

Memorandum



CITY OF DALLAS

DATE March 24, 2025

Honorable Members of the Government Performance and Financial Management
TO Committee: Chad West (Chair), Paula Blackmon (Vice Chair), Cara Mendelsohn, Jesse
Moreno, Jaime Resendez

SUBJECT **March 26, 2025 Upcoming Agenda Items Related To Private Solid Waste Collection
Services/Solid Waste Franchises**

On December 10, 2024, the Government Performance and Financial Management Committee received a briefing on proposed updates to the solid waste franchise program and the additional steps required to implement the franchise fee increase previously authorized by City Council on September 18, 2024. The City Council agenda for March 26, 2025, will include two items for consideration related to this matter. Below is an overview of these upcoming agenda items for your review. The purpose of this briefing memorandum is to provide the opportunity to address any additional questions prior to full Council consideration.

Public Hearing and Ordinance Amending 72 Solid Waste Franchises

Bottom Line

- This action increases the fee for existing solid waste franchisees from 4% to 6% of gross receipts, effective April 1, 2025, with an estimated revenue increase of \$1.5 million in the current fiscal year (this revenue is included in the FY 2024-25 General Fund budget).

Background

- Private solid waste collection services are required to hold a franchise granted by the City Council to collect, transport, process, or dispose of solid waste in the city of Dallas.
- Franchises are granted to individual companies by ordinance.
- The franchise program allows the City to regulate private solid waste collection services, enforce compliance with health and safety regulations, and recover costs associated with commercial waste vehicle impact on city streets.
- Franchisees currently remit to the City 4% of their gross receipts, as established in Chapter 18 of the Dallas City Code in 2007.
- On September 18, 2024, the City Council amended Chapter 18, increasing the base solid waste franchise fee from 4% to 6% of franchisees' gross receipts.
- Existing franchises were not automatically increased to this new base rate.
- Individual ordinances granting franchises must be amended to reflect the new rate.

DATE March 24, 2025
SUBJECT **March 26, 2025 Upcoming Agenda Items Related To Private Solid Waste Collection Services/Solid Waste Franchises**
PAGE **2 of 3**

- Franchisees were notified in writing of the proposed fee change on November 15, 2024, and again on January 13, 2025 and February 26, 2025.
- Sanitation hosted two informational sessions in January, which had minimal participation from franchisees.

Ordinance Amending Chapter 18, Related to Private Solid Waste Collection Services

Bottom Line

- This action amends private solid waste collection service regulations to improve efficiency of program administration, reduce or eliminate certain requirements that have diminished in relevance to current City operations, establish streamlined approval processes that enhance business responsiveness, and clarify certain regulations which address entities providing service without authorization.

Key Program Updates

- Narrow the scope of entities required to hold a solid waste franchise to exclude solid waste collection services:
 - operating without an established route; and
 - without collection bins; and
 - only removing, transporting, processing, or disposing of waste generated solely and incidental to its own operations, using vehicles owned, rented, or borrowed for self-hauling.
 - Examples may include: residential junk removal services, lawn and tree maintenance services, roofing and other minor construction and demolition services.
- Grant the director of Sanitation authority to issue a temporary solid waste collection license, pending City Council consideration of the franchise application, not to exceed 180 days, to allow for the application vetting and Council agenda process.
- Change franchisee payment and reporting requirements from monthly to quarterly.
- Require that vehicles and containers used to transport or collect solid waste be marked with the franchisee's name or trade name and related identifying information.
- Require solid waste collection services that only collect, transport, or process recyclable materials to hold a franchise.
 - Currently, franchisees' gross receipts earned from processing of recyclable materials are exempt from franchise fees due to the City. This exemption would continue unless the City Council authorized otherwise.
- Establish impoundment and storage fees for collection bins determined to be hazardous to public health or safety or used in violation of city code.
- Eliminate City-issued decal requirement (vehicles remain subject to state and federal safety requirements and remain subject to inspection by the City).

DATE March 24, 2025
SUBJECT **March 26, 2025 Upcoming Agenda Items Related To Private Solid Waste Collection Services/Solid Waste Franchises**
PAGE **3 of 3**

- Eliminate the notarization requirement for the franchise application.
- Clarify the definition of "solid waste collection service" and to change references to "wet or dry solid waste" to "municipal solid waste" (current definition requires four cross-references for complete definition).

If you have questions or require additional information, please contact me or Clifton Gillespie, Director of Sanitation, at clifton.gillespie@dallas.gov.

Service First, Now!



Alina Ciocan
Assistant City Manager

c: Honorable Mayor and Members of the City Council
Kimberly Bizer Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)
Directors and Assistant Directors