



City of Tacoma

City Council Action Memorandum

TO: Elizabeth Pauli, City Manager
FROM: Geoffrey M. Smyth, P.E., Interim Director, Environmental Services
Lewis T. Griffith, P.E., Solid Waste Management Division Manager, Environmental Services Department
COPY: City Council and City Clerk
SUBJECT: Ordinance – Amending Section 12.09.070 - December 10, 2024
DATE: November 26, 2024

Initial
GMS

SUMMARY AND PURPOSE:

An ordinance amending Section 12.09.070 of the Tacoma Municipal Code (TMC), relating to Special Permits to collect solid waste in Tacoma City limits, to update the permit reporting requirements and the City’s authority to enforce this section and assist in the administration of solid waste collection business taxes (TMC 6A.50) and recycling tax deductions.

BACKGROUND:

The Environmental Services Department’s Solid Waste Management Division (SWM) recommendation is based on improving SWM’s ability to enforce its solid waste franchise agreement and track private sector solid waste collection activities in City limits. Additionally, improved data collection through this ordinance will assist Tacoma’s Tax & License Division (T&L) in administering recycling tax deductions. This tax incentive will encourage participation in the Special Permits program, while also incentivizing recycling, thereby diverting waste from our regional landfill. The proposed ordinance will update TMC 12.09.070 as follows:

- Amend Section 12.09.070.C to give SWM authority to audit and inspect permit holders’ data reports and business activities in City limits to enforce TMC 12.09.070.
- Amend Section 12.09.070.D.6 to require junk haulers to report the date of service and volume of material hauled from each service location.
- Amend Section 12.09.070.E to clarify the reporting requirements for recyclers as follows:
 - The annual recycling report must contain sufficient information to calculate a Recycling Rate, defined as the percentage (by weight) of material handled that was recycled in the previous year.
 - An annual recycling report is required to be eligible for a tax deduction per TMC 6A.50.
 - Alternative Daily Cover (ADC) may be reported as up to 50% recycling by weight.
 - A permit reporting fee of \$150 dollars will be paid by all permittees who submit an annual recycling report.
 - First-time applicants may submit an estimated Recycling Rate in lieu of an annual recycling report.
 - Amendments to annual recycling reports may be submitted prior to November 1 of each year.

The Government Performance & Finance Committee voted unanimously on November 19, 2024, to move this proposal forward to the full City Council.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Staff has collaborated with interested parties from the solid waste and recycling industry while developing the new permitting and reporting rules in this ordinance. Since October 2023, SWM and T&L have held four Recycling Roundtables, where businesses subject to Special Permits provided feedback on the existing program and potential changes. Concerns expressed during the Roundtable meetings were related to 1) the ability to enforce the new and existing rules, 2) whether Alternative Daily Cover (ADC) was considered a recyclable material, 3) the compliance



burden on companies to track and report their data, and 4) the timeline for tracking recycling data, reporting recycling data, and receiving a tax benefit.

In early 2024, SWM and T&L developed tiered recycling tax deductions based on the percent of waste managed by each permit holder that was recycled. Accounting for feedback from the Recycling Roundtables, SWM developed Special Permits code revisions that specified the necessary data to qualify for a recycling tax deduction.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Enforcement and administration of TMC 12.09.070 ensures that SWM collects all solid waste revenues as reserved through its franchise agreement. Violations of this franchise agreement place an unfair financial burden on our ratepayers to support SWM’s operations. Inadequate enforcement of Special Permits disproportionately impacts our low-income residents, including those in underrepresented communities.

Civic Engagement: *Equity Index Score: Moderate Opportunity*

Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Livability: *Equity Index Score: Moderate Opportunity*

Increase positive public perception of safety and overall quality of life.

Explain how your legislation will affect the selected indicator(s).

This program incentivizes recycling which reduces the environmental impacts from landfill disposal, such as water and air pollution. Additionally, the regulation of solid waste activities is vital for the protection of public health and the environment.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
Maintain status quo of no permit fee	Reduce financial burden on permit holders	Puts additional burden on ratepayers to fund Special Permits administration
Do not allow ADC to be reported as recycling	Incentivizes alternative recycling methods for materials used for ADC	Heavier tax burden on private haulers and may disincentive the use of ADC at landfills.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends Council pass the Ordinance to amend Tacoma Municipal Code Section 12.09.070, expanding reporting requirements, defining the permittee’s Recycling Rate, and clarifying SWM’s authority to enforce this section, with an effective date of January 1, 2025.

FISCAL IMPACT:

Adoption of this ordinance gives SWM clear authority to enforce its solid waste franchise agreement and retain revenues. There is no estimated fiscal impact from this since revenues are not tracked from all private solid waste



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businesses individually. The permit fee collected through this ordinance will support the administrative costs of this program and are estimated to amount in \$3000-\$5000 of revenue per year.

Special Permits will also support T&L in the collection of Solid Waste Collection Businesses taxes.

What Funding is being used to support the expense?

Permit Reporting Fees will help cover the cost of this program including report audits and permit administration.

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City's FTE/personnel counts?

NO