



Legislation Text

File #: 21-1065, **Version:** 1

DISCUSSION AND POSSIBLE ACTION REGARDING IMPOSITION OF A NON-AD VALOREM SOLID WASTE ASSESSMENT IN THE CITY BEGINNING IN FY2022-2023, AS REQUESTED BY COMMISSIONER SCHWARTZ.

1. On September 1, 2021, Commissioner Schwartz directed the city attorney's office to prepare an intent resolution pursuant to Section 197.3632, F.S., for the levy, collection and enforcement of a non-ad valorem solid waste assessment in the city and directed city administration to prepare any financial or operational analyses necessary to impose a non-ad valorem solid waste assessment in the city beginning in FY2022-2023.
2. The City Attorney's Office is currently preparing the intent resolution for the levy, collection and enforcement of a non-ad valorem solid waste assessment.
3. Both the Broward County Property Appraiser's Office and the Revenue Collector's Office have agreed to extend the deadline for adoption of the intent resolution to March 1, 2022.
4. The financial impact of the proposed assessment is detailed below. All costs of the assessment passes to the customer.
 - 1) Fees would need to be increased to take into account early payment discounts. This is approximately \$511,000 which would increase the rate by an additional \$13.17 for the year.
 - 2) The Broward County Revenue Collectors will charge approximately \$31,500 (billing is \$0.50 per parcel for 38,781 parcels; plus an additional 0.11% for collection) in direct cost to do the solid waste assessment. This would increase the rate by \$0.81 for the year.
 - 3) Additional legal fees for Resolutions and other legal matters
 - 4) Additional costs for an independent study or analysis **if required**.
5. At the September 1, 2021 meeting Commissioner Castillo asked for the pros and cons of having a solid waste assessment on the tax bill, these are enumerated below:

PROS

- 1) Approximately 90% of the revenue will be received by December of each year;
- 2) Increased collections since payment of tax bill is a high priority, currently approximately 2.3% of the sanitation payments are over 120 days past due.
- 3) Increased enforcement for collection as the County can foreclose on the property for non-payment (i.e. the assessment will run with the land).

CONS

- 1) Fees would need to be increased to take into account the early payment discounts. This is approximately \$511,000 which would increase the rate by an additional \$13.17 for the year.
 - 2) Fees would need to be increased to take into account costs associated with the fees charged by the Revenue Collectors office, legal fees, etc.
 - 3) Property owners that have escrow will see an increase; but their monthly sanitation bill received from the City will decrease.
 - 4) Residents who do not have a mortgage and do not escrow will have to make an annual lump sum payment, rather than monthly payments to the City.
 - 5) May require additional administrative/legal work (Preparation of annual rate resolutions as well calculation of the assessment rate and true-up)
 - 6) Uniform assessment billing will not accommodate service changes during the year, such as requesting additional carts (e.g. Residents can request 2 additional garbage carts at \$8 per cart, per month)
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6. Attached is list of Broward County cities that have 2021 solid waste assessments.
 7. All proceeds from the assessment including interest earnings must be utilized only for the provision of solid waste services as determined by the solid waste assessment cost.
 8. City Administration does not recommend the imposition of a solid waste assessment and awaits City Commission direction on this issue.

FINANCIAL IMPACT DETAIL:

- a) **Initial Cost:** Approximately \$573,000, which will be passed on to the residents (refer to breakdown in 4.1 of Summary Explanation and Background).
- b) **Amount budgeted for this item in Account No:** Will be budgeted if City Commission approves the solid waste assessment.
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable.
- d) **5 year projection of the operational cost of the project:** Not Applicable.
- e) **Detail of additional staff requirements:** Not Applicable.