

THE OHIO COUNCIL OF

Retail Merchants

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**Proponent Testimony on House Bill 242
Senate Local Government, Public Safety
& Veterans Affairs Committee**

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Good morning Chairman Manning, Vice Chairman Brenner, Ranking Member Maharath and members of the Senate Local Government, Public Safety & Veterans Affairs Committee. I am Lora Miller, Director of Governmental Affairs & Public Relations for the Ohio Council of Retail Merchants. I am here today on behalf of our more than 7,500 members in support of House Bill 242 to adopt statewide uniformity for auxiliary containers. We thank Representative Lang, and Senator Rulli, for bringing forth this important legislation and to you, Mr. Chairman, for allowing public testimony to be heard.

The business of retail does not operate in a vacuum. Even if all retailers were independent operators--which is obviously not the case--they still must make business decisions based on many factors including consumer preferences, regional trends, product availability and pricing, competitor strategies, manufacturer offers and incentives, and of course, government regulations.

The onus of local government regulations can sometimes prove the most challenging factor for retail businesses, especially for multi-state retailers that utilize macro-regional strategies for merchandising, marketing and standard operating procedures. The cost of doing business is artificially increased when retailers must design their operations at a micro level based on regulations that vary from jurisdiction to jurisdiction. This is especially impactful to grocers as they already operate on extremely slim margins and cannot simply absorb increased overhead costs. The unavoidable impact to the bottom line created by mandates such as bag bans is generally reflected in the increased price of goods being sold. For reasons such as these, statewide uniformity is preferable to a patchwork of local requirements.

A case in point is the bag ban ordinance that was adopted earlier this year by the Cuyahoga County Council. The County joins California and New York in enacting such a ban, along with cities such as Bexley here in Franklin County. When the measure goes into effect, most retailers in Cuyahoga County will be treated differently than those in other Ohio counties. As with any

proposal that targets a small segment of the state, those businesses within the jurisdiction where a ban, tax or fee is imposed are placed at a disadvantage, particularly if they do business throughout the state. Uniformity is very important in the retail sector and having a patchwork of differing regulations across local government borders is both administratively and financially burdensome. Adding to the complexity of the Cuyahoga County ban are the actions of municipalities within the county boundaries to exempt themselves from the ban. One municipality has already done so and others are in the process.

Additionally, these types of regulations drive shoppers out of a jurisdiction. People who find such local mandates and regulations inconvenient, burdensome or both will take their business to neighboring jurisdictions. Consumers are very fickle. They will pass a gas station on the right-hand side of the street and turn left across traffic a block down the street to save a penny per gallon on gasoline. When Ohio has its annual sales tax holiday, shoppers from neighboring states come to Ohio to shop to avoid paying sales tax. Many Cuyahoga County residents who rely on plastic bags for miscellaneous things besides groceries will shop at retail outlets in neighboring counties, or exempted cities, in order to get plastic bags. In truth, referring to these bags as “single-use plastics” is a misnomer as they serve a variety of household functions. This is a major reason why statewide litter surveys have historically found that less than one percent of environmental litter is from plastic bags.

It is very important to acknowledge that the Ohio Revised Code has clearly defined anti-littering statutes and a comprehensive statewide solid waste management strategy managed by Ohio’s 52 solid waste management districts (SWMD), with recycling serving as a cornerstone of waste management philosophy in Ohio. Solid waste districts have been integral to initiating and maintaining the infrastructure necessary for Ohio’s recycling efforts. While some districts provide funding and education for recycling efforts, others actively provide recycling services. Ohio EPA has a grant program for market development, recycling and litter abatement. EPA staff works with local solid waste districts and the private sector to create robust public/private partnerships which capitalize on the latest trends in sustainability. We believe it yields greater results when everyone works together on such programs instead of focusing on product bans.

From the retail perspective, “zero waste” is the goal of many merchants and a key part of the business plan for numerous national retailers. They view environmental sustainability as a corporate responsibility and incorporate waste elimination, reduction and reuse into every aspect of daily operations. Many also offer consumers the opportunity to reduce waste by providing onsite containers for the disposal of recyclable plastics to complement local government recycling programs. While it is true that such local programs are not universally available and not all are as successful as others, we believe that local governments should be doing more to encourage voluntary recycling instead of implementing mandates and bans that rarely achieve their stated goal.

Chairman Manning, Vice Chairman Brenner, Ranking Member Maharath and members of the Committee, I appreciate the opportunity to appear before you today in support of House Bill 242. Our thanks to each of you and again our special thanks to Representative Lang and Senator Rulli for their leadership on this issue. I am available to try to answer any questions you may have.