SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 2776

STATE OF NEW JERSEY 218th LEGISLATURE

ADOPTED SEPTEMBER 27, 2018

Sponsored by:
Senator BOB SMITH
District 17 (Middlesex and Somerset)
Senator LINDA R. GREENSTEIN
District 14 (Mercer and Middlesex)

SYNOPSIS

Prohibits carryout bags made of plastic film, polystyrene foam food service products, and single-use plastic straws; assesses fee on paper carryout bags.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Environment and Energy Committee.



1 AN ACT concerning single-use carryout bags, polystyrene foam 2 food service products, and single-use plastic straws, and 3 supplementing Title 13 of the Revised Statutes.

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BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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1. As used in this act:

"Carryout bag" means a bag that is provided by a store or food service business to a customer at the point of sale for the purpose of transporting groceries, prepared foods, or retail goods.

"Department" means the Department of Environmental Protection.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

"Food service business" means a business that sells or provides food for consumption on or off the premises, and includes, but is not limited to, any restaurant, café, delicatessen, coffee shop, supermarket or grocery store, vending truck or cart, food truck, movie theater, or business or institutional cafeteria, including those operated by or on behalf of any governmental entity.

"Operator" means a person in control of, or having responsibility for, the daily operation of a store, which may include, but need not be limited to, the owner of the store.

"Plastic" means a synthetic material made from linking monomers through a chemical reaction to create an organic polymer chain that can be molded or extruded at high heat into various solid forms retaining their defined shapes during the life cycle and after disposal.

"Plastic film" means any non-woven, flexible plastic that is less than 10 mils thick.

"Polystyrene foam" means blown polystyrene and expanded and extruded foams that are thermoplastic petrochemical materials utilizing a styrene monomer and processed by a number of techniques, including, but not limited to, fusion of polymer spheres (expandable bead polystyrene), injection molding, foam molding, and extrusion-blow molding (extruded foam polystyrene).

"Polystyrene foam food service product" means a product made, in whole or in part, of polystyrene foam that is used for selling or providing a food or beverage, and includes, but is not limited to, a food container, plate, hot or cold beverage cup, meat or vegetable tray, cutlery, or egg carton.

"Store" means any grocery store, supermarket, convenience store, liquor store, pharmacy, drug store, or other retail establishment that has over 1,000 square feet of retail space.

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2. a. No store or food service business shall provide a carryout bag made of plastic film to a customer.

- b. Nothing in this section shall be construed to prohibit the provision to a customer of:
 - (1) a non-handled bag made of plastic film used to separate and prevent a food item from damaging or contaminating another item;
 - (2) a bag made of plastic film used to contain an unwrapped food item; or
 - (3) a durable, handled carryout bag made from any natural or synthetic material other than plastic film, including, but not necessarily limited to, woven or nonwoven plastic or cloth, that is at least 10 mils thick, and that is specifically designed and manufactured for multiple reuse.

- 3. a. No person shall sell or offer for sale in the State any polystyrene foam food service product.
- b. No food service business shall sell or provide any food in a polystyrene foam food service product.
- c. The following items shall be exempt from the provisions of subsections a. and b. of this section for a period of one year from the effective date of this section:
- (1) Disposable, long-handled polystyrene foam soda spoons when required and used for thick drinks;
- (2) Portion cups of two ounces or less, if used for hot foods or foods requiring lids; and
- (3) Meat and fish trays for raw or butchered meat, including poultry, or fish that is sold from a refrigerator or similar retail appliance.
- d. The department may extend any exemption provided for in subsection c. of this section for additional periods not to exceed one year upon a written determination that there is no cost-effective and readily available alternative for the item. An exemption shall expire after one year unless the department extends it pursuant to this subsection.
- e. The department may, upon written application by a person or food service business, waive the provisions of subsections a. and b. of this section for the person or food service business for a period not to exceed one year, if:
- (1) there is no feasible and commercially available alternative for a specific polystyrene foam food service product; or
- (2) the person or food service business has less than \$500,000 in gross annual income and there is no reasonably affordable, commercially-available alternative to the polystyrene foam food service product.

The department shall prescribe the form and manner of the application for a waiver pursuant to this subsection. The department may, upon written application, extend any waiver granted pursuant to this section for additional periods not to exceed one year.

- 1 4. a. No food service business shall sell or provide a single-use plastic straw to a customer.
 - b. Notwithstanding the provisions of subsection a. of this section, upon request, a food service business may provide a single-use plastic straw to a person that requires a single-use plastic straw due to a disability or medical condition.

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- 5. a. Each operator of a store shall impose a fee of at least \$0.10 on the customer for each paper bag that is provided as a carryout bag to the customer.
- b. Each operator shall indicate the total number of paper bags provided to a customer and the total fee charged pursuant to subsection a. of this section on the sales or other receipt given to the customer.
- c. Each operator shall remit \$0.05 of the fee collected to the director in a manner prescribed by the director, and retain the remaining amount. Each operator shall be personally liable for the fees imposed, collected, or required to be collected. Any operator shall have the same right in respect to collecting the fee from a customer as if the fee were a part of the sales price of the product sold and payable at the same time.
 - d. The director may use up to one percent of the revenues collected pursuant to subsection c. of this section to defray the costs of administration and collection of the fees. The director shall deposit the remainder of the revenues into the "Plastic Pollution Prevention Fund" established pursuant to section 6 of this act.
 - e. The fee imposed pursuant to this section shall be governed by the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.
- f. The director shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations necessary for the implementation of this section.

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- 6. a. There is established in the Department of Environmental Protection a nonlapsing fund to be known as the "Plastic Pollution Prevention Fund."
 - b. The fund shall be credited with:
- 38 (1) the fees collected by the director pursuant to section 5 of this 39 act;
- 40 (2) any penalties collected by the department, a municipality, or 41 an entity certified pursuant to the "County Environmental Health 42 Act," P.L.1977, c.443 (C.26:3a2-21 et seq.) pursuant to section 8 of 43 this act;
- 44 (3) all interest or other income earned and received on 45 investment of the moneys in the fund; and
- 46 (4) any other monies that may be made available, or 47 appropriated, to the department for the purposes of the fund.

- c. The department shall use moneys in the fund to establish:
- (1) programs and grants or other incentives to facilitate the development of the State's plastics recycling industry, including the establishment of one or more plastics recycling facilities; and
- (2) a public education and outreach program to inform the public about the environmental impact of single-use plastics and encourage the use of reusable alternatives to single-use plastics, which may include, but need not be limited to, technical assistance to the business community, educational signage or other media, and compliance materials.
- d. The department shall develop guidelines to prioritize the disbursement of monies from the fund and shall post these guidelines on its Internet website.
- e. The department shall submit annually to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature a report detailing the single-use plastic reduction and plastic waste prevention programs and activities undertaken and the funds disbursed pursuant to this section.

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7. This act shall supersede and preempt municipal and county rules, regulations, codes, and ordinances concerning the regulation or prohibition of carryout bags, polystyrene foam food service products, and single-use plastic straws, or fees charged therefor.

- 8. a. Any person or entity that violates any provision of this act shall be subject to a penalty of up to \$500 for a first offense, up to \$1,000 for a second offense, and up to \$5,000 for a third or subsequent offense, to be collected in a civil action by a summary proceeding under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), or in any case before a court of competent jurisdiction wherein injunctive relief has been requested. If the violation is of a continuing nature, each day during which it continues shall constitute an additional, separate, and distinct offense. The Superior Court and the municipal court shall have jurisdiction to enforce the provisions of the "Penalty Enforcement Law of 1999" in connection with this act.
- b. Any penalty collected pursuant to subsection a. of this section shall be remitted to the director for deposit in the "Plastic Pollution Prevention Fund" established pursuant to section 6 of this act.
- c. The Department of Environmental Protection, municipality, and any entity certified pursuant to the "County Environmental Health Act," P.L.1977, c.443 (C.26:3a2-21 et seq.) shall have the authority to enforce the provisions of this act. Those entities may institute a civil action for injunctive relief to enforce this act and to prohibit and prevent a violation thereof, and the court may proceed in the action in a summary manner.

- 9. a. There is established in the Department of Environmental Protection the Plastics Advisory Council. The council shall monitor the implementation of this act, and evaluate its effectiveness in reducing single-use plastics and plastic waste in the State.
 - b. The council shall consist of 14 members as follows:
 - (1) the Commissioner of Environmental Protection, who shall serve ex officio, or the commissioner's designee;
 - (2) the Commissioner of Health, who shall serve ex officio, or the commissioner's designee;
 - (3) the following members appointed by the Governor:
 - (a) two members of the academic community with expertise on the issues of single-use plastics and plastic waste;
 - (b) four members representing the environmental community;
- 14 (c) four members representing food service businesses and 15 stores;
 - (d) one member representing the recycling industry; and
 - (e) one member representing local governments.
 - c. All appointments to the council shall be made no later than 90 days after the effective date of this section. The term of office of each public member shall be three years. Each member shall serve until a successor has been appointed and qualified, and vacancies shall be filled in the same manner as the original appointments for the remainder of the unexpired term. A member is eligible for reappointment to the council. The members of the council shall serve without compensation, but shall be eligible for necessary and reasonable expenses incurred in the performance of their official duties within the limits of funds appropriated or otherwise made available for the council's purposes.
 - d. The council shall organize as soon as practicable following the appointment of its members and shall select a chairperson and a vice-chairperson from among its members, as well as a secretary who need not be a member of the council. A majority of the membership of the council shall constitute a quorum for the transaction of council business. The council may meet and hold hearings at the place or places it designates.
 - e. No later than one year after the effective date of this section, and each year thereafter, the council shall submit a report to the Governor, the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), and the respective chairpersons of the Senate Environment and Energy Committee and the Assembly Environment and Solid Waste Committee, or their successors, evaluating the implementation and the effectiveness of this act, and making any recommendations for legislative or administrative action.

10. No later than one year after the effective date of this section, the Department of Environmental Protection shall submit a report to the Governor and, pursuant to section 2 of P.L.1991, c.164

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| 1 | (C.52:14-19.1), to the Legislature, containing recommendations for |
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| 2 | additional measures the State can take, including administrative or |
| 3 | legislative action, to reduce single-use plastics and plastic waste. |

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11. No later than six months after the effective date of this section, the Department of State, in consultation with the Department of Environmental Protection, shall establish a program to assist businesses in complying with the provisions of this act, including, but not necessarily limited to, developing, and publishing on its Internet website, guidance on compliance with the act, and establishing an online clearinghouse of vendors who provide alternatives to carryout bags made of plastic film, polystyrene foam food service products, and single-use plastic straws.

12. The department shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), any rules and regulations as may be necessary to effectuate the purposes of this act.

13. Sections 2 through 4 of this act shall take effect one year after the date of enactment of this act, section 5 of this act shall take effect two years after the date of enactment of this act, and the remainder of this act shall take effect immediately.