A Primer on Financing Municipal Recycling and Solid Waste Management Programs

Communities in Wisconsin provide a variety of services for their residents to properly dispose or to recycle solid waste. Traditionally local units of government have relied upon the general property tax levy as the mechanism to pay for garbage and recycling services. Today more local units of government are shifting to alternative funding mechanisms to cover the cost of providing these services. This article provides some examples currently in use.

**Line item on tax or utility bills**
Some communities have used this option to move the cost to operate solid waste management systems from general property taxes to a **special assessment** or line item on tax bills. In most cases the fee appears as either a Garbage or Recycling fee. In other cases the fees have been placed on utility bills, such as water bills. The fee may be collected monthly, quarterly or annually depending upon local preference.

**License/Franchise fees from haulers operating in the municipality**
In this case business or organizations are required to register with the municipality in order to provide collection and transportation services for the removal of solid waste. Using a license system service providers typically will pay a registration fee for an operating license and then a per vehicle fee for truck registration decals. Franchise systems can be set up similar to the license system, or they could be assessed a franchise fee based upon either the volume of waste or value of services provided.

**Volume Based Fees**
Volume based fees (also known as Pay as You Throw) can be used for either curbside or drop-off collection systems. These fees have taken numerous forms across the state. In a bag system residents are required to purchase bags from the municipality or designated retailers. The bag fees not only cover the cost of the bags, but also the cost to manage the waste that will be set-out for collection in the bags. An alternative to bags is to use tags that must be attached to garbage bags set out for collection. Some communities have also based fees upon the size of the garbage cart at each residential address.

Other communities have used per items fees to cover the cost of collecting hard to handle items such as appliances, furniture or tires. In many cases sticker systems are used as the mechanism to collect fees and designate an item for collection.

**Drop-off Sites**
Communities using drop-off sites for waste and recyclables have used a number of mechanisms to assess fees. Many use a per bag fee for waste delivered to the location or a per yard fee for users dropping off larger volumes of waste. Fee schedules are often developed to cover a range of materials or items accepted at the drop-off sites.

To encourage recycling many communities will only assess fees on waste, but need to monitor recycling collection bins for customers placing waste items in recycling in order to circumvent paying fees for waste disposal.

One of the drawbacks of per bag or item fees is the need to perform a financial transaction for every resident or customer using the site. Some communities have switched to assessing annual usage fees for site users. In this example site users purchase a window sticker or tag from the municipality that serves as their gate pass to use the drop-off site. The stickers or tags are sold at municipal offices to eliminate or reduce the number of transactions occurring at the drop off location.

Staff from the Solid & Hazardous Waste Education Center are available to provide assistance to communities as they evaluate their recycling and solid waste management programs. For assistance please contact Joe Van Rossum, Recycling Specialist and Director of SHWEC. 608-262-0936 or joseph.vanrossum@ces.uwex.edu

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