

SINGLE USE ITEM BYLAW BAG FEES

Recommendation

That the January 22, 2024, City Operations report CO02085, be received for information.

Requested Action	Information only		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Climate Resilience		
City Plan Values	PRESERVE.		
City Plan Big City Move(s)	Greener as we grow	Relationship to Council's Strategic Priorities	Climate adaptation and energy transition
Corporate Business Plan	Transforming for the future		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • 25-year Waste Strategy • Bylaw 20117 - Single-use Item Reduction Bylaw • Waste Reduction Roadmap 		
Related Council Discussions	<ul style="list-style-type: none"> • CR_5829 Waste Strategy - Comprehensive Waste Management Strategy, Utility Committee, August 29, 2019 • CO01033 Single-use Item Reduction Strategy, Utility Committee, March 25, 2022 • CO01992 Single-use Item Reduction Bylaw Implementation Update, Utility Committee, September 5, 2023 		

Previous Council/Committee Action

At the September 12, 2023, City Council meeting, the following motion was passed:

That Administration provide a report outlining options and implications of not increasing the paper and reusable shopping bag fees as outlined in section 6(2)(c) of Charter Bylaw 20117 - Single-use Item Reduction Bylaw.

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Executive Summary

- Charter Bylaw 20117 - Single-Use Item Reduction Bylaw, Section 6, includes fees on new paper and reusable shopping bags and encourages customers to bring reusable bags to help reduce waste. The fees are scheduled to increase to 25 cents from 15 cents per paper bag and to two dollars from one dollar per reusable bag on July 1, 2024.
- In 2023, the City recorded 90 bag-related inquiries and complaints (Attachment 1) including 34 bag-related inquiries when Charter Bylaw 20117 was introduced in July.
- Bag fees on new paper and reusable bags are established as the leading practice to reduce this type of single-use item (SUI) waste. The current bag fees specified in Charter Bylaw 20117 are aligned with other Canadian municipalities that have implemented or are planning to implement a SUI bylaw. Municipalities that banned plastic bags without sufficiently high bag fees on alternative products saw no or minimal reductions of bags in circulation.
- The fees in Charter Bylaw 20117 s. 6(2) can only be adjusted through an amendment. Charter Bylaw 20117 relies upon the authority of the MGA, *City of Edmonton Charter, 2018 Regulation*. Therefore, any amendment to change the fees currently stated in Charter Bylaw 20117 s. 6(2) or for any other substantive amendment unrelated to fees will require the proposed bylaw amendment to be advertised and that a public hearing be held before Council can vote on the change.
- Based on jurisdictional scanning and qualitative research, Administration developed four options for paper and reusable shopping bag fee structures.

REPORT

Charter Bylaw 20117 Single-Use Item Reduction Bylaw took effect on July 1, 2023, banning or restricting the use of some single-use items (SUI) in Edmonton. The purpose of Charter Bylaw 20117, consistent with the City's authority under the *Municipal Government Act* (MGA), is to promote the well-being of the environment through waste reduction.

Through Charter Bylaw 20117, businesses are banned from providing single-use plastic shopping bags, and are required to charge fees for new paper and reusable shopping or takeout bags. These fees, which are designed to increase gradually during a two year time period, encourage customers to bring their own reusable bags or containers for shopping and takeout, and are intended to reduce bag consumption. Fees do not apply to primary packaging, such as paper wrap and bags used for bulk loose items, such as hardware.

Bag fees are intended to reduce the provision of new bags made of any material through behaviour change. Substituting paper or reusable bags for plastic bags still requires resources to produce, ship and dispose of them through composting, recycling or landfilling and works against the City's goal of reducing waste in all sectors. According to the Waste Hierarchy, rethinking and redesigning systems to avoid waste altogether is considered the most effective way to manage waste¹. Insights from Edmonton businesses and residents indicate some preliminary SUI reduction has occurred and a bag fee increase would further reduce bags in circulation.

¹ [Edmonton's Zero Waste Framework](#)

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Bag Fee Theory

Bag fees are considered leading practice in waste reduction². As detailed in Attachment 1, bag fees rely on the principle of loss aversion to motivate behaviour change; avoiding a fee motivates a customer more than an incentive of equal value³. Voluntary approaches to promote reusable bags will plateau over time, as not all consumers will choose reusables if other factors, such as cost, remain equal. Active participation and choice is key to this tactic and fees must be set high enough to overcome consumer apathy. While this active participation may result in elevated frustration, it also results in increased bag reduction⁴.

Based on conversations Administration had with municipalities such as Washington D.C., linking bag fees to a specific waste reduction tactic like litter clean up programs can paradoxically lead to increased waste. For example, if customers believe the bag fees will directly help the environment, they are less likely to avoid bags and more likely to purchase a bag to “support” the cause. This would ultimately lead to additional waste, undermining goals to reduce bags in circulation.

Bag Fees in Other Municipalities

The City consulted other municipalities while developing Edmonton’s Plan to Reduce Single-Use Items (SUI Plan). Attachment 1 provides a jurisdictional scan of bag fees and insights from other municipalities. The scan demonstrates that the City’s bag fee structure aligns with multiple Canadian municipalities, including Vancouver, Victoria, Surrey, Banff and Calgary. The phased bag fee implementation timeline in Charter Bylaw 20117 for new paper and reusable bags is commonly used to help customers adapt to the cost of the bag fee over time.

The strategy and implementation of bag fees has evolved in the past 10 to 15 years. American municipalities started introducing plastic bag bans in the early 2010s⁵. Not all plastic bag bans included bag fees. As these bylaws were new to municipalities, many started with small values, generally ranging from five to 10 cents per bag. When paper and reusable bag fees were set too low or had no fees at all, customers started using these alternatives to replace single-use plastic bags⁶. As discussed in more detail in Attachment 1, municipalities that introduced bag fees in the five-to-10 cent range have increased or are considering increasing bag fees to further encourage waste reduction.

Bag Fee Options and Implications

Using jurisdictional scans, behaviour theory and consultation with other municipalities, four bag fee structure options have been identified.

1. Proceed with planned bag fee increase

² Homonoff, T., et al. 2021. [Harnessing Behavioral Science to Design Disposable Bag Regulations](#), *Behavioral Science & Policy*, 7(2), 51-61.

³ Homonoff, T. 2018. [Can Small Incentives Have Large Effects? The Impact of Taxes versus Bonuses on Disposable Bag Use](#), *American Economic Journal: Economic Policy*, 10(4);177-210.

⁴ Modus, [ENGAGEMENT SUMMARY REPORT City of Chilliwack, Single-Use Item Consultation](#), 2020.

⁵ Equinox Center. [Plastic Bag Bans: Analysis of Economic and Environmental Impacts](#), 2013.

⁶ Homonoff, T., et al. 2022. [Skipping the bag: the intended and unintended consequences of disposable bag regulation](#). *Journal of Policy Analysis and Management*, 41(1): 226-251.

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2. Delay bag fee increase by one year
3. Keep bag fees the same
4. Differentiated paper bag fees applied to retail and food service

All options include ongoing support for residents and businesses, including additional materials—already in development—to promote waste reduction at quick service restaurants.

	Paper Bag Fee	Reusable Bag Fee	Bylaw Date	Justification	Implications
Option 1 Proceed with fee increase	\$0.25	\$2	July 1, 2024	<ul style="list-style-type: none"> • Leading practice, aligned with other Canadian municipalities • Bag fee structure developed during SUI Plan • Bag inquiries to the City have declined significantly 	<ul style="list-style-type: none"> • No action needed by Council • Best likelihood of achieving SUI reduction targets • Survey findings indicate planned fee increase will increase bag reduction
Option 2 Delay fee increase one year	\$0.25	\$2	July 1, 2025	<ul style="list-style-type: none"> • Leading practice, aligned with other Canadian municipalities • Access to waste characterization study in early 2025 evaluating effect of Bylaw 20117 	<ul style="list-style-type: none"> • Charter Bylaw 20117 must be rewritten • Accommodates preliminary resident feedback and slows bag fee increase • Achieving SUI reduction targets may be delayed
Option 3 Keep current bag fees	\$0.15	\$1	July 1, 2024	<ul style="list-style-type: none"> • Preliminary resident feedback to Council, media coverage • Anecdotal reports of bag reduction in first six months 	<ul style="list-style-type: none"> • Charter Bylaw 20117 must be rewritten • Lowest likelihood of achieving SUI reduction targets
Option 4 Different paper bag fees by business licence	\$0.25 (retail) \$0.15 (food service)	\$2	July 1, 2024	<ul style="list-style-type: none"> • Bag fee at retail leading practice • Behaviour change slower at food service • Feedback on paper bag fee more controversial in food service settings 	<ul style="list-style-type: none"> • Charter Bylaw 20117 must be rewritten • No precedent for differentiating bag fees by business licence, potential for additional legal challenges • New paper bag use at food service remains high • Added resources required to communicate new Charter Bylaw • Achieving SUI reduction targets may be delayed

As Charter Bylaw 20117 has only been in effect for six months, local reduction data by means of waste characterization studies is not yet available. The success of the SUI Plan is measured by a 10 per cent reduction in SUI per capita by 2025 and a 20 per cent reduction in SUI per capita by 2027.

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Budget/Financial Implications

Bag fees are collected by the business and are not remitted to the City as a sales tax or a regulatory fee. The City cannot impose a sales tax, as this power does not exist within the MGA. The City can impose regulatory fees, but the cost of the fee charged must reasonably correspond to the cost incurred by the City to provide a specific related service. The City would also be required to create a regulatory structure, including requirements to audit business sales records, collect money from individual businesses and manage its expenses using the money collected through the bag fee. Revenue from the bag fee would primarily be spent regulating itself.

Amending Charter Bylaw 20117 will require costs to rewrite, advertise, and hold public hearings for Council to vote and approve any amendment. Option 4 could require significantly more time to prepare the draft amendment and additional financial resources to recreate educational campaigns and hire outreach staff to help businesses comply with the new requirements.

Legal Implications

Any adjustment to the bag fee implementation timeline or amount in Charter Bylaw 20117 requires a bylaw amendment. As a Charter Bylaw, this amendment process requires advertisement for two consecutive weeks, a 60-day petition period and a public hearing before second and third reading of the amendment can occur. This process will take a minimum of 16 weeks. If Charter Bylaw 20117 is not amended before the bag fee increase on July 1, 2024, the increase will take effect as drafted.

Depending on the technical complexity of the direction City Council may choose, the draft amendment could require substantially more time to prepare in order to create appropriate distinctions between categories of businesses and the types of sales transaction that occurs to which fees apply or different fees apply. Technically complex bylaws are more likely to result in enforcement issues and potentially also legal challenges.

Community Insight

Administration receives inquiries and feedback through a number of channels such as 311, the Waste Customer Service Team, Councillor inquiries, outreach discussions with businesses and a dedicated email address for the SUI project. In addition to these channels, early check-in surveys for residents and businesses were conducted to help understand the preliminary impact of Charter Bylaw 20117. Both surveys included questions on bag fees and data can be found in Attachment 2.

Results from the resident survey show a clear difference in resident behaviour between retail and food service settings. In retail, the majority of respondents reported already bringing their own bags and indicated they were probably or definitely likely to bring their own bag following the planned bag fee increase, while the vast majority of respondents do not bring their own bags at food service. However, 29 per cent of respondents said they were probably or definitely more likely to bring their own bag or avoid bags altogether for food service following the fee increase.

Respondents indicated in open-ended answers that they were still developing habits to bring reusable bags to food service businesses, but that they were increasingly skipping bags

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altogether in drive-thru settings. The belief that paper is an environmentally friendly option that should not require a bag fee was also a common theme. Respondents also requested more information on how the bag fee is ultimately used, and why the City isn't collecting it to invest in initiatives that would reduce waste in Edmonton. The inconvenience of the bag fee was referenced across multiple questions.

Respondents to the business survey indicated about four in ten businesses are using fewer new paper bags or new reusable bags. Approximately two in ten business respondents anticipate that the planned increase to bag fees will result in a reduction of the number of paper bags they use.

GBA+

GBA+ was considered in the development of the SUI Plan and Charter Bylaw 20117 (report found in the March 25, 2022, City Operations report CO01033, Single-use Item Reduction Strategy), and Administration included exemptions for eligible charitable and non-profit organizations to accommodate their unique needs. The Charter Bylaw was amended to remove charitable exemptions in alignment with federal regulations, but charities will receive additional support from the City to continue moving away from SUI while preserving their service delivery models. Support plans are in progress to address the needs of equity-seeking groups while complying with Charter Bylaw 20117.

Attachments

1. Bag Fee Theory and Jurisdictional Scan
2. Single-use Item Survey Data