

ORDINANCE NO. _____

An ordinance amending Article 6, Chapter VI of the Los Angeles Municipal Code to modify the City's exclusive waste hauling and recycling franchise system, clarify minimum level of service requirements for non-city-served Commercial Establishments and Multi-family Dwellings, and establish a special fund within the Treasury of the City of Los Angeles named the "recycLA Administration Fee Special Fund."

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 66.33.4 of Article 6, Chapter VI of the Los Angeles Municipal Code is hereby amended to read as follows:

(a) The Bureau shall divide the territory within the City into 11 Franchise Zones, the designation of which shall be subject to the approval of the Board and City Council.

(b) **For Franchise Agreements executed prior to the effective date of this ordinance:** Three of the Franchise Zones shall be designated as "single" zones, which shall not be granted in combination with any other Franchise Zone.

(c) **For Franchise Agreements executed on or after the effective date of this ordinance:** The three Franchise Zones previously designated as "single" zones shall be automatically redesignated as "Small" Franchise Zones for purposes of this subsection. Small Franchise Zones may be granted to a Franchisee in combination with one or more other Small Franchise Zones, but not in combination with any of the other eight Franchise Zones.

(d) The date of execution, for purposes of subsections (b) and (c), shall be the initial date of execution of the franchise agreement, regardless of whether any renewals or amendments to that franchise agreement are executed later.

Sec. 2. Section 66.33.5 of Article 6, Chapter VI of the Los Angeles Municipal Code is hereby amended to read as follows:

(a) **For Franchise Agreements executed prior to the effective date of this ordinance:** The Bureau shall include in each Franchise Agreement a negotiated annual franchise fee to be paid to the City by the respective franchisee.

(b) **For Franchise Agreements executed on or after the effective date of this ordinance:** The Bureau shall include in each Franchise Agreement the following two fees to be paid to the City by the respective Franchisee: (1) an annual administration fee to recover the City's costs to administer, oversee, and

enforce the solid waste franchise system and the Franchise Agreements; and (2) a one-time implementation fee to recover the City's costs of transitioning from existing Franchise Agreements to new Franchise Agreements, including contract implementation, start-up activities, and any other associated transition costs.

(c) The date of execution, for purposes of subsections (a) and (b), shall be the initial date of execution of the franchise agreement, regardless of whether any renewals or amendments to that franchise agreement are executed later.

Sec. 3. Section 66.03(d) of Article 6, Chapter VI of the Los Angeles Municipal Code is hereby amended to read as follows:

(d) The minimum level of service to which the owner, generator, or agent of non-City-serviced Commercial Establishments and Multi-family Dwellings shall subscribe shall include an adequate number, size, and collection frequency of containers for Solid Waste, Source-Separated Recyclable Material and Commingled Recyclables, and Source-Separated Organic Waste that is sufficient to remove all material generated at the Commercial Establishment or Multi-family Dwelling within a seven-day period. Such minimum level of service shall be determined by the owner, generator, or agent and the Solid Waste Hauler. In the event the owner, generator, or agent and the Solid Waste Hauler do not agree on the minimum level of necessary service, such determination shall be made by the Director.

Sec. 4. A new Subsection (r) is added to Section 5.121.5 of the Los Angeles Administrative Code to read as follows:

(r) **recycLA Administration Fee Special Fund.**

(1) There is hereby created in the Treasury of the City of Los Angeles a special fund named the "recycLA Administration Fee Special Fund" (hereinafter referred to in this Section 5.121.5(r) as the "Fund") for the deposit of all revenues received from the collection of the annual administration fee and one-time implementation fee established in Section 66.33.5(b) of Article 6 of Chapter VI of the Los Angeles Municipal Code.

(2) Money in the Fund may be used for those activities and costs for which the annual administration fee and one-time implementation fee are authorized pursuant to Los Angeles Municipal Code Section 66.33.5(b). Eligible expenditures shall, include, but not be limited to, staffing salaries and benefits, compensated time off, overtime, supplies, services, transportation costs, equipment, professional and technical services, centralized services in accordance with the Controller's Cost Allocation Plan, contract administration, compliance monitoring, inspections, data management, billing dispute resolution, reporting, enforcement activities, and other program-related functions approved by the City Council.

(3) Departments or bureaus seeking payment for costs associated with those activities and costs for which the annual administration fee and one-time implementation fee are authorized shall be permitted to charge only direct and allocable costs, including labor, fringe benefits, central services, department administration and support, and other applicable overhead as published annually in the Controller's Cost Allocation Plan. All charges shall be subject to review and approval by the Board of Public Works or its authorized designee to ensure consistency with the purposes of the Fund.

(4) The Fund shall be administered by the Department of Public Works, Bureau of Sanitation, consistent with the adoption of the City budget. The Bureau of Sanitation shall reconcile program revenues and expenditures on an annual basis and may recommend adjustments to the administration fee, as necessary, to align revenues with the City's actual and reasonable program costs.

(5) All interest or other earnings attributable to monies in the Fund shall be credited to the Fund and used exclusively for those activities and costs for which the annual administration fee and one-time implementation fee are authorized. Pursuant to Los Angeles Charter Section 344, money in the Fund shall not be subject to reversion to the Reserve Fund of the City.

Sec. 5. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

HYDEE FELDSTEIN SOTO, City Attorney

By 
THOMAS F. COSTELLO-VEGA
Deputy City Attorney

Date 7/29/2026

File No. _____

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The Clerk of the City of Los Angeles
hereby certifies that the foregoing
ordinance was passed by the Council
of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____