

LEGISLATIVE DIGEST
(revised 2/14/2022)

[Initiative Ordinance - Health Code - Refuse Collection and Disposal Ordinance]

Ordinance amending the Refuse Collection and Disposal Ordinance (“the Refuse Ordinance”) to restructure the refuse rate-setting process to replace hearings before the Department of Public Works with a requirement that the Controller, as Refuse Rate Administrator, regularly monitor the rates and appear before the Refuse Rate Board to recommend rate adjustments; establish an appointed Ratepayer Representative to replace the Controller on the Refuse Rate Board; authorize the Refuse Rate Board to set commercial rates; require applicants for refuse collection permits to demonstrate their ability to avoid disruptions in service; clarify existing law regarding refuse collection permits; authorize the Board of Supervisors on recommendation of the Refuse Rate Administrator, Refuse Rate Board, and Mayor to amend the Refuse Ordinance by eight-vote supermajority; and fully codifying the Refuse Ordinance in the Health Code

Existing Law

The City regulates the collection, transport, and disposal of “refuse” (i.e., trash, compost, and recyclables) under a voter-adopted ordinance known as “the Refuse Ordinance.” The Refuse Ordinance requires that refuse collectors desiring to provide service in the City must obtain permits to operate from the Department of Public Health. The Refuse Ordinance also created a Refuse Rate Board comprised of the City Administrator, the City Controller, and the General Manager of the Public Utilities Commission. The Refuse Rate Board sets the maximum rate for residential refuse collection and for refuse disposal. The Refuse Rate Board does not set a maximum rate for commercial refuse collection; these rates are set through private contracts between customers and refuse collectors.

When the Refuse Rate Board receives an application to change the refuse rates, it first refers the application to the Director of Public Works. The Director must hold a public hearing on the application and then provide a recommendation to the Refuse Rate Board. If nobody objects to the Director’s recommendation, it becomes final. If someone objects, then the Refuse Rate Board holds a public hearing and can modify the Director’s recommendation.

Because the Refuse Ordinance does not authorize amendments by the Board of Supervisors, it requires approval of the voters to amend it.

Amendments to Current Law

The proposed measure would remove the Controller from the Refuse Rate Board and replace the Controller with a Ratepayer Representative, who would need to be recommended by an organization dedicated to protecting ratepayers.

Instead of serving on the Refuse Rate Board, the Controller would serve as the Refuse Rate Administrator. In that capacity, the Controller rather than the Director of Public Works would be responsible for monitoring rates and proposing new rates to the Refuse Rate Board. Before proposing any new rates, the Refuse Rate Administrator would be required to present its proposals at public hearings before the Commission on the Environment and Commission on Streets and Sanitation. The Refuse Rate Board would need to hold a public hearing on the Refuse Rate Administrator's proposed rates and then issue a final decision.

Under the proposed measure, the Refuse Rate Board would also have the authority to set a maximum rate for commercial customers, provided that all the rates set by the Refuse Rate Board remain reasonable and fair.

The proposed measure also provides that applicants for refuse collection permits must include information in their applications establishing their ability to avoid disruptions in service. The measure notes that an applicant may satisfy this requirement by certifying it has appointed one or more employee representatives to its governing board, but that would not be the only way to satisfy the requirement.

Finally, while the voters could continue to amend the Refuse Ordinance in the future, the proposed measure would also authorize amendments by the Board of Supervisors. The Board of Supervisors would need to approve any such amendments by ordinance with a supermajority of at least eight votes, and the amendments would need to further certain specified purposes and would need to be recommended by the Refuse Rate Administrator, the Rate Board, and the Mayor.

Background Information

Health Code Section 290 currently contains portions of the Refuse Ordinance, which the voters adopted via Proposition 6 (November 8, 1932), which was amended via Ordinance No. 16 (November 5, 1946), Proposition C (June 8, 1954), and Proposition F (June 7, 1960). The entire Refuse Ordinance has not previously been codified in Health Code Section 290. The proposed measure would codify the entire Refuse Ordinance at Health Code Section 290, along with the amendments as summarized above. As a result, the entirety of the Refuse Ordinance, including as amended by this ordinance, will be in Health Code Section 290.

This version of the legislative digest reflects amendments made on February 14, 2022. The amendments require permit applicants to demonstrate an ability to avoid service disruptions; clarify existing rules regarding permits; align the definition of "refuse" with existing law under the Environment Code; increase the vote threshold for future legislation to amend the Refuse Ordinance from seven to eight votes; and make other non-substantive edits and clarifications.