



## CITY COUNCIL AGENDA REPORT

**Meeting Date:** September 15, 2022

**From:** Carolina Yuen

**Subject:** Resolution Establishing the Business License Tax on Recycling Establishments for Fiscal Year 2022/23

### Community Goal/Result

Fiscally Prudent – Brisbane’s fiscal vitality will reflect sound decisions which also speak to the values of the community

### Purpose

To provide for the long-term fiscal stability of the City of Brisbane

### Recommendation

Adopt Resolution to establish the Business License Tax on Recycling Establishments for Fiscal Year 2022/23.

### Background

In 2011, the voters of the City passed an ordinance which imposed a business license tax on companies which carry out recycling operations with the City limits. For recycling establishments that recycled 100,000 tons or more, a tax was allowed by that ordinance with a maximum amount set at \$3,000,000 per year. In 2017, voters increased the maximum amount of the tax allowed by the ordinance to \$4,000,000, phased in over a period of time, with inflationary increases after the business license tax reached \$4,000,000. The amounts of tax were as follows:

Fiscal Year	Amount of Tax
2016/17	\$2,100,000
2017/18	\$2,778,000
2018/19	\$2,979,000
2019/20	\$3,206,000
2020/21	\$3,700,000
2021/22	\$4,000,000

This phased in approach was discussed with San Francisco Recology and agreed to in principle.

### Discussion

The City Council is to set the rate by resolution each year. Since the rate for FY2021/22 was \$4 million, starting in FY2022/23 and thereafter, the City Council will need to set the rate annually

as directed by the voter-approved ordinance to increase the \$4 million dollar rate by an inflation factor each year.

Per the ordinance, the business license tax payable shall be the greater of (1) the tax charged the previous year plus three percent (3%) of such tax , or (2) four million dollars plus an amount determined by a fraction, represented by the numerator of which shall be the Consumer Price Index published by the US Department of Labor Statistics, for Urban Wage Earners and Clerical Workers, All Items, for the San Francisco-Oakland-Hayward Statistical Area (CPI) published nearest to the adjustment date, and the denominator of which shall be the CPI published nearest to the date the business license tax was set at four million dollars per year.

Option 1 would be \$4,120,000.

Option 2 would be:

$$\begin{array}{rclclcl} \text{numerator} & = & \text{CPI from 6/22 (nearest to adj date of 7/1/22)} & = & 330.539 & = \\ \text{denominator} & = & \text{CPI from 6/21 (nearest to adj date when set at \$4M)} & = & 309.497 & = 1.068 \end{array}$$

$$\$4,000,000 + (\$4,000,000 \times .068) = \$4,272,000$$

The greater is \$4,272,000.

### **Fiscal Impact**

The City would collect the amount of \$4,272,000 as allowed per the ordinance and set by resolution for FY2022/23.

### **Measure of Success**

The City is able to continue to provide all of the services, which the City has budgeted for.

### **Attachments**

1. Resolution No. 2022-\_\_\_\_

  
\_\_\_\_\_  
Carolina Yuen, Finance Director

  
\_\_\_\_\_  
Clay Holstine, City Manager

**RESOLUTION NO. 2022-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
BRISBANE ESTABLISHING THE BUSINESS LICENSE TAX  
FOR RECYCLING ESTABLISHMENTS FOR FISCAL YEAR  
2022/23**

**WHEREAS**, Section 5.20.100 of the Brisbane Municipal Code imposes a business license fee on “recycling establishments,” which are defined as establishments engaged in the business of collecting, sorting, cleansing, treating, processing, or reconstituting waste or other discarded materials for the purpose of reuse in altered form; and

**WHEREAS**, the business license tax for recycling establishments in the City that recycle 100,000 tons or more of material during any single calendar year, as set forth in Section 5.20.100, beginning January 1, 2018 and each subsequent year may be increased to any amount within the authorized ceiling of four million dollars per year plus an inflation factor, in such a manner as established by resolution of the City Council; and

**WHEREAS**, the City Council has been presented with the calculation of the inflation factor, and has examined and approved same to be set as the business license tax for recycling establishments;

**NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Brisbane as follows:**

1. The annual business tax for recycling establishments recycling more than 100,000 tons of material in the City during any single calendar year is established at Four Million Two Hundred Seventy-Two Thousand Dollars (\$4,272,000) for fiscal year 2022/23. Such amount shall be payable as follows:

- (a) A payment of \$2,136,000 shall be made on or by December 31, 2022.
- (b) A payment of \$2,136,000 shall be made on or by June 30, 2023.

2. This Resolution shall become effective immediately upon its adoption.

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COLEEN MACKIN,  
Mayor

I hereby certify that the foregoing Resolution No. 2022-\_\_\_ was duly and regularly adopted at a regular meeting of the Brisbane City Council on September 15, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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INGRID PADILLA,  
City Clerk