

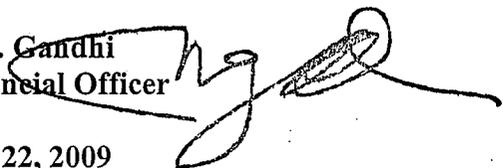
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: December 22, 2009

SUBJECT: Revised Fiscal Impact Statement: "Recycling Regulations
Amendment Approval Resolution of 2009"

REFERENCE: Draft Resolution to be Introduced—No Bill Number

This revised fiscal impact statement incorporates changes to the proposed fee structure. This document replaces the fiscal impact statement issued by the OCFO on July 2, 2009.

Conclusion

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the provisions of the proposed resolution.

Background

The proposed resolution would approve proposed rules¹ that amend Chapter 20 (D.C. Solid Waste Management and Multi-Material Recycling) of Title 21 (Water and Sanitation) of the District of Columbia Municipal Regulations by adding cardboard and plastic to the materials to be recycled, altering the requirements governing commercial recycling, clarifying who is responsible for complying with the regulations, changing monthly reporting requirement to a quarterly schedule, and increasing the fines applicable to violations of the District of Columbia's recycling laws and regulations. The intent of the proposed rules is to update recycling

¹ Pursuant to Section 8 of the District of Columbia Litter Control Administration Act of 1986, effective March 25, 1986, (D.C. Law 6-100; D.C. Official Code § 8-807(b)(3)), made applicable to recycling regulations by Section 17 of the District of Columbia Solid Waste Management and Multi-Material Recycling Act of 1988, effective March 16, 1989 (D.C. Law 7-226; D.C. Code § 8-1017(a)).

regulations to match current practices in the Department of Public Works (DPW), clarify the recycling enforcement powers of DPW, and improve recycling throughout the District.

The proposed rules would increase registration fees for recycling vehicles and haulers from \$24 to \$50 annually. These fees would continue to be deposited into a segregated account² and used only to fund recycling activities in the District.

The proposed rules would also amend recycling-related fines for commercial buildings, apartments, condominiums, and co-ops. Currently there are two sets of fines based on the size of the building being cited for a violation. They range from \$100 to \$400 for apartments, condominiums, and co-ops, and from \$25 to \$1,000 for commercial buildings. Under the proposed rulemaking, the fine amount would no longer be a function of the size of the building being cited for a violation, but instead would be a function of the number of times the violation was committed. The proposed fine schedule for residential apartment buildings, condominiums, or co-ops, and other commercial buildings would be \$200 for a first offense, \$600 for a second offense, and \$1,500 for a third offense. These fines would continue to be deposited into the Solid Waste Nuisance Abatement Fund,³ a non-lapsing segregated account.

Lastly, the proposed rules would increase fines for haulers to \$500 for a first offense, \$1,000 for a second offense, and \$2,000 for third offense. Currently, they range from \$50 to \$100 for a first and second offense, and from \$100 to \$500 for a third offense. These fines would also be deposited into the Solid Waste Nuisance Abatement Fund.

Financial Plan Impact

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the provisions of the proposed resolution. No additional expenditures would be required to implement the provisions of the proposed resolution.

The fee increase for registering recycling vehicles and haulers would likely generate a marginal increase in revenues in the DPW segregated account. Based on FY 2007 and FY 2008 data on the number of registered recycling vehicles⁴, the fee increase is estimated to generate approximately \$7,000 in additional revenue each year.

Changing the fine schedule for recycling violations at commercial buildings, apartment buildings, condominiums, and co-ops, and increasing the fines for recycling collection infractions could generate additional revenue for the Solid Waste Nuisance Abatement Fund. However, it is not possible to reliably estimate the revenue impact these changes would have because it is not possible to predict how past behavior may change in light of the new fine schedules. This is especially true given that the proposed fine schedules are intended to discourage repeat violations.

² Established pursuant to D.C. Official Code § 8-1015(f).

³ Established pursuant to D.C. Official Code § 8-807.01.

⁴ DPW has not registered any haulers.