

## Legislation Text

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**File #:** 090075, **Version:** 1

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Amending Chapter 9-600 of The Philadelphia Code, entitled "Service and Other Businesses," by adding a new Section 9-614, entitled "Advanced Recovery Fee (Green Fee) for disposable shopping bags," to establish an advanced recovery fee (a green fee) for disposable shopping bags, all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

Section 1. Chapter 9-600 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 9-600. SERVICE AND OTHER BUSINESSES.

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§ 9-614. [Reserved.] Advanced Recovery Fee (Green Fee) for disposable shopping bags.

(1) Purpose.

The purpose of the Green Fee established by this Ordinance is to regulate the generation of waste from disposable shopping bags by creating an economic incentive for customers to use reusable shopping bags. To further promote the use of reusable shopping bags and reduce the quantity of disposable shopping bags entering the City's waste stream, the Director of Sustainability is authorized to make available to the public free-of-charge reusable shopping bags to the extent the Director determines that such a program will significantly reduce the costs associated with the recycling and disposal of disposable shopping bags.

(2) Definitions.

(a) "Advanced Recovery Fee" or "Green Fee" means a charge or regulatory fee levied against the distribution, purchase, or use of a product in order to discourage its use, thereby reducing its presence in the waste stream and its ancillary environmental impacts, and to recover costs associated with the recycling or disposal of the product.

(b) "Compostable Plastic Bag" means a plastic bag that is certified and labeled as meeting the current ASTM Standard by a recognized verification entity such as the Biodegradable Product Institute.

(c) "Convenience stores" means all retail stores falling under North American Industry Classification System (NAICS) code 445120 (convenience stores) or NAICS code 447110 (gasoline stations with convenience stores).

(d) "Director" means the Director of Sustainability or such other officer, agent or employee of the City as the Mayor shall designate to fulfill the responsibilities set forth herein.

(e) "Disposable shopping bag" means a bag of any material, commonly kraft paper or plastic film, designed for one-time use to carry customer purchases from a store. "Disposable shopping bag" does not include: bags used by customers inside stores to package bulk items such as fruit, vegetables, nuts, grains,

candy, or small hardware items, such as nails and bolts; bags used to contain or wrap frozen foods, meat or fish, whether prepackaged or not, flowers or potted plants, or other items where dampness may be a problem; bags used to protect prepared foods or bakery goods; bags provided by pharmacists to contain prescription drugs; recyclable paper bags, compostable plastic bags, or newspaper bags, door-hanger bags, laundry-dry cleaning bags, or bags sold in packages containing multiple bags intended for use as garbage, pet waste, or yard waste bags.

(f) "Drug stores" means all retail stores falling under NAICS code 446110 (pharmacies and drug stores) or NAICS code 446191 (food and health supplement stores).

(g) "Grocery store" means all food stores falling under NAICS code 445110 (supermarkets and other grocery), or NAICS code 452910 (warehouse clubs and supercenters).

(h) "Recyclable Paper Bags" means paper bags that contain no old growth fiber, are 100% recyclable overall, and contain a minimum of 40% post-consumer recycled content.

(3) Advanced Recovery Fee (Green Fee) for disposable shopping bags.

(a) All grocery stores, drug stores, and convenience stores shall charge and collect a twenty five cents (\$0.25) Advanced Recovery Fee, known also as a Green Fee, for each disposable shopping bag provided to customers. It shall be a violation of this Section for any store that is subject to the requirements of this Section to pay or otherwise reimburse a customer for any portion of the Green Fee.

(b) All grocery stores, drug stores, and convenience stores shall indicate on the customer transaction receipt the number of disposable shopping bags provided and the total amount of the Green Fee charged.

(c) The Director of Sustainability may establish by regulations, limitations on the application of the Green Fee for sales of non-grocery merchandise at warehouse clubs and supercenters.

(d) On a quarterly basis and as otherwise may be required by the Director, all stores required to collect Green Fees under this Section shall report and remit the City's portion of the Green Fees collected to the Director, as provided below, and may retain the remaining portion to offset administrative and other costs incurred in implementing the Green Fee required by this Section.

(1) Grocery stores, drug stores, and convenience stores with annual gross sales of less than one million dollars (\$1,000,000) (which total includes the gross sales from all such stores doing business in the City under the same trade name) may retain one hundred percent (100%) of the total amount collected.

(2) Grocery stores, drug stores, and convenience stores with annual gross sales of one million dollars (\$1,000,000) or more (which total includes the gross sales from all such stores doing business in the City under the same trade name) shall remit seventy-five percent (75%) of the total amount collected to the City.

(3) Payments and receipts shall be reported on forms prescribed by the Revenue Department. The form shall be signed by a responsible officer or agent of the store. The individual signing the form shall swear or affirm that the information in the form is true and complete.

(e) The Revenue Department shall develop and maintain a database of all grocery stores, drug stores, and convenience stores required to collect the Green Fee and shall collect and deposit payments into the City's General Fund.

(4) Penalties.

If payment of any amounts due under this Section are not received by the Revenue Department on or before the due date, the Revenue Department shall add interest and a penalty calculated in the same manner as the penalty imposed under Section 19-509(1). Nothing in this subsection shall be construed to deem any fees required under this Chapter to be a tax.

SECTION 2. This Ordinance shall take effect one (1) year after it becomes law, provided that the Director is authorized to promulgate any regulations and take any other actions needed to prepare for implementation of this Ordinance immediately after this Ordinance becomes law.