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POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-47
on first reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2018-47

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 4 "REVENUE AND FINANCE" OF THE SITKA GENERAL CODE BY ADDING CHAPTER 4.15 "SINGLE-USE CARRYOUT BAG FEE", BY CHARGING A PER-BAG FEE ON SINGLE-USE CARRYOUT BAGS PROVIDED BY A VENDOR TO A CUSTOMER AT A CHECK-OUT STAND OR COUNTER

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.

3. **PURPOSE.** The single-use carryout bag fee is necessary to address the environmental problems associated with disposable bags. The purpose of this ordinance is to increase the number of reusable bags being used in Sitka and reduce the number of single-use carryout bags distributed and disposed of in Sitka, while also providing funding to the general fund.

This ordinance establishes a per-bag fee on each single-use carryout plastic bag and each single-use carryout paper bag provided by a vendor to a customer at a check-out stand or counter, beginning on April 1, 2019.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka a new Chapter to Title 4 of the Sitka General Code, Chapter 4.15 entitled "Single-use Carryout Bag Fee", which reads as follows: (new language underlined;):

TITLE 4
REVENUE AND FINANCE

* * *

Chapter 4.15
SINGLE-USE CARRYOUT BAG FEE

Sections:

- 4.15.010 Definitions.
- 4.15.020 Levy of the single-use carryout bag fee.
- 4.15.030 Collection and remittance of the single-use carryout bag fee.
- 4.15.040 Use of funds.
- 4.15.050 Required signage for vendors.
- 4.15.060 Procedures on delinquencies.

* * *

53 **4.15.010 Definitions.**

54 The following terms used in this chapter have the following meanings unless the context clearly
55 indicates otherwise:

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57 A. "Single-use carryout bag" is defined as a light-weight, disposable bag provided by a vendor to
58 a customer at a check-out stand or counter that is made from plastic or plastic-like material or
59 paper into which merchandise or goods are typically placed for the purpose of carrying the
60 merchandise or goods out of a vendor's place of business. Plastic film bags of any thickness
61 are included in this definition of a single-use carryout bag. A single-use carryout bag is not a
62 Reusable Bag as defined below.

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64 B. "Single-use carryout bag" does not include:

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66 1. Bags used by consumers inside stores to:

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68 a. Package bulk items, such as fruit, vegetables, nuts, grains, candy or small
69 hardware items;

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71 b. Contain or wrap ice, frozen foods, meat, or fish;

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73 c. Contain or wrap flowers, potted plants, or other items where dampness may be
74 problem;

75
76
77 d. Contain unwrapped prepared foods or bakery goods; or

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79 e. A non-handled bag used to protect a purchased item from damaging or
80 contaminating other purchased items when placed in another bag.

81
82 2. Bags provided by pharmacists to contain prescription drugs.

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84 3. Newspaper bags, door-hanger bags, laundry-dry cleaning bags, or bags sold in
85 packages containing multiple bags for uses such as food storage, garbage, pet waste, or
86 yard waste bags.

87
88 C. "Vendor" means a retail establishment or business located within the Sitka city limits and
89 includes:

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91 1. Temporary vending establishments, and

92
93 2. Vendors at farmer's markets or other temporary events where sales tax is collected.

94
95
96 D. "Reusable Bag" means a bag that is:

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98 1. Designed and manufactured to withstand repeated uses over a period of time;

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100 2. Is made from a material that can be cleaned and disinfected regularly, preferably in a
101 washing machine;

- 102
- 103 3. Has a minimum lifetime of 125 uses; and
- 104
- 105 4. Has the capability of carrying a minimum of 22 pounds.
- 106

107 E. "Single-use carryout bag fee" means a fee imposed by the city and borough and required to
108 be paid by each customer making a purchase from a vendor for each single-use carryout bag
109 used during the purchase.

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111 **4.15.020 Levy of the single-use carryout bag fee.**

112 A. The municipality hereby levies a per-bag fee (sometimes referred to as an excise tax) on
113 each single-use carryout plastic bag and each single-use carryout paper bag provided by a
114 vendor to a customer at a check-out stand or counter. On or after April 1, 2019, a vendor may
115 only make single-use carryout bags available to customers if the vendor collects a fee of fifteen
116 cents per plastic bag and ten cents per paper bag. On or after April 1, 2020, a vendor may only
117 make single-use carryout bags available to customers if the vendor collects a fee of twenty five
118 cents per plastic bag and fifteen cents per paper bag. The bag fee will be reported and remitted
119 quarterly at the same time as and with sales tax.

- 120
- 121 1. For each single-use carryout bag provided to a customer, vendors shall collect from
122 customers, and customers shall pay, at the time of purchase, a single-use carryout bag
123 fee per bag as stated in section 4.15.020.A.
- 124
- 125 2. Vendors shall record the number of single-use carryout bags provided and the total
126 amount of single-use carryout bag fees collected on the customer transaction receipt.
- 127
- 128 3. A vendor shall not refund to the customer any part of the single-use carryout bag fee,
129 nor shall the vendor advertise or state to customers that any part of the single-use
130 carryout bag fee will be refunded to the customer.
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- 132 4. A vendor shall not exempt any customer from any part of the single-use carryout bag
133 fee for any reason.
- 134

135 **4.15.030 Collection and remittance of the single-use carryout bag fee.**

136 A. The amount of the single-use carryout bag fee collected by a vendor shall be remitted to the
137 city and borough. The fees collected by a vendor shall be remitted quarterly at the same time
138 as and with sales tax and shall be used only as set forth in section 4.15.040.

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140 B. The finance department shall provide the necessary return form for vendors to file with the
141 city and borough to demonstrate compliance with the provisions of this ordinance.

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143 **4.15.040 Use of funds.**

144 All fees collected and remitted under the terms of this chapter shall be deposited by the finance
145 director in the general fund of the city and borough and shall be used for the operating and
146 capital expenditures of the city and borough.

147

148 **4.15.050 Required signage for vendors.**

149 Every vendor subject to the collection of the single-use carryout bag fee shall display a sign in a
150 location outside or inside of the business, viewable by customers, alerting customers to the city
151 and borough of Sitka's single-use carryout bag fee.
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153 **4.15.060 Procedures on delinquencies.**

154 If a vendor fails to file the return or make the remittance in accordance with this chapter, the
155 finance director may make written demand upon the vendor, mailed to its last known address,
156 for submission of the return and/or remittance. In the event of noncompliance with the demand,
157 the finance director may assess a penalty of one hundred dollars for the first failure, two
158 hundred dollars for the second failure, and five hundred dollars for the third and every
159 subsequent failure. Also, the finance director may publish in a newspaper of general circulation
160 within the city and borough the name of the vendor assessed with a penalty, and the amount of
161 the penalty, for violating this chapter.
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163 **5. EFFECTIVE DATE.** This ordinance shall become effective April 1, 2019.
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165 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
166 Sitka, Alaska, this 25th day of September, 2018.
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169 _____
Matthew Hunter, Mayor

170 **ATTEST:**
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173 _____
174 Sara Peterson, MMC
175 Municipal Clerk

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177 1st reading 9/11/18
178 2nd reading 9/25/18
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180 Sponsors: Knox / Wein / Potrzuski