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|  | **The Council of the City of New York**  **Finance Division**  **Preston niblack, Director**  **jeffrey rodus, first deputy director**  **Fiscal Impact Statement**  **Proposed Intro. No: 1107-A**  **Committee: Committee on Sanitation and Solid Waste Management** |
| **Title:**  A Local Law to amend the administrative code of the city of New York, in relation to the definition of compostable waste as well as establishing two year voluntary residential and school based pilot programs for the collection this waste. | **Sponsor(S):** Council Members Rose, Koo, Koppell, Palma, Vallone Jr., and Brewer. |

**Summary of Legislation**: Int. No. 1107-A requires the Department of Sanitation’s (DSNY) commissioner to establish a voluntary pilot program for the residential collection of organics for composting from residences in designated areas throughout the City no later than September 1st 2013 and end no earlier than July 1st 2015.

Int. No. 1107-A also requires the DSNY commissioner to establish a voluntary pilot program for the collection of organic waste from no less than thirty schools in no fewer than two boroughs by no later than September 1st 2013 and end no earlier than July 1st 2015. As part of the school collection pilot, DSNY would be required to provide collection service, on a voluntary basis, to residential buildings with nine or more units that are located on or near collection routes for the school organic collection pilot.

DSNY would also be required to expand the residential and the school organics pilot program into not less than one area in each borough that is not yet serviced by the pilot program every three months for the first year following the commencement of the pilot program. Once the pilot program is established in a particular borough, the DSNY commissioner would be required to assess the feasibility of expanding such pilot program to other areas of the borough.

The DSNY commissioner would have the authority to discontinue voluntary residential organic collection service to a designated area provided that the commissioner designates a replacement area within the same borough of equal or greater size, either based on population or area, and, within sixty days of any such discontinuation of service, implement voluntary residential organic collection service in that replacement area.

DSNY is required to report quarterly to the mayor and the Council on the total amount of compostable waste diverted during the previous quarter in each area designated for participation in the pilot and would include this information as part of DSNY’s annual recycling report required pursuant to subdivision k of section 16–305 of the Administrative Code.

The DSNY commissioner will also issue a report to the mayor and the Council on the organics composting pilot programs, which would be required to include, but not be limited to, information on the number of participants living in each of the designated areas, diversion and participation rates for compostable waste, the costs of the programs, the availability of organic material processing capacity in and around the City and resident feedback concerning the program including the adequacy of the receptacles used for such program and any other issues of concern. Such report would also include a plan for implementing a Citywide residential organic collection program and a schedule for expanding the program to additional areas in the City. This report would be due no later than October 1st 2015.

**Effective Date:** This local law shall take effect immediately.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** 2014

**Fiscal Impact Statement:**

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|  | **Effective FY14** | **FY Succeeding**  **Effective FY15** | **Full Fiscal**  **Impact FY14** |
| **Revenues** | **$0** | **$0** | **$0** |
| **Expenditures** | **$10,600,000** | **$8,400,000** | **$10,600,000** |
| **Net** | **$10,600,000** | **$8,400,000** | **$10,600,000** |

**Impact on Revenues:** N/A

**Impact on Expenditures:** The 10 month impact on Fiscal Year 2014 for the residential portion of this bill is estimated to be $8.3 million which includes container costs, overtime and the savings from reduced tipping fees from not sending this waste to a landfill. The Fiscal Year 2015 impact for residential pick up is estimated to be $7 million, and includes the hiring of new Sanitation employees which is partially offset by the elimination of approximately $4.5 million in container fees.

The school and large residential pickups are estimated to cost $2.3 million in Fiscal Year 2014, of which $1.6 million is already in the Department’s budget. The Department’s estimate for FY15 for schools and large residential pick-ups is $1.4 million based on a straight time model.

**Source of Funds To Cover Estimated Costs:** General Fund

**Source of Information:** NYC Department of Sanitation

Mayor’s Office of Legislative Affairs

**Estimate Prepared By:** Nathan Toth, Deputy Director

**Estimated Reviewed By:** Preston Niblack, Director

Tanisha Edwards, Finance Counsel

**Legislative History:** Introduced as Intro. 1107 on June 26, 2013, the bill was referred to the Committee on Sanitation and Solid Waste Management. A hearing was held on June 27, 2013 and the bill was laid over by the Committee. Intro. 1107 has been amended, and the amended version, Proposed Intro. 1107-A will be considered by the Committee on Sanitation and Solid Waste Management on September 12, 2013. Upon a successful vote by the Committee Into. 1107-A will be voted on by the full Council on September 12, 2013.