



Montgomery
County Council

Committee: T&E
Committee Review: At a future date
Staff: Amanda Mihill, Legislative Attorney
Purpose: To receive testimony – no vote expected
Keywords: #FoodPackaging
Polystyrene, recycling, environment

AGENDA ITEM #7
September 15, 2020
Public Hearing

SUBJECT

Bill 33-20, Solid Waste (Trash) – Food Service Products Packaging Materials - Requirements
Lead Sponsor: Council President at the request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Public Hearing – no vote expected

DESCRIPTION/ISSUE

Bill 33-20 would:

- prohibit the use of expanded polystyrene food service products by food services businesses;
- require the use of compostable or recyclable food service ware by the County, County contractors or lessees, and food service businesses;
- prohibit the sale of expanded polystyrene food service products and polystyrene loose fill packaging;
- provide for enforcement; and
- generally amend County law regarding environmentally acceptable food service products and packaging materials.

SUMMARY OF KEY DISCUSSION POINTS

- None

This report contains:

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MEMORANDUM

September 10, 2020

TO: County Council

FROM: Amanda Mihill, Legislative Attorney

SUBJECT: Bill 33-20, Solid Waste (Trash) – Food Service Products Packaging Materials - Requirements¹

PURPOSE: Public Hearing – no Council vote required

Bill 33-20, Solid Waste (Trash) – Food Service Products Packaging Materials - Requirements, sponsored by Lead Sponsor Council President at the request of the County Executive, was introduced on July 21. A Transportation and Environment Committee worksession is tentatively scheduled for October 12 at 1:30 p.m.

Bill 33-20 would:

- prohibit the use of expanded polystyrene food service products by food services businesses;
- require the use of compostable or recyclable food service ware by the County, County contractors or lessees, and food service businesses;
- prohibit the sale of expanded polystyrene food service products and polystyrene loose fill packaging;
- provide for enforcement; and
- generally amend County law regarding environmentally acceptable food service products and packaging materials.

This packet contains:

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¹#FoodPackaging
Polystyrene, recycling, environment

Bill No. 33-20
Concerning: Solid Waste (Trash) - Food Service Products Packaging Materials - Requirements
Revised: 7/8/2020 Draft No. 1
Introduced: July 21, 2020
Expires: January 21, 2022
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

AN ACT to:

- (1) prohibit the use of expanded polystyrene food service products by food services businesses;
- (2) require the use of compostable or recyclable food service ware by the County, County contractors or lessees, and food service businesses;
- (3) prohibit the sale of expanded polystyrene food service products and polystyrene loose fill packaging;
- (4) provide for enforcement; and
- (5) generally amend County law regarding environmentally acceptable food service products and packaging materials.

By amending

Montgomery County Code
Chapter 48, Solid Waste (Trash)
Sections 48-52, 48-53, and 48-56

Boldface

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Deleted from existing law by original bill.

Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

The County Council for Montgomery County, Maryland approves the following Act:

28 cafeteria, including those operated by or on behalf of County departments and
29 agencies, and/or other business selling or providing food within the County for
30 consumption on or off the premises.

31 Polystyrene means the synthetic aromatic hydrocarbon polymer made from the
32 monomer styrene. Polystyrene products are thermoplastic petrochemical
33 materials that include injection molded, vacuum formed, or extruded solid
34 materials, and blown, expanded, and extruded foams.

35 Polystyrene food service products means food containers, plates, hot and cold
36 beverage cups, meat and vegetable trays, egg cartons, and other products made
37 of polystyrene and used for selling, providing, or serving food and drink which
38 are:

- 39 (1) intended by the manufacturer to be used once for eating or drinking; or
- 40 (2) generally recognized by the public as items to be discarded after one use.

41 * * *

42 **48-53. Prohibition on use of [expanded] polystyrene food service products.**

43 (a) A food service business must not sell or provide food in [expanded]
44 polystyrene food service products, regardless of where the food will be
45 consumed.

46 (b) Subsection (a) does not apply to:

- 47 (1) food or beverages that were filled and sealed in [expanded]
48 polystyrene containers outside of the County before a food service
49 business received them; or
- 50 (2) materials used to package raw, uncooked, or butchered meat, fish,
51 poultry, or seafood for off-premises consumption.

52 * * *

53 **48-56. Prohibition on sale.**

54 A person must not sell or offer for sale in the County:

- 55 (a) [expanded] polystyrene food service products; or
- 56 (b) polystyrene loose fill packaging.

57 * * *

58 **Sec. 2. Effective Date.**

59 The prohibition on use of polystyrene food service products contained in Section
60 48-53 and the prohibition on the sale of polystyrene food service products contained
61 in Section 48-56 take effect 12 months after this Act becomes law, or on January 1,
62 2022, whichever comes first.

LEGISLATIVE REQUEST REPORT

Bill 33-20

Solid Waste (Trash) – Food Service Products Packaging Materials – Requirements

| | |
|---|---|
| DESCRIPTION: | Bill 33-20 would revise County Council Bill 41-14 and Montgomery County Code Chapter 48, which currently ban the use and sale of expanded polystyrene food service ware products, to expand the prohibition to include all food service products made from polystyrene. |
| PROBLEM: | Polystyrene #6 plastic products are not recyclable in Montgomery County and are a source of contamination in the recycling stream. |
| GOALS AND OBJECTIVES: | To eliminate the sale and use of all polystyrene disposable food service ware products and promote the use of recyclable or compostable food service ware products. |
| COORDINATION: | Office of the County Attorney, Office of Procurement, Office of Management and Budget, Office of Finance, Department of Health and Human Services |
| FISCAL IMPACT: | Department of Finance. |
| ECONOMIC IMPACT: | OLO |
| EVALUATION: | To be researched. |
| EXPERIENCE ELSEWHERE: | Montgomery County and a number of jurisdictions locally and across the US have adopted bans on expanded polystyrene disposable food service ware products: this proposed legislation goes further to include all polystyrene #6 food service ware products. |
| SOURCE OF INFORMATION: | Adam Ortiz, Director, Department of Environmental Protection, 240-777-7781 |
| APPLICATION WITHIN MUNICIPALITIES: | None |
| PENALTIES: | Class B |

Fiscal Impact Statement
Bill XX-XX – Solid Waste (Trash) – Food Service Products Packaging Materials – Requirements

1. Legislative Summary:

This legislation extends the current ban on the use and sale of expanded polystyrene food service products to include all food service products made from polystyrene (both rigid and expanded forms).

As polystyrene #6 plastic products are not recyclable in Montgomery County and are a source of contamination in the recycling stream, this legislation prohibits the sale and use of all polystyrene disposable food service ware products and requires the use of recyclable or compostable food service ware products instead when non-durable items are used.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

Revenues:

DEP estimates that the bill would generate minimal revenues from the issuance of citations against violators. Violation of the bill is a Class B violation, with fines of \$100 for initial offense and \$150 for each repeat offense, which may be levied each day that the repeat offense persists.

Expenditures:

The bill requires an education and outreach campaign to educate food service businesses about the ban on all #6 polystyrene food service products and for research and updates to businesses about available affordable recyclable and compostable options. Estimated implementation costs are \$75,000 because this is an expansion of the existing ban on expanded polystyrene food service products.

Ongoing outreach and education efforts are estimated at \$50,000, based upon a similar effort for Council Bill 41-14, the original expanded polystyrene ban.

Education efforts can be undertaken by existing staff.

Enforcement:

Even on a complaint-driven basis, investigation to determine whether a compliance issue exists, and gather evidence of violation of law requires staff resources. This legislation is introduced alongside Bill XX-XX – Solid Waste (Trash) – Reduction/Source Reduction; Single-Use Straws – Requirements, and existing staff resources are inadequate to take on this additional effort. The addition of one new Investigator position (Grade 21 Program Specialist II) is required to provide an adequate level of staffing resources to enforce both bills, at an estimated cost of \$61,297 in FY21 assuming it were filled in October, 2020, and \$91,084 per year thereafter.

To support the work of this Investigator position, a vehicle is also required, the purchase price of which is estimated to be \$25,000 with ongoing costs of \$5,000 annually.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

The revenue generated under Bill XX-XX will be minimal.

The ban of all forms of polystyrene is estimated to cost \$161,297 in FY21 and \$146,084 per year in FY22-26.

| | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Outreach & Education | \$75,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Program Specialist II | \$61,297 | \$91,084 | \$91,084 | \$91,084 | \$91,084 | \$91,084 |
| Vehicle | \$25,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Total | \$161,297 | \$146,084 | \$146,084 | \$146,084 | \$146,084 | \$146,084 |

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not applicable.

5. An estimate of expenditures related to County’s information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.

Not applicable.

6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not applicable.

7. An estimate of the staff time needed to implement the bill.

DEP estimates 200 staff hours are required for outreach and education in implementation phase and an additional 100 hours per year thereafter for ongoing outreach and education. These education efforts may be absorbed by existing staff resources.

For enforcement, estimated staff hours based on 100 complaints/year would be 300 hours per fiscal year. The impact of Bill XX-XX Solid Waste (Trash) – Reduction/Source Reduction; Single-Use Straws – Requirements is an additional 300 complaints and 900 hours per year.

8. An explanation of how the addition of new staff responsibilities would affect other duties.

This legislation adds new responsibilities to existing staff and can be absorbed with the addition of the new Program Specialist II position. This position would also be able to support the additional duties required under Bill XX-XX Solid Waste (Trash) – Reduction/Source Reduction; Single-Use Straws – Requirements

9. An estimate of costs when an additional appropriation is needed.

See responses for #3 and #7 above.

10. A description of any variable that could affect revenue and cost estimates.

Compliance with this mandate is difficult to project, therefore the range of revenues cannot be reliably estimated; however, any revenues generated by the bill are expected to be minimal.

11. Ranges of revenue or expenditures that are uncertain or difficult to project.

Compliance with this mandate is difficult to project, therefore the range of revenues cannot be reliably estimated; however, any revenues generated by the bill are expected to be minimal.

12. If a bill is likely to have no fiscal impact, why that is the case.


Not applicable.


13. Other fiscal impacts or comments.

Not applicable

14. The following contributed to and concurred with this analysis:

Adam Ortiz, Department of Environmental Protection
Patrice Bubar, Department of Environmental Protection
Willie Wainer, Department of Environmental Protection
Eileen Kao, Department of Environmental Protection
Richard H. Harris, Office of Management and Budget


Richard S. Madaleno, Director
Office of Management and Budget


Date




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

March 27, 2020

TO: Sidney Katz, Council President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Montgomery County Code Chapter 48, Solid Waste (Trash) – Food Service Products–Packaging Materials–Requirements

This memorandum transmits the Department of Environmental Protection's (DEP) proposed legislation which would revise language in Montgomery County Code Chapter 48 and expand the existing ban on the use of expanded polystyrene (often referred to as the brand name Styrofoam®) food service products by food service businesses to include all forms of polystyrene #6 rigid plastics. This legislation would also prohibit the retail sale of all polystyrene (rigid and expanded) food service products.

Polystyrene products are thermoplastic petrochemical materials that come in two principle forms: a clear or colored rigid form; and an expanded or foam form. Since 2016, Montgomery County has banned the sale and use of expanded polystyrene food service ware and packaging materials. Furthermore, since 2017, Montgomery County has required all food service establishments to use food service ware that is either recyclable in Montgomery County or compostable.

Polystyrene in any form, rigid or expanded, is not recyclable in Montgomery County for a number of economic and logistical reasons. These include a lack of polystyrene recycling facilities in the region, the material's low density making it cost prohibitive to ship long distances for recycling, and an absence of entities (anyone, including manufacturers or brokers) seeking to purchase #6 bales for processing and use to make new products.

Further, we know from our ongoing efforts to market recyclable commodities that #6 rigid polystyrene is not considered valuable or desirable in mixed #3–#7 plastic bales. One reason for this is because there are not large quantities of #6 rigid polystyrene in the waste/recycling stream, which make it difficult to gather and consolidate the amounts of the material needed to make recycling cost effective.

Another reason is that the majority of #6 rigid polystyrene materials that are in the waste/recycling stream are colored plastics (e.g., red solo cups), which are difficult to recycle into other products because of the added color. In addition, a lot of the #6 rigid polystyrene items are used for food contact products, but they cannot be recycled and remanufactured into other food contact products due to FDA regulations. Finally, there are not many non-food contact grade uses for #6 rigid polystyrene, so there is little to no demand for recycled feedstock. For these reasons, it is typically easier and cheaper to produce new/virgin polystyrene than it is to collect, transport, and process used polystyrene materials for recycling.

To replace these banned single-use polystyrene food service products, DEP's Recycling and Resource Management Division (RRMD) has researched and identified numerous viable reusable, recyclable, and compostable alternative products on the market today. These alternative products include wood, bamboo, and paper products which are compostable, #1 pet thermoform and #5 polypropylene products which are recyclable, and several different types of plant-based compostable products. Per the existing requirements of Chapter 48, The Department of Environmental Protection maintains and updates a listing of these alternative products which is available on the County's website.

If you have any questions, please contact Adam Ortiz, Director, Department of Environmental Protection, at 240-777-7781. Thank you for your attention to this matter.

Attachments:

Proposed Legislation

Legislative Request Report

cc: Adam Ortiz, Director, DEP

Patty Bubar, Deputy Director, DEP

Economic Impact Statement

Office of Legislative Oversight

Bill 33-20

Solid Waste (Trash) – Food Service Products Packaging Materials – Requirements

SUMMARY

The Office of Legislative Oversight (OLO) expects the enactment of Bill 33-20 to create short run costs for food service businesses operating in the County. OLO cannot, however, determine whether these costs outweigh the overall economic benefits of reducing the use of polystyrene food service ware.

BACKGROUND

The goal of Bill 33-20 is to promote the use of recyclable or compostable food service ware products in the County.¹ If enacted into the law, the Bill would prohibit food service businesses from selling or providing food in polystyrene food service products (hereinafter, the “polystyrene ban”) and require these businesses, as well as the County, County contractors and lessees, to use compostable or recyclable food service ware.² Enacting Bill 33-20 would also prohibit persons from selling or offering for sale food in polystyrene food service products or polystyrene loose fill packaging.³ The prohibition on the use of these products would not take effect until “12 months after this Act becomes law, or on January 1, 2022, whichever comes first.”⁴

METHODOLOGIES, ASSUMPTIONS and UNCERTAINTIES

Due to uncertainties and data limitations, OLO has made the following assumptions in the analysis of the economic impacts of the plastic straw prohibition.

- Assumption 1: The per unit price of compostable and recyclable food service ware for local food service businesses is higher than the price of polystyrene food service ware.
- Assumption 2: The suppliers of food service ware products to local food service businesses are based primarily outside the County.
- Assumption 3: Local food service businesses are “price-takers.” That is, their demand for food service products does not affect market prices for food service ware products.

To assess the economic impacts of the polystyrene ban, OLO uses the Regional Input-Output Modeling System (RIMS II) “final-demand multipliers” for Montgomery County developed by the U.S. Bureau of Economic Analysis.⁵ The RIMS II final-demand

¹ Montgomery County Council, Bill 33-20, Solid Waste (Trash) – Food Service Products Packaging Materials – Requirements, Introduced on July 21, 2020, Montgomery County, Maryland, 5.

² Ibid, 1 and 3.

³ Ibid, 3 and 4.

⁴ Ibid, 4.

⁵ U.S. Bureau of Economic Analysis, *RIMS II: An Essential Tool for Regional Developers and Planners*, December 2013, https://apps.bea.gov/regional/rims/rimsii/rimsii_user_guide.pdf.

Economic Impact Statement

Office of Legislative Oversight

multipliers capture how “an initial change in economic activity results in other rounds of spending.”⁶ In the case of Bill 33-20, the polystyrene ban would amount to a *negative* change in economic activity in the County, if local food service businesses pay more for compostable and recyclable food service ware to suppliers based outside the County (holding all else equal). This withdrawal from the local economy would reduce other rounds of spending.

As discussed in subsequent sections, this negative multiplier effect could occur through two channels:

1. Operating Cost Channel: Local food service businesses who experience net increases in operating costs, and/or
2. Household Expense Channel: County residents who experience net increases in household expenses due to local food service business owners passing the higher cost of food service ware onto their customers.

In both cases, the negative change in economic activity would reduce consumption of locally produced goods and services.

Using the final-demand multipliers, OLO estimates the economic impacts of the polystyrene ban in terms of three economic measures:

- Output (sales): total market value of industry output,
- Earnings: employee compensation plus net earnings of sole proprietors and partnerships, and
- Employment: number of full- and part-time employees.⁷

Due to lack of pricing data, OLO cannot project the total annual increase in operating costs for the food service sector. Instead, OLO illustrates the economic impact of a **hypothetical \$1,000,000 net decrease in local economic activity**. As shown below, the impact is sensitive to the channel through which the loss of economic activity occurs. Although the method produces single numbers for each measure, OLO cautions that these estimates are not precise forecasts. Rather, the estimates illustrate how the polystyrene ban may generate a negative multiplier effect and inform the discussion of the potential economic effects of the ban on County businesses and residents in reference to the Council’s priority indicators.⁸

Importantly, however, there are several uncertainties that could significantly influence the extent to which the polystyrene ban generates a negative multiplier effect (if at all) and whether these effects outweigh the overall economic benefits to County residents

⁶ Ibid, 1 – 1 and 1 – 2. In the case of positive changes in economic activity, spending diminishes over time due to “leakages” from the County economy, such as paying taxes, increasing savings, and purchasing goods and services produced outside the County.

⁷ Ibid, 3 – 3 and 3 – 4.

⁸ For the Council’s priority indicators, see Montgomery County Council, Bill 10-19 Legislative Branch – Economic Impact Statements – Amendments, Enacted on July 30, 2019, Montgomery County, Maryland, 3.

Economic Impact Statement

Office of Legislative Oversight

and private organizations. While a more robust analysis of the economic impacts of Bill 33-20 would account for these uncertainties, doing so is beyond the scope of the analysis here. Instead, OLO identifies these uncertainties as potentially significant policymaking considerations.

First, there are several factors that could offset the potential economic costs of the polystyrene ban. OLO cannot predict the magnitude of these offsetting factors on food service businesses.

Second, the COVID-19 pandemic is expected to continue adversely affecting business operations, supply chains, distribution systems, consumer demand and other facets of the local economy. Again, OLO is unable to predict the extent or nature of these impacts on food service businesses or how they would interact with the polystyrene ban.

Third, OLO is unable to quantify the extent to which food service businesses will substitute polystyrene food service ware with compostable alternatives. If so, then Bill 33-20 would reduce the indirect and unquantifiable economic costs associated with plastic pollution. (For more on the economic costs of plastic pollution, see the Economic Impact Statement for Bill 32-20.) However, if businesses substitute polystyrene food service ware with plastic alternatives that are recyclable in the County, then the Bill would not reduce the economic costs of plastic pollution.

Finally, the enactment of Bill 33-20 would likely reduce operating costs for recycling facilities in the County by reducing the amount of *non-recyclable* polystyrene food service ware that must be filtered out. OLO cannot estimate the economic impact of the alternative uses of these potential savings.

VARIABLES

Variables that could affect the economic impacts of enacting Bill 33-20 are the following:

- Difference in price between compostable or recyclable food service ware and polystyrene food service ware
 - Percentage of the price of food service ware passed onto customers
 - Business expenditures on food service ware
 - Percentage of customers of food service businesses who reside in the County
 - Duration of the COVID-19 pandemic and economic recession
 - Consumer demand for food service businesses
 - Net food service ware pollution
 - Economic costs to private organizations and residents from polystyrene pollution
 - National demand for compostable food service ware
-

Economic Impact Statement

Office of Legislative Oversight

IMPACTS

Businesses, Non-Profits, Other Private Organizations

Workforce, operating costs, property values, capital investment, taxation policy, economic development, competitiveness, etc.

If enacted into law, Bill 33-20 could negatively impact food service businesses in the County. On the assumption that the price of compostable and recyclable food service ware is higher than polystyrene food service ware, the ban on polystyrene food service ware would increase operating costs for these businesses (holding all else equal).⁹

Beyond operating costs, OLO sees no direct connection between enacting Bill 33-20 and property values, capital investment, taxation policy, economic development, or competitiveness.

OLO estimates that for every \$1,000,000 increase in annual operating costs, the local economy could lose between \$795,100 to \$1,542,050 in total output, \$158,700 to \$328,300 in earnings, and 4 to 11 jobs. The upper bound estimates reflect the “operating cost channel,” in which food service businesses incur the entire expense (i.e., 0% of the cost of food service ware is passed onto customers).¹⁰ The lower bound estimates reflect the “household expense channel,” in which customers incur the entire expense (i.e., 100% of the cost of food service ware is passed onto customers). These findings show that the negative multiplier effect increases the more local food service businesses bear the cost of the increase in the price of food service ware.¹¹

OLO expects the polystyrene ban to create short run costs to the local economy that will likely decrease over time. Indeed, there are several factors that could offset the net impact of the polystyrene ban on the operating costs of food service businesses. First, businesses could implement cost-cutting adaptations, for instance, reducing their use of disposable food service ware. Second, rising demand for compostable food service ware could create economies of scale which reduce the price differential between polystyrene and compostable food service ware.¹²

Moreover, OLO expects that the short-term costs of the polystyrene ban would more significantly impact local food service businesses, if Bill 33-20 takes effect during the COVID-19 pandemic and economic recession. These crises have left many small food service businesses financially fragile,¹³ which has made them more sensitive to increased

⁹ The net change in economic activity assumed here would be lower if *local* food ware suppliers provide a portion of non-polystyrene food service ware to food service businesses—in other words, if assumption 2 is violated.

¹⁰ To calculate the multipliers for the “food service sector,” OLO staff used the average multipliers for the food/beverage stores and food services/drinking places sector.

¹¹ It is worth noting that the lower bound estimates assume that all customers of these businesses reside in the County. The negative multiplier effect decreases the more the costs are passed onto *non-resident* customers of local food service businesses.

¹² Tonya Garcia, “Meet the Company Expected to Benefit from the War on Polystyrene food service ware,” *MarketWatch*, August 29, 2018, <https://www.marketwatch.com/story/brace-for-a-big-surge-in-demand-for-paper-food-service-ware-2018-08-21>; and Irina Ivanova, “States Declare War on Styrofoam – ‘People think it breaks down’,” CBS News, May 1, 2019, <https://www.cbsnews.com/news/styrofoam-ban-states-declare-war-people-think-it-breaks-down/>.

¹³ Stephen Roblin, “COVID-19 Recovery Outlook: Small Businesses,” Office of Legislative Oversight, Montgomery County Council, June 12, 2020, <https://www.montgomerycountymd.gov/OLO/Resources/Files/2020%20Reports/COVID-19Recovery-SmallBusinesses.pdf>.

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business expenses. Local food service businesses may also have difficulty adapting to cut costs while the indoor dining limitations due to the pandemic remain in place. These considerations, however, may not matter if the Bill is enacted, given that the polystyrene ban would not go into effect until a year after becoming law.

Residents

Workforce, property values, income, taxation policy, economic development, etc.

Enacting Bill 33-20 would likely have mixed results for County residents. On the one hand, customers of local food service businesses could pay higher prices for their goods and services. Paying higher prices would increase household expenses relative to incomes, assuming customers do not reduce their consumption from food service businesses. However, because the short-term increase cost of food service ware would be spread across thousands of customers, OLO expects the higher prices to have a marginal impact on *individual* households and, therefore, have little impact on consumer demand, even during the current recession. For instance, OLO does not expect a \$0.25 increase for a carry-out order to deter customers from patronizing food service businesses. Indeed, it is possible that customers who are environmentally conscious would gladly incur the cost to reduce polystyrene pollution.

On the other hand, County residents could benefit economically from the ban on polystyrene food service ware. As previously discussed, if food service businesses substitute polystyrene food service ware with compostable alternatives, then Bill 33-20 could reduce the economic costs associated with plastic pollution.

OLO sees no direct connection between Bill 33-20 and the Council's other priority indicators, namely workforce, property values, taxation policy, etc.

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Montgomery County Council. Bill 33-20, Solid Waste (Trash) – Food Service Products Packaging Materials – Requirements. Introduced on July 21, 2020. Montgomery County, Maryland.

Economic Impact Statement

Office of Legislative Oversight

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CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent the OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) drafted this economic impact statement.