



American Forest & Paper Association

March 5, 2025

Chairman Marc Korman
House Environment and Transportation Committee
House Office Building
Annapolis, MD 21401

RE: HB 1412 Concerning Business Regulation - Retail Stores - Carryout Bags (Informational Only)

Dear Chair Korman, Vice Chair Boyce, and Members of the House Environment and Transportation Committee,

The American Forest & Paper Association (AF&PA) wishes to convey an informational only perspective on HB 1412, on behalf of our members and their employees who are an integral part of the circular economy.

Introduction to AF&PA

AF&PA serves to advance U.S. paper and wood products manufacturers through fact-based public policy and marketplace advocacy. The forest products industry is circular by nature. AF&PA member companies make essential products from renewable and recyclable resources, generate renewable bioenergy and are committed to continuous improvement through the industry's sustainability initiative — [*Better Practices, Better Planet 2030: Sustainable Products for a Sustainable Future*](#). The forest products industry accounts for approximately five percent of the total U.S. manufacturing GDP, manufactures about \$350 billion in products annually and employs about 925,000 people. The industry meets a payroll of approximately \$65 billion annually and is among the top 10 manufacturing sector employers in 43 states.

In Maryland, the industry employs more than 5,600 individuals, with an annual payroll of over \$395 million. The estimated state and local taxes paid by the forest products industry totals \$15 million annually.¹

Impacts of Bag Fees

Providing bags and containers at the point of purchase is a natural component of customer service. The cost of these services—like rent, electricity, insurance, and employee wages—is already embedded in the price of goods. Government-imposed taxes on products raise consumer costs, particularly affecting those who can least afford them. Such fees can also disrupt the free flow of recyclable commodities, including paper.

Taxes and fees burden hardworking citizens by increasing the cost of basic necessities and disproportionately impact fixed- and low-income consumers. These individuals may struggle to

¹ Data sources: U.S. government, AF&PA, and Fastmarkets RISI. Figures are the most recent available as of December 2022.

absorb an additional tax on paper bags while already facing rising costs for essential products. Affordable packaging options are critical to protecting food purchases from damage and contamination. Paper bags provide a clean, hygienic, and convenient solution while also being recyclable, reusable, and compostable.

Bag Fee Utilization

Paper bags are a sustainable packaging choice, as they are highly recyclable, compostable, and made from a renewable resource. While AF&PA does not support bag fees, we appreciate that HB 1412 considers how fee revenues can be used for environmental benefits, particularly for recycling infrastructure and programs. Expanding such initiatives would not only enhance the recovery of highly recyclable materials like paper bags but also support broader waste reduction efforts in Maryland.

By strategically reinvesting these funds, the state can strengthen existing recycling systems, encourage innovation, and provide long-term benefits for both residents and the environment. AF&PA commends this approach, as it represents a more balanced and effective strategy for achieving Maryland's sustainability goals.

We urge Maryland to carefully consider the potential impacts of increasing the fee on paper bags. AF&PA appreciates the committee's willingness to consider how policies can be better tailored to support paper and paper-based products by ensuring that any fee revenues are used to maximize environmental benefits. We stand ready to serve as a resource and offer our expertise to support the Committee's discussions on this important issue.

For any questions or further information, please contact Frazier Willman, AF&PA's Manager of Government Affairs, at [Frazier Willman@afandpa.org](mailto:Frazier_Willman@afandpa.org).