

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1232 (Delegate Conaway)
Economic Matters

Local Government - Fees, Receipts, and Penalties for Plastic and Paper Carryout Bags

This bill requires a county or municipality that enacts a local law that authorizes or requires a retailer to charge a fee for providing a plastic or paper carryout bag to a customer to (1) require a retailer that charges a bag fee to provide a receipt to a customer that clearly identifies the fee amount and number of bags issued to the customer and (2) provide for the enforcement of the bill through a system of civil penalties for violations. A retailer is subject to a civil penalty up to (1) \$250 for the first offense; (2) \$500 for a second offense; and (3) \$1,000 for a third or subsequent offense. A retailer is a person engaged in the retail sale of goods.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: Local government revenues increase to the extent fines are imposed for civil penalties under the bill. Local government expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: Although local jurisdictions with general taxing powers (*e.g.*, Baltimore City and Baltimore and Montgomery counties) have the authority to levy a bag fee, State law does not broadly address carryout bags provided by retail establishments. Listed below are the local jurisdictions identified by the Department of Legislative Services that have enacted plastic bag bans and fees in recent years.

Local Plastic Bag Bans and Fees

Anne Arundel County enacted legislation that generally (1) prohibits retailers from providing plastic checkout bags to customers and (2) requires a store to charge a 10-cent fee for paper bags supplied to customers. The legislation took effect January 1, 2024.

Baltimore City enacted the Comprehensive Bag Reduction Act, which generally (1) prohibits grocers and other retailers from providing plastic checkout bags to customers and (2) requires a store to charge a 5-cent fee for any other bag supplied to customers, including paper bags. Retailers are authorized to keep 4 cents from the fee for each alternative bag they supply. The remaining 1 cent is remitted to the city government. The prohibition and fee requirements took effect on October 1, 2021.

Baltimore County enacted legislation that generally (1) prohibits retailers from providing plastic checkout bags to customers and (2) requires a store to charge a 5-cent fee for paper bags supplied to customers. The legislation took effect November 1, 2023.

Chapter 725 of 2019 authorized Howard County to impose up to a 5-cent fee for the use of each disposable bag used as part of a retail sale of products. In December 2019, the Howard County Council used this authority and enacted a 5-cent fee on the use of disposable plastic bags. Fees are collected by each store at the point of sale and are remitted to the county government quarterly. Stores are authorized to retain up to 20% of the 5-cent fee collected. The fee took effect October 1, 2020.

Montgomery County enacted legislation that imposes a 5-cent charge on each paper or plastic carryout bag provided by retail establishments at the point of sale, pickup, or delivery. The law took effect January 1, 2012. However, the county recently enacted the Bring Your Own Bag law, banning the use of plastic carryout bags by specified retail establishments. The legislation raises the paper bag fee from 5 cents to 10 cents. The legislation goes into effect January 1, 2026.

Prince George's County enacted legislation that generally (1) prohibits retailers from providing plastic checkout bags to customers and (2) requires a store to charge a 10-cent fee for paper bags supplied to customers. The legislation took effect on November 1, 2024.

The cities of Annapolis, College Park, Frederick, Laurel, Salisbury, Takoma Park, and Westminster and the towns of Centreville, Chestertown, and Easton also have local ordinances governing the distribution of plastic carryout bags.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Harford, Montgomery, and Wicomico counties; Maryland Municipal League; City of Frederick; Department of Legislative Services

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