



January 31, 2018

The Honorable Jonathan Singer, Chair
House Committee on Local Government
Colorado General Assembly
Denver, CO 80203

RE: Opposition to HB 1054

Good afternoon Chairman Singer and members of the committee:

On behalf of the American Progressive Bag Alliance (APBA), an organization that represents our country's plastic retail bag manufacturers and recyclers, thank you for the opportunity to be with you today to share our collective concerns with HB 1054, the plastic shopping bag tax that would impose a regressive 25-cent transaction fee whenever plastic grocery bags are provided to shoppers in Colorado.

We respect and applaud Representative Rosenthal, Senator Court and others for taking the goals of waste and litter reduction seriously. We too care deeply about environmental stewardship and sustainability, which is why the APBA and its members are pioneers in the field of plastic film recycling. Our industry manufactures plastic bags and film and promotes the responsible use, re-use, recycling and disposal of these American-made products. Reducing waste is the right thing to do, and it's a solid business principle.

As a waste reduction measure—and not just a fundraising bill—HB 1054 is flawed. Bag taxes may lead to fewer plastic retail bags being used, but similar policies have never delivered meaningful reductions in overall waste or litter. What bag taxes do instead is impose a regressive, inequitable burden on an area's most income-sensitive residents. And that's a serious cost to consider for Colorado's working families and fixed-income seniors.

Faced with similar tax-based proposals, Minneapolis, MN chose not to move forward with the enactment of a city bag tax. New York's Governor Cuomo signed legislation last year to keep a regressive tax from hitting New York City's working families. Additionally, the State of Maryland has repeatedly voted down measures to implement a statewide bag tax since the cost versus benefit calculus revealed the public burden to be unjustifiable and unfair in light of limited-to-no environmental benefits.

When Denver explored, and ultimately rejected, a bag ordinance in 2013, the city's Office of Sustainability concluded, "Single-use bags of all types constitute well under one percent of all waste delivered to landfills... There are no substantiated claims that a bag fee will result in entirely eliminating even this tiny fraction of waste sent to landfills... Concluding that a bag fee will make a substantial dent in waste going to landfills is misguided." Likewise, voters in Durango overturned a 10-cent bag fee in 2013, and in 2014, the Fort Collins City Council repealed their local fee.

Beyond the economic impact for individual families and shoppers, HB 1054 would require Colorado businesses—many of whom are APBA members' customers—to track, report and remit grocery bag tax revenue to the state. These additional reporting, training and compliance obligations will increase the cost of doing business in Colorado—and those higher costs may not be covered by the one-percent allowance this bill designates for grocers. Those costs, as the Denver Post editorialized, could end up being passed down as an additional consumer burden, on top of the initial regressive transaction fee.

Thank you for your time and consideration.

Matt Seaholm
Executive Director, American Progressive Bag Alliance