

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1412 (Delegate Alston, *et al.*)

Environment and Transportation and  
Economic Matters

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**Business Regulation - Retail Stores - Carryout Bags**

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This bill prohibits a local jurisdiction from adopting or enforcing a law or an ordinance that requires a retail establishment to charge and collect a fee, a tax, or any other charge for the use of a carryout bag unless the law or ordinance was in effect before January 1, 2025, and requires that revenue generated from the sale of carryout bags be paid to the local jurisdiction to be used only for environmental support purposes. The local jurisdiction must require a retail establishment to exempt bag fees for any customer (1) using funds from a public assistance program to pay for all or part of their purchase or (2) who is at least 65 years old.

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**Fiscal Summary**

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

**Local Effect:** While the bill is not anticipated to materially affect most local government operations or finances, the bill may have an operational effect on certain local jurisdictions, as discussed below.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** A local jurisdiction means a county or municipality.

A public assistance program means any publicly funded benefit program that a recipient can use to purchase food and includes (1) the federal Supplemental Nutrition Assistance

Program (SNAP); (2) the State Family Investment Program (FIP); (3) the federal Women, Infants, and Children Program (WIC); and (4) any other program that provides publicly funded assistance that can be used to purchase food.

**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 free 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.

#### *State Family Investment Program*

FIP supports family efforts to achieve and maintain self-sufficiency through services and financial aid geared to individual family needs. FIP includes supportive services activities, appropriate referrals to family planning counseling and services, and Temporary Cash Assistance as a last resort.

#### *Supplemental Nutrition Assistance Program*

SNAP is a federally funded benefit that helps low-income households purchase food. Program rules and requirements are issued by the federal government, while administrative costs are split equally between the State and federal government. Participants must meet income and resource requirements.

#### *Special Supplemental Nutrition Program for Women, Infants, and Children*

WIC is a federally funded program that provides nutrition services, including nutrition education and supplemental foods, through local agencies located across the State to low-income pregnant and postpartum women, infants, and children up to age five.

**Local Effect:** The bill requires that revenue generated from the sale of carryout bags must be paid to the local jurisdiction to be used *only* for environmental support purposes; therefore, the bill could have an operational impact on local jurisdictions that have already authorized revenues generated from the sale of carryout bags to be used for purposes other than environmental support. For example, Title 20, Subtitle 13 of the Howard County Code authorizes the county to use funds generated from bag fees for (1) specified environmental purposes *and* (2) implementation, administration, and enforcement activities related to the county's disposable bag fees.

The bill will not materially affect a local jurisdiction that has enacted local laws regarding specified carryout bag fees prior to January 1, 2025, and already uses funds from those fees *only* for environmental support purposes.

## **Additional Information**

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

**Designated Cross File:** None.

**Information Source(s):** Anne Arundel, Baltimore, and Charles County; Maryland Municipal League; Department of Human Services; Department of Legislative Services

**Fiscal Note History:** First Reader - March 3, 2025  
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