

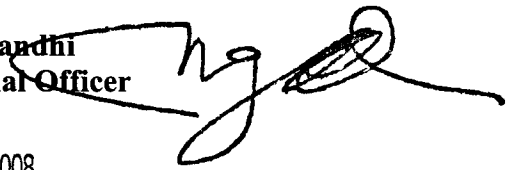
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



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: SEP 26 2008

SUBJECT: Fiscal Impact Statement: "Recycling Regulations Amendment Approval Resolution of 2008"

REFERENCE: Draft Resolution to be Introduced—No Bill Number

Conclusion

Funds are sufficient in the FY 2008 budget and proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed resolution.

Background

The proposed resolution would approve proposed rules that amend the Chapter 20 of Title 21 (D.C. Solid Waste Management and Multi-Material Recycling) of the District of Columbia Municipal Regulations. The intent of the proposed rules is to update recycling regulations to match current practices in the Department of Public Works (DPW), clarify the recycling enforcement powers of DPW, and to improve recycling throughout the District.

The proposed rules also increase registration fees for recycling vehicles and haulers from \$24 to \$50 annually. These fees are deposited into a segregated account established pursuant to D.C. Official Code § 8-1015(f), which states that such fees are required to be used to fund recycling activities in the District.

The proposed rules amend recycling-related fines for commercial buildings, apartments, condominiums, and coops. 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 coops, and from \$25 to \$1,000 for commercial buildings. The proposed rule-making would change the fines so that they increase for repeat violations according to a designated schedule. The proposed fine schedule for apartments, condominiums, and coops would be \$200 for a first offense, \$400 for a second offense, and \$600 for a third offense. The proposed fine schedule for commercial buildings would be \$500 for a first offense, \$1,000 for a second offense, and \$2,000 for a third offense. The fine amount would no longer be a function of the size of the building being cited for a violation. Pursuant to D.C. Official Code § 8-807.01, these fines would continue to be deposited into a non-lapsing segregated account called the Solid Waste Nuisance Abatement Fund.

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

Financial Plan Impact

Funds are sufficient in the FY 2008 budget and proposed FY 2009 through FY 2012 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 a DPW segregated account. Using FY 2007 data on the number of registered recycling vehicles and haulers, the fee increase is likely to generate approximately \$8,900 in additional revenue for this segregated account in FY 2009.

In addition, changing the fine schedule for recycling collections violations and for recycling violations at commercial buildings, apartment buildings, condominiums, and coops may also generate additional revenue for the Solid Waste Nuisance Abatement Fund. However, as the change in the fine schedules may change behavioral patterns, it is not possible at this time to estimate the revenue impact that these changes may have on the level of fine revenues over the financial plan period. This is especially true given that the proposed fine schedules are intended to discourage repeat violations.