



CALIFORNIA 2016
BALLOT BACKGROUNDER

Proposition **65**
Carry-Out Bag Revenues

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Purpose

Proposition 65 would use proceeds from the state-mandated sales of reusable bags to fund environmental programs.¹

Background

In 2014, the California Legislature passed and Gov. Jerry Brown signed Senate Bill 270, a bill that would prohibit grocery stores and other food retailers from providing single-use carryout plastic bags to customers at the point of sale and would require stores to charge for each reusable carryout bag provided customers. Under SB 270, stores would keep the proceeds from the sale of reusable bags.

Proposition 67 will determine whether SB 270 will go into effect. If Prop. 67 passes and SB 270 goes into effect, or if the state enacts another law mandating a minimum charge for reusable bags, Proposition 65 would mandate how the proceeds are allocated.

¹ *California Secretary of State*, "California General Election November 8, 2016, Official Voter Information Guide," accessed August 22, 2016, <http://vig.cdn.sos.ca.gov/2016/general/en/pdf/complete-vig.pdf>.

Existing Law

If Proposition 67 passes, SB 270 would require food retailers to charge a minimum of 10 cents for each paper or other reusable carryout bag provided at checkout. Food retailers would keep the revenue resulting from the sale of approved reusable bags.

Proposed New Law

Instead of allowing retailers to keep the proceeds from state-mandated sale of reusable bags, Proposition 65 would direct the money to a new fund, the Environmental Protection and Enhancement Fund. The Wildlife Conservation Board would be authorized to administer the fund to make grants for various types of environmental programs and projects.

Fiscal Impact

The Legislative Analyst estimates the state could receive tens of millions of dollars in annual revenue for environmental programs from the sale of carryout bags. Revenues would depend on both the sales and prices of carry-out bags.

Proposition 65 would generate revenues for the state only if voters approve Proposition 67 or if the state passes another law mandating the sale of carryout bags at checkout.

Supporters

The American Progressive Bag Alliance, a trade group representing the plastic bag industry, leads the effort in support of Proposition 65 (and in opposition to Proposition 67).

Of the \$5,139,079 raised by the American Progressive Bag Alliance PAC, top donors include Hilex Poly Co. LLC (\$2,783,739), Formosa Plastics Corporation U.S.A (\$1,148,442), Superbag Corp. (\$1,074,537), and Advance Polybag Inc. (\$939,333).²

Arguments of Supporters

Supporters say Prop. 65 would stop retailers from profiting from the state-mandated sale of reusable bags and instead would benefit the environment by providing new revenues for environmental projects.

² Fair Political Practices Commission, "November 2016 General Election," accessed August 27, 2016, <http://www.fppc.ca.gov/transparency/top-contributors/nov-16-gen-v2.html>.

Opponents

Opponents of 65 include Californians Against Waste, an environmental advocacy organization, and many other environmental organizations.³

Arguments of Opponents

Opponents argue that Prop. 65 was designed by the plastic bag industry to divert attention from Proposition 67 and the plastic bag ban, and that the true environmental benefits will come from eliminating the use of plastic bags. Voters should focus attention on those efforts, not redirecting funding from the sale of carryout bags.

Conclusion

A Yes vote would direct money from state-mandated sale of carryout bags to state fund supporting environmental projects.

A No vote would mean grocery stores and other food retailers would keep the revenue from state-mandated sale of carry-out bags.

For more information on Proposition 65, visit:

www.roseinstitute.org

www.voterguide.sos.ca.gov

³ “California Proposition 65, Dedication of Revenue from Disposable Bag Sales to Wildlife Conservation Fund (2016),” Ballotpedia, accessed August 27, 2016, [https://ballotpedia.org/California_Proposition_65,_Dedication_of_Revenue_from_Disposable_Bag_Sales_to_Wildlife_Conservation_Fund_\(2016\)](https://ballotpedia.org/California_Proposition_65,_Dedication_of_Revenue_from_Disposable_Bag_Sales_to_Wildlife_Conservation_Fund_(2016)).