

Abandoned Shopping Cart Policy Options

City Council Meeting

Item 7.2

February 4, 2025

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City of San José

Planning, Building and Code Enforcement Department

City Council Direction

City Council direction provided through the 2024-2025 Budget Process:

“The City Manager is directed to engage with large retailers that fall under Municipal Code 9.60 and, in collaboration with the City Attorney, return to City Council with recommendations and draft language for an expanded Abandoned Shopping Cart ordinance to enable the City to collect abandoned shopping carts at a faster rate, return them to their owners, and ensure full cost recovery via an increase in the existing fee associated with this ordinance.”

-- Mayor’s March Budget Message for 2024-2025

“Direct the City Manager to return to the City Council later in 2024-2025 with potential modifications to the Abandoned Shopping Cart regulatory program as discussed in this memorandum.”

--Recommendation of MBA#26, approved through adoption of the 2024-2025 June Budget Message

Current Municipal Code Provisions

Chapter 9.60 of the Municipal Code requires retailers with 26 or more carts to submit an abandoned cart prevention plan to the City. The plan must include elements such as:

- Community Outreach provisions: a description of retailer efforts to inform customers that removal of carts is prohibited under state and local law.
- Cart Identification: Practice for including signs on carts so their owner can be identified.
- Loss Prevention Measures: A description of specific measures that the owner shall implement to prevent cart removal from the premises.
- Employee Training: Description of ongoing efforts to train employees on the implementation set out in the abandoned cart prevention plan.
- Mandatory Cart Retrieval: A plan for retrieval of abandoned carts by the owner.

Current Departmental Efforts

Code Enforcement

- One code enforcement inspector funded through fees on retailers.
- Reviews and approves retailer management plans.
- Conducts inspections of retailers for plan compliance.
- Notifies retailers of abandoned carts and enforces if they are not collected within three days.

BeautifySJ

- Collects carts as part of regular cleanup activities—for example, carts encountered during a creek cleanup.
- Does not have a dedicated service to proactively patrol for carts or respond to resident complaints.

Department of Transportation

- Removes abandoned carts that are obstructing traffic.
- Receives carts collected by BeautifySJ at Mabury Yard where they are stored briefly and disposed of.

Service Gap: The City does not have a dedicated service focused on proactively picking up abandoned carts and responding to citizen complaints.

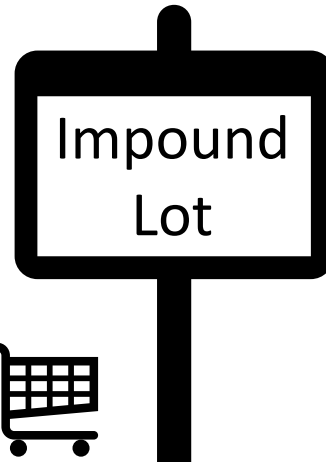
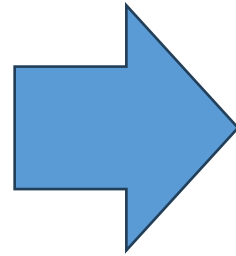
Policy Options Evaluated

1. Mandatory Cost Recovery Cart Retrieval Program
2. Non-Cost Recovery Cart Retrieval Program
3. Voluntary Cost Recovery Cart Retrieval Program
4. Industry Coordination Cart Retrieval Program
5. Advocate for Revisions to State Law
6. Enhanced Regulation

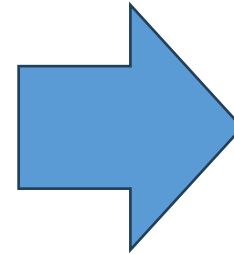
1. Mandatory Cost Recovery Cart Retrieval Program



Carts Collected by the City or the City's contractor

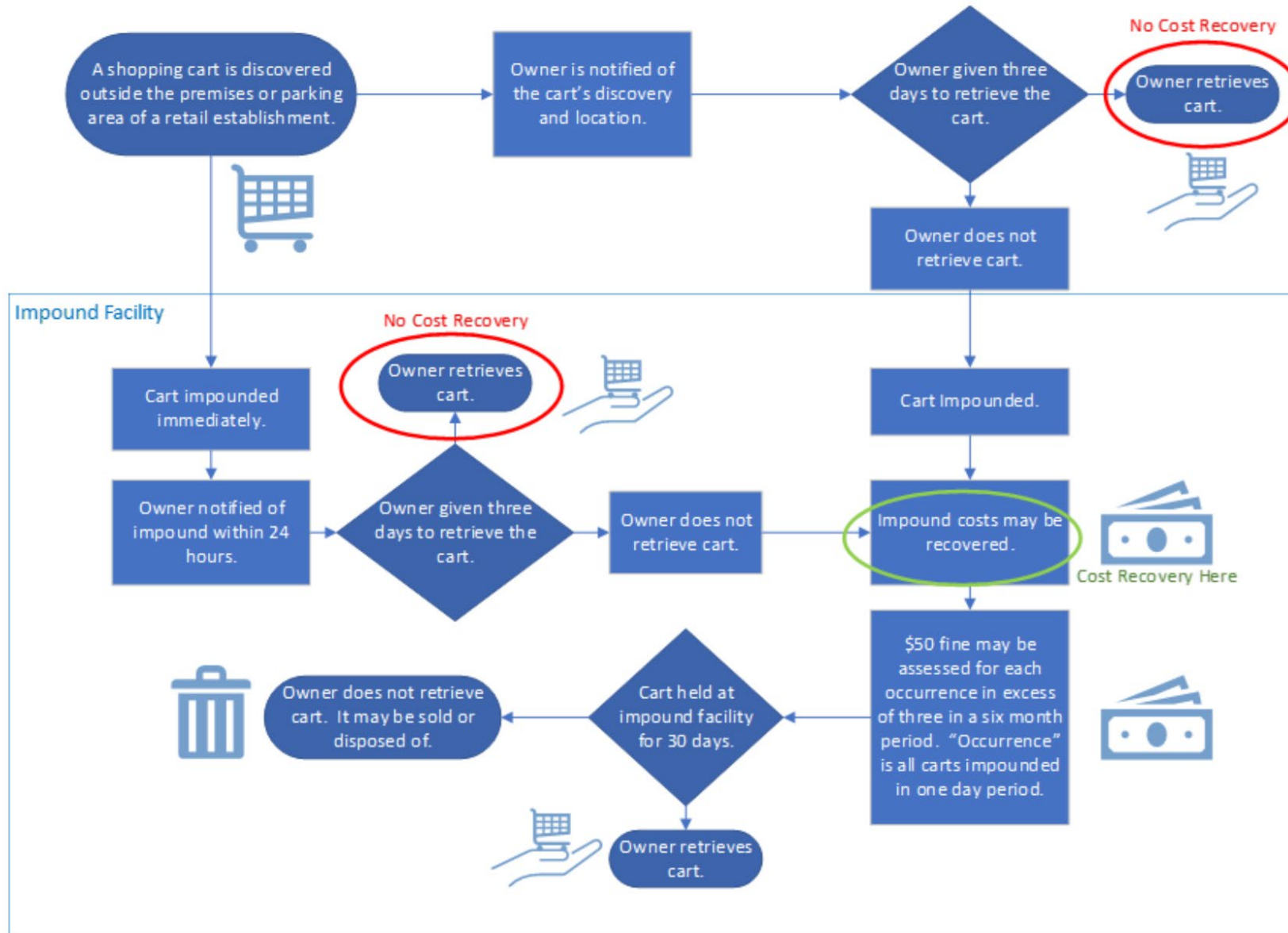


Held at an impound lot operated by the City (State law requirement)



Collected from impound by retailers

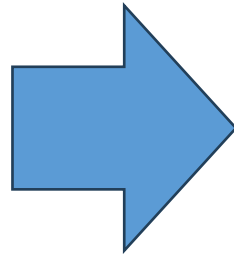
State Law Impound Process



2. Non-Cost Recovery Cart Retrieval Program



Cart Collected by the
City or the City's
contractor

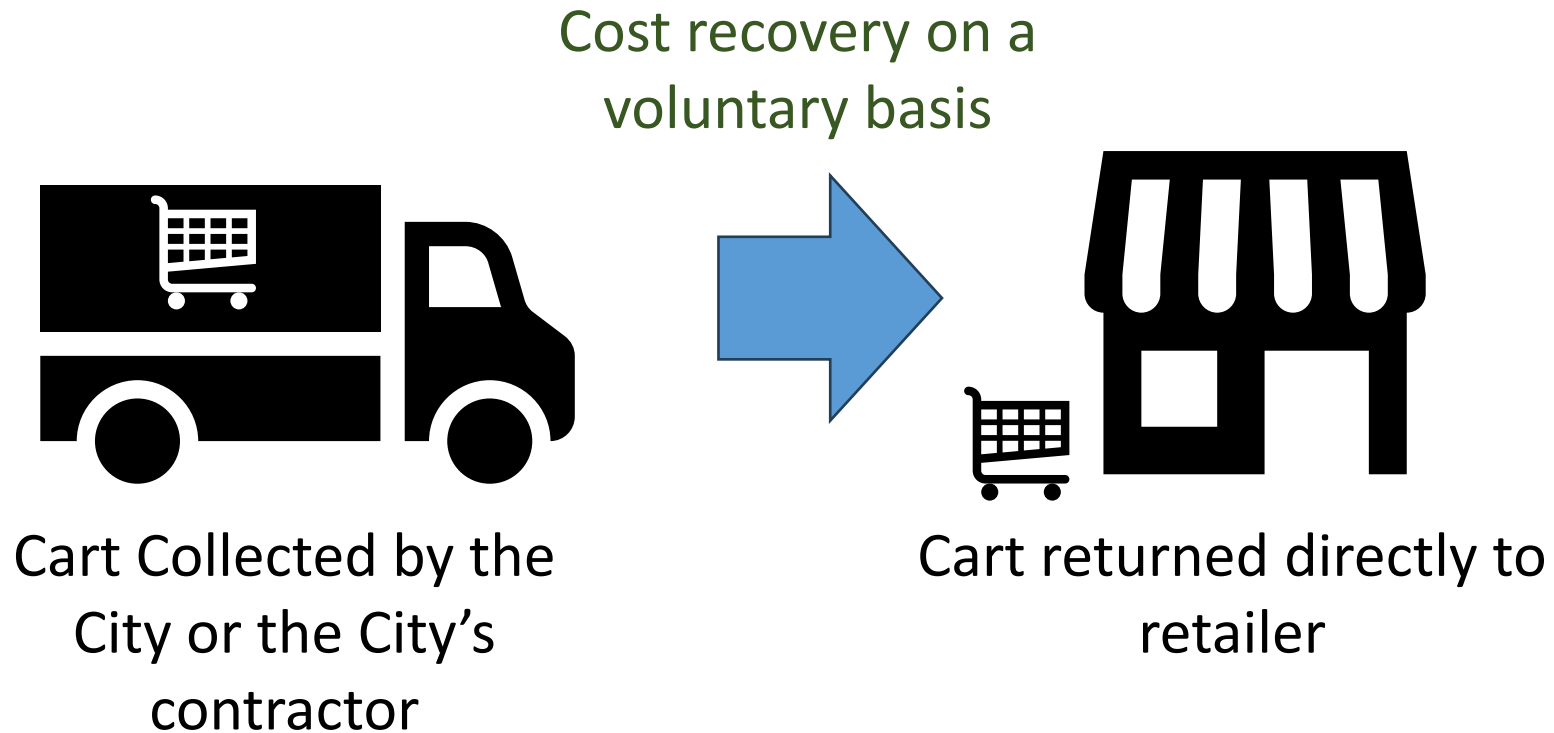


Cart returned directly to
retailer

Potential Pilot Program in Current Fiscal Year

- Consistent with the service model contemplated in Option 2, Staff could pursue implementation of a cart collection pilot program in the current fiscal year. This would involve the following:
 - The City may piggyback on contracts that are competitively bid through other public agencies. Piggybacking on an existing contract would allow a pilot program to move forward quickly without a procurement process.
 - If the contractor is willing, the City could enter into a contract through the end of the fiscal year to pick up carts and return them directly to retailers.
 - This small contract, ranging from \$10,000 - \$20,000, would be absorbed within existing funding sources.

3. Voluntary Cost Recovery Cart Retrieval Program

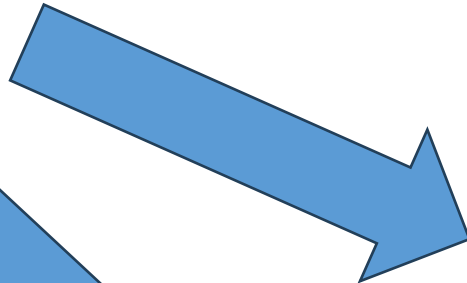


4. Industry Coordination Cart Retrieval Program

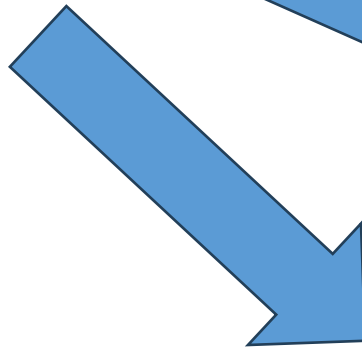
Refer complaints about abandoned carts to each individual retailer



Referred to retailer for pickup



Referred to retailer for pickup



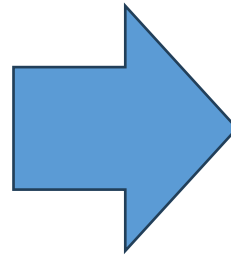
Referred to retailer for pickup

5. Advocate for Revisions to State Law

Amend State law to allow
mandatory cost recovery
after returning cart
directly to retailer



Cart Collected by the
City or the City's
contractor



Cart returned directly to
retailer

6. Enhanced Regulation

The Municipal Code Currently requires retailers to submit an abandoned cart prevention plan. The City could establish more specific requirements for what retailers would need to include in their plan, specifically in the following areas:

- **Loss Prevention Measures:** The City could consider requiring more prescriptive loss prevention measures, such as wheel locking mechanisms.
- **Cart Retrieval Plan:** The City could establish more specific requirements about cart retrieval, for example by requiring retailers to retain a cart retrieval contractor.

Policy Options

Policy Option	Recommendation
1. Mandatory Cost Recovery Cart Retrieval Program	Not Recommended
2. Non-Cost Recovery Cart Retrieval Program	Recommended
3. Voluntary Cost Recovery Cart Retrieval Program	Recommended
4. Industry Coordination Cart Retrieval Program	Not Recommended
5. Advocate for Revisions to State Law	Recommended
6. Enhanced Regulation	Recommended

6. Staff Recommendation

Direct the City Manager to:

- a) Conduct an outreach process with retailers in San José to evaluate options for enhancing the City's efforts to prevent and retrieve abandoned shopping carts, including the possibility of the City establishing a cart retrieval program, implementing an abandoned shopping cart retrieval program on a voluntary cost recovery basis, adopting enhanced regulations as part of the City's existing regulatory program, and other options as retailers may wish to propose.
- b) Advocate for changes to State law that would remove barriers to the City recovering its costs for retrieving abandoned shopping carts.