



Single-Use Carry-Out Bag Ordinance

Information for Retailers

The Town of Los Gatos has adopted a Single-Use Carry-Out Bag Ordinance to reduce the environmental impacts and pollution from plastic bags, to reduce waste, and promote a shift towards reusable bags.

Starting February 3, 2014, retail stores in Los Gatos may not provide plastic carry-out bags, and must charge a minimum of 10 cents for each paper or reusable bag sold to customers.

Customers may bring their own reusable bags or purchase paper or reusable bags from stores.

Enforcement

Enforcement of the ordinance will be on a complaint basis. Repeated non-compliance with the terms of the ordinance (including providing false information or incomplete records) is considered a Los Gatos Code violation, subject to warning, citation and/or imposition of fines after February 3, 2014.

Please contact the Town if you have any concerns about compliance or enforcement. Staff is available to assist you.

More Information

www.LosGatosCA.gov/ReusableBags

(408) 354-6834

Requirements for Retailers Starting February 3, 2014

- The Single-Use Carry-Out Bag Ordinance applies to retail establishments selling perishable or nonperishable *goods* directly to the customer, such as food, clothing, or personal items.
- The ordinance does not apply to restaurants, nonprofit charitable reusers (thrift stores); or stores providing a *service* (e.g. dry cleaners), unless they also sell goods (e.g. hair salon).
- Starting February 3, 2014 retail stores may **not** provide single-use plastic carry-out bags to customers (plastic carry-out bags are banned). Customers may bring their own reusable bags or purchase bags from stores.
- Stores may provide customers with a recycled paper bag or reusable bag, but only if the store charges a minimum price of 10 cents per bag. Stores may exempt customers paying for goods with WIC, CalFresh, SNAP or other food stamp cards from bag charges. Stores retain money collected from bag charges. The 10 cent bag charge is exempt from sales tax.
- Protective bags (without handles) may be provided at no charge for use to segregate and transport items to the cashier (e.g. bags for meat, produce, prescriptions, greeting cards, live fish, or bulk items).
- Paper bags must contain a minimum of 40% postconsumer recycled content, be 100% recyclable, and show specific information.
- Reusable bags must be made of machine-washable fabric; or durable plastic that is at least 2.25 mil thick (not current plastic carryout bags).
- Stores must itemize paper and reusable bag sales on customer receipts, retain records of the number of bag sales for three years, and provide records if requested by the Town.
- Enforcement is on a complaint basis.



Tips for Retailers to Stay On Track

- ✓ **Phase out plastic carryout bags:** Use up your current supply or exchange for compliant bags before February 3, 2014. Donate unused supply to nonprofit charitable thrifts or food banks (exempt retail establishments).
- ✓ **Find a source for recycled paper and reusable bags:** Talk to your distributor now to find bags that meet ordinance requirements or use the bag supplier list on page 4.
- ✓ **Create a record-keeping system by February 3, 2014:** Develop a system to track the purchase and sale of paper and reusable bags.
 - Assign bar codes to bags and program cash registers to show bag charges on customer receipts.
 - For a baseline, note how many paper and reusable bags were provided the month *before* the ordinance was implemented.
 - Keep records at the store for three years.
- ✓ **Prepare your employees:** Teach them to always ask if the customer wants to use their own bags or purchase recycled paper or reusable bags for a minimum charge of 10 cents per bag.
 - Inform cashiers that customers paying for goods with WIC, CalFresh, SNAP food stamp cards may be exempt from bag charges.
 - Understand the reason for the bag charge is to deter the use of paper bags and promote a shift toward the use of reusable bags to reduce waste. Stores retain money collected from bag charges, which are not subject to sales tax.
 - Protective bags include bags for meat, produce, prescriptions, greeting cards, live fish or bulk items (exempt from bag charges). Banned plastic bags do not qualify as protective bags unless handles are removed.
- ✓ **Prepare your customers:** Display window posters and cashier tents. Offer free reusable bags for a promotion before February 3rd. The Town will also educate customers through newspaper advertisements, press releases and email blasts.
- ✓ **Get help:** The Town provides stores with technical assistance to answer questions and provide materials to train employees and educate customers. Call now to schedule an appointment at your store.



For Additional Information

Visit: www.LosGatosCA.gov/ReusableBags

Call: 408-354-6834

View the full ordinance language at www.LosGatosCA.gov/ReusableBags

Bag Specifications

Bags offered for sale at checkout must meet the following requirements:

Recycled Paper Bags

- ✓ Made with a minimum of 40% postconsumer recycled content paper.
- ✓ May not contain old growth tree fiber.
- ✓ Must be 100% recyclable (no plastic handles).
- ✓ Must have printed in a highly visible manner on the outside of the bag:
 - “Reusable” and “Recyclable”
 - Name and location of bag manufacturer
 - Percentage postconsumer recycled content

Reusable Bags

- ✓ Made of cloth or other machine washable fabric with handles; or
- ✓ A durable plastic bag (with handles) at least 2.25 mil thick and specifically designed and manufactured for multiple reuse.

See list of paper and reusable bag suppliers p.4



Sales of Recycled Paper and Reusable Bags

- Stores must charge a minimum of ten cents per bag in the first year that the ordinance is in effect.
- All sales of bags must be itemized on the customer receipt.
- All proceeds from the sale of bags are retained by the retailer without restrictions on use.
- Stores must provide paper carryout bags at no charge to customers paying with WIC, CalFresh, SNAP or other food stamp cards.
- Stores must keep complete and accurate records of all reusable or paper bag sales for a minimum of three years, readily available for Town inspection.
- Per the State Board of Equalization, sales tax does not apply to the 10 cent bag surcharge because it is a charge imposed by the Town upon the customer, not the retailer. For further information about tax reporting requirements, visit www.boe.ca.gov/news/pdf/1282.pdf.



Use of Protective Bags

Stores may provide customers with plastic or paper protective bags (without handles) at no charge for use to segregate and transport the following items to the cashier:

- Meat
- Produce
- Prescriptions
- Greeting cards
- Live fish
- Bulk foods or hardware (e.g. nails)



*Old supplies of banned plastic carryout bags do **not** qualify as protective bags unless handles are removed.*



List of Bag Suppliers*

Reusable Bags		
1 Bag at a Time, Inc.	www.onebagatatime.com	(310) 649-3888
Ad Plus LLC	www.adpluspromotions.com	(408) 528-0818
Bunzl Distribution	www.bunzldistribution.com	(800) 274-1180
Chico Bag	www.chicobag.com	(530) 342-4426
Envirosax LLC	www.envirosax.com	(858) 537-6525
Simply Green Solutions	www.simplygreensolutions.com	(626) 943-2828 ext 101
Store Supply (small quantities available)	www.storesupply.com	(800)-823-8887
Vineyard Unlimited	www.vineyardunlimited.com	(408) 265-1517
Western Textile	www.bagmakers.com	(415) 255-2010

Recycled Paper Bags		
Adrite Promotions	www.adritepromotions.com	(510) 832-6589
Advance Paper Systems	www.apspackaging.com	(408) 286-7770
California Supply North, Inc.	www.calsupply.com	(510) 429-0300 ext 140
Central Cash & Carry	www.centralcashandcarry.com	(408) 975-2485
Luna Packaging LLC	www.lunapackaging.com	(510) 522-5862
Moresco Distributing	www.moresco.biz	(707) 773-2500 ext 112
TreeCycle	www.treecycle.com	(406) 550-3116
Webb Enterprises	www.pacificwesternsales.com	(408) 655-5226

*This list of “Bag Suppliers” in no way implies or conveys that the Town of Los Gatos endorses these suppliers, nor the quality or compliance of their products with respect to the Town of Los Gatos. The list is provided as a courtesy, for informational purposes only, and is not a complete list of suppliers. It is the responsibility of anyone who uses this list to validate the qualifications and compliance of each bag with the Town of Los Gatos Reusable Bag Ordinance *prior* to purchasing bags from suppliers. The Town is not responsible for any expenses that may be associated with using this list.

RETAILER FREQUENTLY ASKED QUESTIONS

What is the Single-Use Carry-Out Bag Ordinance?

Starting on February 3, 2014, retail stores in the Town of Los Gatos may not provide single-use plastic carryout bags (including compostable bags) at the checkout stand. Stores may provide paper bags and reusable bags for a minimum charge of ten cents per bag.

Why is the Town of Los Gatos adopting a Reusable Bag Ordinance?

- In Los Gatos, it is estimated that 16 million single-use plastic bags are used yearly, but less than 5% are recycled. The rest end up in landfills or as litter in waterways, damaging storm water utility systems and harming the marine environment.
- California taxpayers spend \$25 million annually to clean up litter, including plastic bags.
- The Municipal Regional Stormwater Permit requires a reduction in plastic bag litter in waterways.
- Ordinances have proven effective in other cities. After one year, San Jose found an 89% reduction in bag litter in storm drains, 60% reduction in streets, and increase in use of reusable bags from 4% to 62%.

Are produce, meat and pharmacy bags allowed?

Protective bags made from paper or plastic, **without** handles, can be provided **if** used to:

- Transport prepared food, produce, bulk food or items, meat, or produce.
- Hold *prescription* medication from a pharmacy.
- Segregate food or goods that could damage or contaminate other food or goods **when placed together in a reusable or recycled paper bag**.

Banned plastic carryout bags are **not** protective bags.

What stores are affected by the ordinance?

The ordinance affects any retail store that sells perishable or nonperishable **goods** directly to a customer. Examples include grocery, pharmacy, clothing, mini-marts, liquor, video, pet and hardware stores.

What businesses are exempt from the ordinance?

- Any public eating establishment that generates 90% or more of its revenue from the sale of prepared food items (e.g. restaurants and fast food).
- Any store providing a **service** (e.g. dry cleaners), but not if a **good** is sold (e.g. hair salon).
- Nonprofit charitable reusers (e.g. thrift stores).

Do stores need to charge for bags?

Yes. Stores are required to **charge a minimum of ten cents per paper or reusable bag** to promote a shift towards the use of reusable carryout bags and reduce waste. A store may charge more for reusable bags (e.g. many bags are sold for \$1.00-\$3.00, depending on features).

Who keeps the ten cent charge on bags?

Retailers retain the money to help offset costs for record-keeping, training, and bag supplies. The bag charge makes customers aware that there are **no free carryout bags**.

Do stores need to itemize the sale of bags on the customer receipt?

Yes, all sales of paper or reusable bags must be separately itemized on the customer sales receipt, including the ten cent charge per bag.

May stores provide the paper or reusable carryout bags as a promotion, or discount the 10 cent bag charge?

A retailer may not discount the 10 cent bag charge, but may offer bags as part of a promotion where the costs of *other* goods are discounted to compensate for the 10 cent bag charge. For example, buy 10 items for a sales price and get a reusable bag. To prevent complaints about offering “free bags” prohibited by the ordinance, it should be clear to the customer that the other items are discounted to compensate, and a 10 cent bag charge is printed on the receipt.

Do stores need to keep a record of all bags sold?

Yes, stores must keep records of **how many** reusable and paper bags were **purchased** by the retailer and **sold** to customers; and keep 3 years of records available for Town inspection at the store.

Will the Town assist stores in complying?

Town staff will be available to answer questions and provide a Retailer's Toolkit and signage. **For questions or to obtain a toolkit, call (408) 354-6834** [REDACTED].

What happens if a store does not comply?

The Town will enforce the ordinance on a complaint basis. Repeated non-compliance with the terms of the ordinance, including providing false information or incomplete records, is considered a Town of Los Gatos Code violation, subject to warning, citation and/or fine after February 3, 2014.

Will the ten cent charge on all bags stay the same?

The ordinance requires the paper and reusable bag charge to increase to 25 cents on January 1, 2015.

Is the paper or reusable 10 cent bag charge taxable?

No, refer to the State Board of Equalization at www.boe.ca.gov/news/pdf/l282.pdf for additional information.

Is Los Gatos the only town banning plastic bags and charging for paper and reusable carryout bags?

Los Gatos has joined a regional effort with 24 cities to adopt similar ordinances that will provide consistent regulations in a broad geographical area, lessening confusion for customers and encouraging fair business practices. So far, Campbell, Cupertino, Los Altos, Mountain View, Palo Alto, Sunnyvale, San Jose, and County of Santa Clara have adopted ordinances in this county.