(d) On and after July 1, 2016, a store as defined in paragraph (3), (4), or (5) of subdivision (g) of Section 42280, shall comply with the requirements of this section.

42281.5. On and after July 1, 2015, a producer of reusable grocery bags made from plastic film shall not sell or distribute a reusable grocery bag in this state unless the producer is certified by a third-party certification entity pursuant to Section 42282. A producer shall provide proof of certification to the department demonstrating that the reusable grocery bags produced by the producer comply with the provisions of this article. The proof of certification shall include all of the following:

(a) Names, locations, and contact information of all sources of postconsumer recycled material and suppliers of postconsumer recycled material.

(b) Quantity and dates of postconsumer recycled material purchases by the reusable grocery bag producer.

(c) How the postconsumer recycled material is obtained.

(d) Information demonstrating that the postconsumer recycled material is cleaned using appropriate washing equipment.

42282. (a) Commencing on or before July 1, 2015, the department shall accept from a reusable grocery bag producer proof of certification conducted by a third-party certification entity, submitted under penalty of perjury, for each type of reusable grocery bag that is manufactured, imported, sold, or distributed in the state and provided to a store for sale or distribution, at the point of sale, that meets all the applicable requirements of this article. The proof of certification shall be accompanied by a certification fee, established pursuant to Section 42282.1.

(b) A reusable grocery bag producer shall resubmit to the department proof of certification as described in subdivision (a) on a biennial basis. A reusable grocery bag producer shall provide the department with an updated proof of certification conducted by a third-party certification entity if any modification that is not solely aesthetic is made to a previously certified reusable bag. Failure to comply with this subdivision shall result in removal of the relevant information posted on the department's Internet Web site pursuant to paragraphs (1) and (2) of subdivision (e) for each reusable bag that lacks an updated proof of certification conducted by a third-party certification entity.

(c) A third-party certification entity shall be an independent, accredited (ISO/IEC 17025) laboratory. A third-party certification entity shall certify that the producer's reusable grocery bags meet the requirements of Section 44281.

(d) The department shall provide a system to receive proofs of certification online.

(e) On and after July 1, 2015, the department shall publish a list on its Internet Web site that includes all of the following:

(1) The name, location, and appropriate contact information of certified reusable grocery bag producers.

(2) The reusable grocery bags of producers that have provided the required certification.

(f) A reusable grocery bag producer shall submit applicable certified test results to the department confirming that the reusable grocery bag meets the requirements of this article for each type of reusable grocery bag that is manufactured, imported, sold, or distributed in the state and provided to a store for sale or distribution.

(1) A person may object to the certification of a reusable grocery bag producer pursuant to this section by filing an action for review of that certification in the superior court of a county that has jurisdiction over the reusable grocery bag producer. The court shall determine if the reusable grocery bag producer is in compliance with the requirements of this article.

(2) A reusable grocery bag producer whose certification is being objected to pursuant to paragraph (1) shall be deemed in compliance with this article pending a determination by the court.

(3) Based on its determination, the court shall direct the department to remove the reusable grocery bag producer from, or retain the reusable grocery bag producer on, its list published pursuant to subdivision (e).

(4) If the court directs the department to remove a reusable grocery bag producer from its published list, the reusable grocery bag producer shall remain off of the published list for a period of one year from the date of the court's determination.

42282.1. (a) A reusable grocery bag producer shall submit the fee established pursuant to subdivision (b) to the department when providing proof of certification or recertification pursuant to Sections 42281.5 and 42282.

(b) The department shall establish an administrative certification fee schedule that will generate fee revenues sufficient to cover, but not exceed, the department's reasonable costs to implement this article. The department shall deposit all moneys submitted pursuant to this section into the Reusable Grocery Bag Fund, which is hereby established in the State Treasury. Notwithstanding Section 11340 of the Government Code, moneys in the fund are continuously appropriated, without regard to fiscal year, to the department for the purpose of implementing this article.

Article 3. Single-Use Carryout Bags

42283. (a) Except as provided in subdivision (e), on and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not provide a single-use carryout bag to a customer at the point of sale.

(b) (1) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not sell or distribute a reusable grocery bag at the point of sale except as provided in this subdivision.

(2) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may make available for purchase at the point of sale a reusable grocery bag that meets the requirements of Section 44281.

(3) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, that makes reusable grocery bags available for purchase pursuant to paragraph (2) shall not sell the reusable grocery bag for less than ten cents (\$0.10) in order to ensure that the cost of providing a reusable grocery bag is not subsidized by a customer who does not require that bag.

(c) (1) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not sell or distribute a recycled paper bag except as provided in this subdivision.

(2) A store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may make available for purchase a recycled paper bag. On and after July 1, 2015, the store shall not sell a recycled paper bag for less than ten cents (\$0.10) in order to ensure that the cost of providing a recycled paper bag is not subsidized by a consumer who does not require that bag.

(d) Notwithstanding any other law, on and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, that makes reusable grocery bags or recycled paper bags available for purchase at the point of sale shall provide a reusable grocery bag or a recycled paper bag at no cost at the point of sale to a customer using a payment card or voucher issued by the

California Special Supplemental Food Program for Women, Infants, and Children pursuant to Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code or an electronic benefit transfer card issued pursuant to Section 10072 of the Welfare and Institutions Code.

(e) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may distribute a compostable bag at the point of sale, if the compostable bag is provided to the consumer at the cost specified pursuant to paragraph (2), the compostable bag, at a minimum, meets the American Society for Testing and Materials (ASTM) International Standard Specification for Compostable Plastics D6400, as updated, and in the jurisdiction where the compostable bag is sold and in the jurisdiction where the store is located, both of the following requirements are met:

(1) A majority of the residential households in the jurisdiction have access to curbside collection of foodwaste for composting.

(2) The governing authority for the jurisdiction has voted to allow stores in the jurisdiction to sell to consumers at the point of sale a compostable bag at a cost not less than the actual cost of the bag, which the Legislature hereby finds to be not less than ten cents (\$0.10) per bag.

(f) A store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not require a customer to use, purchase, or accept a single-use carryout bag, recycled paper bag, compostable bag, or reusable grocery bag as a condition of sale of any product.

42283.5. On and after July 1, 2016, a store, as defined in paragraph (3), (4), or (5) of subdivision (g) of Section 42280, shall comply with the same requirements of Section 42283 that are imposed upon a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280.

42283.6. (a) The operator of a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280 that makes recycled paper or reusable grocery bags available at the point of sale, shall be subject to the provisions of the at-store recycling program (Chapter 5.1 (commencing with Section 42250)).

(b) A store that voluntarily agrees to comply with the provisions of this article pursuant to subdivision (g) of Section 42280, shall also comply with the provisions of the at-store recycling program (Chapter 5.1 (commencing with Section 42250)).

42283.7. All moneys collected pursuant to this article shall be retained by the store and may be used only for the following purposes:

(a) Costs associated with complying with the requirements of this article.

(b) Actual costs of providing recycled paper bags or reusable grocery bags.

(c) Costs associated with a store's educational materials or educational campaign encouraging the use of reusable grocery bags.

42284. (a) A retail establishment not specifically required to comply with the requirements of this chapter is encouraged to reduce its distribution of single-use plastic carryout bags.

(b) Pursuant to the provisions of subdivision (g) of Section 42280, any retail establishment that is not a

"store," that provides the department with the irrevocable written notice as specified in subdivision (c), shall be regulated as a "store" for the purposes of this chapter.

(c) The irrevocable written notice shall be dated and signed by an authorized representative of the retail establishment, and shall include the name and physical address of all retail locations covered by the notice. The department shall acknowledge receipt of the notice in writing and shall specify the date the retail establishment will be regulated as a "store," which shall not be less than 30 days after the date of the department's acknowledgment. The department shall post on its Internet Web site, organized by county, the name and physical location or locations of each retail establishment that has elected to be regulated as a "store."

Article 4. Enforcement

42285. (a) A city, a county, a city and county, or the state may impose civil liability on a person or entity that knowingly violated this chapter, or reasonably should have known that it violated this chapter, in the amount of one thousand dollars (\$1,000) per day for the first violation of this chapter, two thousand dollars (\$2,000) per day for the second violation, and five thousand dollars (\$5,000) per day for the third and subsequent violations.

(b) Any civil penalties collected pursuant to subdivision (a) shall be paid to the office of the city attorney, city prosecutor, district attorney, or Attorney General, whichever office brought the action. The penalties collected pursuant to this section by the Attorney General may be expended by the Attorney General, upon appropriation by the Legislature, to enforce this chapter.

Article 5. Preemption

42287. (a) Except as provided in subdivision (c), this chapter is a matter of statewide interest and concern and is applicable uniformly throughout the state. Accordingly, this chapter occupies the whole field of regulation of reusable grocery bags, single-use carryout bags, and recycled paper bags, as defined in this chapter, provided by a store, as defined in this chapter.

(b) On and after January 1, 2015, a city, county, or other local public agency shall not enforce, or otherwise implement, an ordinance, resolution, regulation, or rule, or any amendment thereto, adopted on or after September 1, 2014, relating to reusable grocery bags, single-use carryout bags, or recycled paper bags, against a store, as defined in this chapter, unless expressly authorized by this chapter.

(c) (1) A city, county, or other local public agency that has adopted, before September 1, 2014, an ordinance, resolution, regulation, or rule relating to reusable grocery bags, single-use carryout bags, or recycled paper bags may continue to enforce and implement that ordinance, resolution, regulation, or rule that was in effect before that date. Any amendments to that ordinance, resolution, regulation, or rule on or after January 1, 2015, shall be subject to subdivision (b), except the city, county, or other local public agency may adopt or amend an ordinance, resolution, regulation, or rule to increase the amount that a store shall charge with regard to a recycled paper bag, compostable bag, or reusable grocery bag to no less than the amount specified in Section 42283.

(2) A city, county, or other local public agency not covered by paragraph (1) that, before September 1, 2014, has passed a first reading of an ordinance or resolution expressing the intent to restrict single-use carryout bags and, before January 1, 2015, adopts an ordinance to

restrict single-use carryout bags, may continue to enforce and implement the ordinance that was in effect before January 1, 2015.

Article 6. Financial Provisions

42288.

[Subdivision (a) of this section is not subject to referendum]

(b) The department may expend, if there are applicants eligible for funding from the Recycling Market Development Revolving Loan Subaccount, the funds appropriated pursuant to this section to provide loans for both of the following:

(1) Development and conversion of machinery and facilities for the manufacture of single-use plastic bags into machinery and facilities for the manufacturer of durable reusable grocery bags that, at a minimum, meet the requirements of Section 42281.

(2) Development of equipment for the manufacture of reusable grocery bags, that, at a minimum, meet the requirements of Section 42281.

(c) A recipient of a loan authorized by this section shall agree, as a condition of receiving the loan, to retain and

retrain existing employees for the manufacturing of reusable grocery bags that, at a minimum, meet the requirements of Section 42281.

(d) Any moneys appropriated pursuant to this section not expended by the end of the 2015–16 fiscal year shall revert to the Recycling Market Development Revolving Loan Subaccount for expenditure pursuant to Article 3 (commencing with Section 42010) of Chapter 1.

(e) Applicants for funding under this section may also apply for funding or benefits from other economic development programs for which they may be eligible, including, but not limited to, both of the following:

(1) An income tax credit, as described in Sections 17059.2 and 23689 of the Revenue and Taxation Code.

(2) A tax exemption pursuant to Section 6377.1 of the Revenue and Taxation Code.

SEC. 2. No later than March 1, 2018, the department, as a part of its reporting requirement pursuant to Section 40507 of the Public Resources Code, shall provide a status report on the implementation of Chapter 5.3 (commencing with Section 42280) of Part 3 of Division 30 of the Public Resources Code.