



MOTION: DEVINE

September 28, 2021
Regular Meeting
Ordinance No. 21-24

SECOND: WITHERS

RE: Amending Fredericksburg City Code Chapter 70, Taxation, to Add a New Article XVI Imposing a Five-Cent Tax on Disposable Plastic Bags Provided to Consumers at Certain Retailers

ACTION: APPROVED: Ayes: 7; Nays: 0

FIRST READ: September 14, 2021

SECOND READ: September 28, 2021

Sec. I. Introduction.

In 2020, the Virginia General Assembly passed legislation to authorize Virginia localities to impose a tax of five cents per disposable plastic bag provided to retail customers by grocery stores, drug stores, and convenience stores. The legislation (SB 11) provides that the tax will be collected by the retailers at checkout and requires the localities to allocate the revenues they collect from this tax to environmental cleanup programs, educational programs aimed at waste reduction and pollution and litter mitigation, and provision of reusable bags to low-income populations.

This ordinance amends Fredericksburg City Code Chapter 70, "Taxation," by adopting a new Article XVI, Disposable Plastic Bag Tax, to enact a tax on each disposable plastic bag provided to consumers by certain retailers, in accordance with the provisions of Section 58.1-1745 through Section 58.1-1748 of the Code of Virginia (1950), as amended. The new tax will become effective on January 1, 2022.

City Council held a public hearing on the imposition of this tax on Tuesday, September 14, 2021, in accordance with Code of Virginia § 58.1-3007.

Sec. II. City Code amendment.

It is hereby ordained by the Fredericksburg City Council that City Code Chapter 70, "Taxation," is hereby amended to add a new Article XVI, "Disposable Plastic Bag Tax," as follows:

ARTICLE XVI DISPOSABLE PLASTIC BAG TAX

§ 70-621 Definitions.

For the purpose of this Article, the following words and phrases shall have the meanings ascribed to them by this section:

CONVENIENCE STORE

An establishment that (i) has an enclosed room in a permanent structure where stock is displayed and offered for sale and (ii) maintains an inventory of edible items intended for human consumption consisting of a variety of such items of the types normally sold in grocery stores. No store will be considered a convenience store solely because it offers a limited selection of snacks and beverages for sale at the point of sale.

DRUGSTORE

An establishment that sells medicines prepared by a licensed pharmacist pursuant to a prescription and other medicines and items for home and general use.

GROCERY STORE

An establishment that has an enclosed room in a permanent structure and that sells food and other items intended for human consumption, including a variety of ingredients commonly used in the preparation of meals. This definition does not include food banks, farmers markets, or mobile food units.

§ 70-622 Levy and Rate.

The City hereby imposes a tax in the amount of \$0.05 for each disposable plastic bag provided to a consumer of tangible personal property by retailers in grocery stores, convenience stores, or drugstores. This tax shall be collected whether or not such disposable plastic bag is provided free of charge to the consumer.

§ 70-623 Method of Collection.

The tax imposed by this section shall be collected by the retailer, along with the purchase price and all other fees and taxes, at the time the consumer pays for the tangible personal property being purchased. The Virginia Tax Commissioner shall be responsible for collecting, administering, and enforcing the tax imposed by this article and shall distribute the tax revenue to the City in accordance with Virginia law.

§ 70-624 Retailer Discount.

- A. Until January 1, 2023, every retailer that collects the tax imposed under this Article shall be allowed to retain two cents (\$0.02) from the tax collected on each disposable plastic bag.

- B. Beginning on January 1, 2023, every retailer that collects the tax imposed under this Article shall be allowed to retain one cent (\$0.01) from the tax collected on each disposable plastic bag.
- C. Any retailer that retains a discount pursuant to this Section shall account for it in the form of a deduction when submitting its tax return and paying the amount due in a timely manner.

§ 70-624 Appropriation of Revenue.

All revenue accruing to the City from the tax imposed by this Article shall be appropriated for the following purposes only:

- A. Environmental cleanup;
- B. Providing education programs designed to reduce environmental waste;
- C. Mitigating pollution and litter; and
- D. Providing reusable bags to recipients of Supplemental Nutrition Assistance Program (SNAP) or Women, Infants, and Children Program (WIC) benefits.

§ 70-625 Exemptions.

The tax imposed by this Article shall not apply to the following:

- A. Durable plastic bags with handles that are specifically designed and manufactured for multiple reuse and that are at least four mils thick;
- B. Plastic bags that are solely used to wrap, contain, or package ice cream, meat, fish, poultry, produce, unwrapped bulk food items, or perishable food items in order to avoid damage or contamination;
- C. Plastic bags used to carry dry cleaning or prescription drugs; and
- D. Multiple plastic bags sold in packages and intended for use as garbage, pet waste, or leaf removal bags.

Sec. III Certified Copy to Tax Commissioner.

Council directs the Clerk of Council to provide, at least three months prior to the effective date of this ordinance, a certified copy of the ordinance to the Commonwealth of Virginia Tax Commissioner, as required by Section 58.1- 1745 of the Code of Virginia (1950), as amended.

Sec. IV. Effective date.

This ordinance shall take effect on January 1, 2022.

Votes:

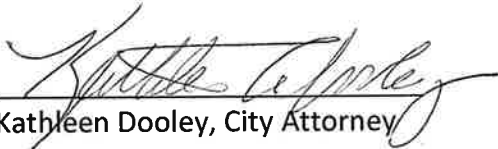
Ayes: Greenlaw, Frye, Devine, Duffy, Graham, Kelly, Withers

Nays: None

Absent from Vote: None

Absent from Meeting: None

Approved as to form:


Kathleen Dooley, City Attorney

Clerk's Certificate

I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Ordinance No. 21-24 duly adopted at a meeting of the City Council meeting held September 28, 2021 at which a quorum was present and voted.


Tonya B. Lacey, MMC
Clerk of Council