

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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Legislation Title:

AN ORDINANCE relating to Seattle Public Utilities; prohibiting food waste and compostable paper from disposal as garbage; and amending Sections 21.36.082, 21.36.083 and 21.36.922 of the Seattle Municipal Code.

Summary of the Legislation:

The legislation would require food waste and compostable paper to be separated from garbage by all customer sectors and diverted for composting as of January 1, 2015. The legislation would direct SPU to begin customer outreach and business assistance to support this requirement as of October 1, 2014. SPU would begin educational tagging on January 1, 2015 and not levy fines for non-compliance prior to July 1, 2015.

Background:

The Council in February 2013 approved Resolution 31426 to adopt Seattle’s Solid Waste Plan and endorsed the recycling goals and programs within that plan for 2012-2020. The plan listed a composting requirement for food waste and compostable paper as a potential recycling program that would yield the greatest benefits.

Seattle Public Utilities earlier this year submitted to Council its 2013 Annual Recycling Report. The report described a slight improvement in the 2013 recycling rate, reaching 56%, but significantly short of the 60% goal for 2015. The report highlights new food waste recycling requirements as the primary near-term program to reach the 2015 goal. Such a requirement would generate an estimated 38,000 new tons of recycling per year.

On July 1, 2014, SPU submitted the draft 2015-2020 Strategic Business Plan to Council which also focused on implementation of new food waste recycling requirements and incorporated the resources and benefits of implementing requirements.

SPU has long and successful record of introducing and implementing recycling requirements including requirements for residential yard waste (1989), residential recyclables (2005), and commercial recyclables (2005 and 2014). In addition, SPU completed extensive customer and stakeholder input in May and June of 2014 to understand challenges, opportunities and customer perspectives on potential new food waste recycling requirements. The research revealed broad-based support for the new potential requirements, across all sectors, and specific suggestions to support customer implementation challenges.

This legislation does not have any financial implications.

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This legislation would implement activities in the proposed Strategic Business Plan, expected to be adopted later this year. These activities will include an additional \$400,000 in costs for enhanced outreach, education, and marketing most of which will be spent on explaining and promoting the composting requirement. There are no other appreciable enforcement costs. The Strategic Business Plan also reflects the cost reduction from reduced landfilling due to the composting requirement. The increased outreach taken with the reduced landfilling result in a net savings. The appropriations for the marketing activities and the savings from the reduced landfilling charges will both be included in SPU's biennial budget request.

In addition to cost implications, this legislation may increase the collection of fine revenue for non-compliance. This revenue is anticipated to be negligible – a similar requirement banning the disposal of recyclables which went into effect in 2006 has to date yielded less than \$1,000 in fine revenue.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

This legislation would increase diversion of organics resulting in reduced garbage tonnage. Less garbage tonnage could reduce tonnage tax receipts that support City-wide cleanup programs.

b) What is the financial cost of not implementing the legislation?

The costs and benefits of this program are included in the Strategic Business Plan baseline. It is necessary to implementing this legislation to meet the solid waste diversion targets and stay within the overall expense targets included in the plan.

c) Does this legislation affect any departments besides the originating department?

No

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

Seattle's Solid Waste Plan includes other recycling programs for the next decade, but no other combinations of programs have the potential to provide a sufficient near-term boost to meet the City's recycling goals.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues:

None.

List attachments to the fiscal note below: