



CITY COUNCIL AGENDA REPORT

Meeting Date: September 18, 2025
From: Carolina Yuen
Subject: Resolution Establishing the Business License Tax on Recycling Establishments for Fiscal Year 2025/26
Recommendation

Staff recommends that the City Council adopt a Resolution to establish the Business License Tax on Recycling Establishments for Fiscal Year 2025/26.

Background

In 2011, the voters of the City passed an ordinance which imposed a business license tax on companies which carry out recycling operations within the City limits. For recycling establishments that recycle 100,000 tons or more, the tax authorized by that ordinance established a maximum tax of \$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.

Council sets the tax each year by resolution and the tax for recycling operations that recycled 100,000 or more tons was set as follows:

Fiscal Year	Amount of Tax
2019/20	\$3,206,000
2020/21	\$3,700,000
2021/22	\$4,000,000
2022/23	\$4,272,000
2023/24	\$4,400,160
2024/25	\$4,536,000

Discussion

Since the maximum tax for FY2021/22 was \$4 million, starting in FY2022/23 and thereafter, the City Council is to set the tax annually as provided by the voter-approved ordinance that permits an increase to the \$4 million dollar tax 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 \$4,672,080 (i.e., \$4,536,000 + 3% = \$4,536,000 + 136,080 = \$4,672,080)

Option 2 would be:

$$\begin{array}{lclclcl} \text{numerator} & = & \text{CPI from 6/25 (nearest to adj date of 7/1/25)} & = & \frac{356.460}{309.497} & = \\ \text{denominator} & = & \text{CPI from 6/21 (nearest to adj date when set at \$4M)} & & & 1.152 \end{array}$$

$$\$4,000,000 + (\$4,000,000 \times .152) = \$4,608,000$$

The greater is \$4,672,080.

Fiscal Impact

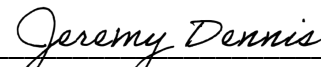
The City will invoice and collect from Recology the amount of \$4,672,080.

Attachments

1. Resolution No. 2025-____



Carolina Yuen, Finance Director



Jeremy Dennis, City Manager

RESOLUTION NO. 2025-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
ESTABLISHING THE BUSINESS LICENSE TAX FOR RECYCLING
ESTABLISHMENTS FOR FISCAL YEAR 2025/26**

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 Six Hundred Seventy-Two Thousand Eighty Dollars (\$4,672,080) for fiscal year 2025/26. Such amount shall be payable as follows:

- (a) A payment of \$2,336,040 shall be made on or by December 31, 2025.
- (b) A payment of \$2,336,040 shall be made on or by June 30, 2026.

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

CLIFF LENTZ,
Mayor

I hereby certify that the foregoing Resolution No. 2025-___ was duly and regularly adopted at a regular meeting of the Brisbane City Council on September 18, 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

INGRID PADILLA,
City Clerk

CITY ATTORNEY