FINANCING
LOCAL RATE SETTING/STRUCTURES TO SUPPORT RECYCLING

Rationale

The methods used to establish the rates or fees for source reduction, recycling and composting services can affect participation rates overall cost effectiveness, public support, and efficiency in project administration. They must, therefore, be established with an eye toward their impact on these concerns.

Policy

The costs of local source reduction, recycling and composting programs should be included as part of the costs of the overall solid waste system. Recycling programs should not be required to be shown separately on bills unless all other components of the solid waste system are itemized (e.g., collection costs, transfer costs, landfill costs, regulatory costs. fees and taxes).

Costs to provide source reduction, recycling and composting services to both residential and commercial customers should be identified to decision-makers at the same time rates are set for each sector. Incentives should be included in the rate structure to encourage source reduction recycling and composting in both residential and commercial rate structures.

Franchise fees for the privilege of doing business in an area should be able to be adjusted during the life of collection contracts to provide an additional source of revenue for local governments to implement programs. These could be evaluated annually as part of the rate-setting and budget development process.

Separately addressing contractor payments, franchise fees, and additional integrated waste management fees or taxes should provide local governments with significant funding authority to maximize their options to fund source reduction, recycling and composting activities. This could be facilitated by clear contractual authority for local governments to direct their contractors to bill residents and businesses at a total service rate that local governments specify (adjusted annually).