

City of Brisbane

Agenda Report

Date: City Council Meeting of May 18, 2017

To: Mayor Liu and Members of the City Council

From: Clay Holstine, City Manager

Subject: Resolution Implementing the Business License Tax for Recycling Establishments for Fiscal Years 2017/2018 and 2018/2019

City Council Goals

To provide for effective and efficient delivery of City services (1)
To develop management and fiscal systems to maximize effectiveness of City services and accountability to Brisbane taxpayers and citizens (11)

Purpose

To establish for fiscal year 2017/2018 and fiscal year 2018/2019 the amount of the business license tax charged to certain recycling establishments under Section 5.20.100 of the Brisbane Municipal Code

Recommendation

Adopt Resolution 2017-32

Background

The City has adopted a business license tax in Chapter 5.20 of the Brisbane Municipal Code. Among other businesses, this tax is imposed on “recycling establishments” defined to mean an establishment engaged in the business of collecting, sorting, cleansing, treating, processing or reconstituting waste or other discarded materials for the purpose of reuse in an altered form. The current tax for recycling establishments that recycle 100,000 or more tons of material during any calendar year is up to \$3,000,000, subject to certain adjustments. Section 5.20.100 B, Brisbane Municipal Code. The City Council determines annually the actual amount of the tax to be imposed. Section 5.20.100 B and C, BMC. Currently only Recology recycles the threshold amount of material within the City to trigger the tax under Section 5.20.100 B and C. In the last three years, the City Council has imposed a tax on Recology in the amount of \$2,100,000.

Discussion

For fiscal year 2017/2018, staff recommends imposing a tax in the amount of \$2,768,000 and for fiscal year 2018/2019, staff recommends imposing a tax in the amount of \$2,979,000, both of which are less

than the current maximum tax of \$3,000,000. Staff has discussed this matter with the Council Finance and Administrative Committee and the Committee concurs with the recommendation.

Also on tonight's agenda are an agenda report and resolution calling for an election to increase the business license tax for recycling establishments that recycle more than 100,000 tons of material during any calendar year to \$4,000,000 (plus adjustments). If this measure were to pass, staff is likely to recommend the tax for fiscal year 2018/2019 be in excess of \$3,000,000.

Fiscal Impact

Council's adoption of the attached resolution will result in a business license tax of \$2,768,000 for fiscal year 2017/2018 and of \$2,979,000 for fiscal year 2018/2019.

Attachment A:

Resolution No. 2017-32



Stuart Schillinger, Administrative Services Director



Clay Holstine, City Manager

ATTACHMENT A

RESOLUTION NO. 2017-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE ESTABLISHING THE BUSINESS LICENSE TAX CHARGED TO CERTAIN RECYCLING ESTABLISHMENTS UNDER SECTION 5.20.100 OF THE BRISBANE MUNICIPAL CODE FOR FISCAL YEARS 2017/2018 AND 2018/2019

WHEREAS, Section 5.20.100 of the Brisbane Municipal Code imposes an annual business license tax on recycling establishments within the City; and

WHEREAS, the business license tax for recycling establishments that recycle 100,000 or more tons of material during the calendar year is up to \$3,000,000, as set by the City Council; and

WHEREAS, the City Council desires to fix the business license tax charged to recycling establishments that recycle 100,000 or more tons of material during the calendar year for fiscal years 2017/2018 and 2018/2019.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRISBANE AS FOLLOWS:

1. The annual business license tax charged to recycling establishments that recycle 100,000 or more tons of material during the calendar year is \$2,768,000 for fiscal year 2017/2018 and is \$2,979,000 for fiscal year 2018/2019.

Lori Liu, Mayor

I hereby certify that the foregoing Resolution No. 2017-32 was duly and regularly adopted at the regular meeting of the Brisbane City Council on May 18, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ingrid Padilla, City Clerk