

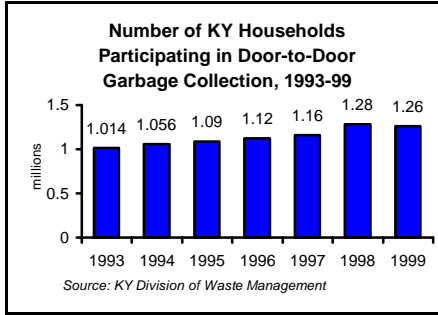
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Meeting the Cost of Managing Solid Waste

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Inadequate funding is the main obstacle to universal, door-to-door garbage collection.

The recent debate about how best to achieve universal garbage collection and curb illegal dumping in Kentucky raised familiar issues. To some local officials, proposed mandatory door-to-door collection was yet another unfunded mandate, a state edict without the funding to implement it. The debate also illustrated the gaps between urban and rural areas, which typically have widely dispersed populations and weak tax bases from which to finance public services. Thus, the crux of the matter is how best to help fund the development of convenient, comprehensive solid waste management systems at the local level, support state-level administration, and focus anew on the long-term, statutory goal of waste reduction.



Since the General Assembly enacted a universal collection system law in 1991, Kentucky has made significant progress. The law set waste reduction goals and required counties to report annually on the progress of their solid waste plans, and establish recycling and education programs. Though citizens were not required to participate in door-to-door garbage collection, they have in increasing numbers. Since 1993, the number of participating households has grown by 25%. The slight decline in 1999 is believed to be the result of reporting omissions by haulers. Door-to-door collection is now the main system in 109 counties, and self-haul is the main system in 11 counties though cities in those counties usually offer door-to-door collection. In 28 counties, participation in garbage collection is mandatory. Counties typically incur significant front-end costs to establish door-to-door systems. Nevertheless, *the average household pays \$9.13 a month for garbage collection in counties where participation is mandatory compared to the state average of \$10.58.*

Based on county reports on tons of garbage collected, the Division of Waste Management estimates that 5% to 7% of Kentucky households do not participate in garbage collection services. Illegal dumps are the most visible evidence of nonparticipation. Since 1993, some 14,402 illegal dumps have been cleaned up, sometimes more than once, at an estimated cost of \$27 million to local governments and taxpayers. The number of dumps reported or identified in annual drive-by county surveys, and the reported costs of cleanup, which often do not include labor, vary widely by the size and accessibility of a site and its contents, said Sara D. Evans, a branch manager with the Division of Waste Management. Statewide, the number of illegal dumps has declined; *between 1998 and 1999, nearly 1,000 fewer dumps were reported by counties.* The state's poorest counties, many in eastern Kentucky, have historically had the most illegal dumps. They also have been the most likely to adopt mandatory participation ordinances.

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Mandatory participation may be an effective antidote to illegal dumping.

We looked at ways border and similarly rural states (40% or more rural) manage and finance solid waste collection. None reports *state-mandated* door-to-door garbage collection though local entities have adopted it. County officials often want to do something about illegal dumps, state officials noted, but tough action can be a "career breaker" at the local level. West Virginia has a *mandatory disposal law* that requires citizens to properly dispose of waste and produce landfill receipts or face fines. Without the teeth of enforcement, however, which many of the state's local solid waste authorities cannot afford, the law has not curbed illegal dumping. Mandatory participation may, however, be an effective antidote to illegal dumping. In Alabama, a state official reports that illegal dumps are concentrated in those areas without mandatory collection.



As in Kentucky, garbage collection systems in these states are designed at the local level by municipal, county or multi-county public entities, usually in response to mandated solid waste planning. Typically, as resources are stretched in rural areas, local governments are more likely to rely on collection centers or drop boxes. Rural collection systems are often a patchwork of independent haulers, and several rural states report continuing problems with illegal dumps. In response to problems with illegal dumps, North Carolina emphasizes education and training and encourages counties to take action. Most reportedly do not. Some state officials lack data on local garbage collection systems, but the saturation of door-to-door service is estimated between 60% in Alabama and nearly 100% in New Hampshire and South Dakota.

Several funding options are used by these states.

States employ several options to fund state-level administration, assist local efforts with solid waste management, and encourage waste reduction. Funding is typically generated by what the US Environmental Protection Agency (EPA) terms “pollution charges,” fees linked to the amount of pollution generated, in this case waste that must be landfilled, often at significant public cost. Such fees are designed to encourage waste reduction and recycling and prevent pollution, goals of Kentucky’s 1991 law and top priorities in EPA’s environmental management hierarchy. Bonds, the EPA suggests, are appropriate for immediate capital needs, rather than the recurring expenses that solid waste management poses. Container deposit-refund mechanisms are aimed at reducing roadside litter, which is generally distinct from the problem of illegally dumped household garbage.

A surcharge on the tipping fees paid at landfills is the most common way states help fund solid waste management.

Nationally, 24 states levy surcharges on the “tipping fees” typically paid at landfills. The funds generated go to local governments for garbage collection, recycling initiatives, illegal dump clean-ups, landfill closure, and hazardous waste management, and to partly or fully fund the administrative costs of state-level waste management efforts, which are met with general fund revenues here. We found 6 of 7 border and 5 of 13 similarly rural (other than border) states levy these surcharges, usually on a per-ton basis. In Kentucky, some counties assess tipping fees to finance garbage collection and other government operations, but the state does not. Yet it is well positioned to do so. *The average tipping fee paid at Kentucky’s 26 operating landfills is \$26 a ton compared to an average of \$34 in border states where state surcharges average \$2.50 a ton.* Moreover, the cost of these fees to consumers is minimal. *In Kentucky, a \$2.50-per-ton fee would cost the average household less than \$3.75 a year and, based on tons of waste disposed in 1999, generate about \$21 million a year.* In a 1998 survey, the University of Kentucky Survey Research Center found that 75% of Kentuckians “supported” or “somewhat supported” the concept of a state fee levied on landfilled garbage on a per-ton basis.

Advance disposal fees typically apply to potentially hazardous waste, but some corporate taxes are closely akin.

Many of these states levy advance disposal fees (ADFs), another type of pollution charge, but they are largely confined to potentially hazardous, problem waste, such as lead batteries, tires, and appliances. North Carolina reportedly generates significant revenue from its \$3 fee on the sale of all new appliances and its 2% fee on new tires. The bulk of these fees goes directly to county-level solid waste initiatives. Ohio levies a corporate tax similar to an advance disposal fee in that it targets litter-prone products. The Ohio legislature enacted this tax on corporations in 1979 to finance recycling and litter prevention efforts at the behest of an industry group that advocated the tax as an alternative to a bottle bill. That bill was defeated in 1976. The group, which included bottlers, grocers, waste haulers, and labor, championed the tax through a succession of sunsets and reauthorizations. It is now permanent law. One tier of the tax is levied on all corporations as part of the franchise tax while the other is levied on corporations that make or package a product that by definition contributes to the litter stream. Each tier has a \$5,000 ceiling. About 70% to 75% of the funds go to community and business programs. This year, the Ohio legislature is expected to lift a \$10 million annual cap on the funds generated by the tax, rather than permit excess funds to revert to the general fund. Similarly, Virginia levies a “litter tax” on every manufacturer, wholesaler, distributor, and retailer of a range of litter-prone products, including, among other things, groceries, cigarettes, soft drinks, beer and wine, newspapers, paper products, glass and metal containers, and motor vehicle parts. About 90% of these funds go to local recycling and litter prevention programs.

Iowa, Maine and Vermont have deposit-return or bottle bills. State officials report Maine’s long-standing bottle bill has significantly reduced roadside litter, and problems with illegal dumps are largely confined to construction waste. Similarly, Iowa, which also reports fairly comprehensive door-to-door garbage collection and a strong focus on waste reduction, reports few if any problems with illegal dumps. ☒

Sources: Various state environmental agencies; Kentucky Division of Waste Management, [Cleaning Up Kentucky](http://www.kyenvironment.org) at: www.kyenvironment.org; Kentucky County-Level Solid Waste Reports; North Carolina Division of Pollution Prevention; U.S. Environmental Protection Agency (EPA), [Guidebook of Financial Tools](http://www.epa.gov/efinpage/guidbk98/gbk7.htm) at: www.epa.gov/efinpage/guidbk98/gbk7.htm and [Municipal Solid Waste Factbook](http://www.epa.gov/epaoswer/non-hw/muncpl/factbook/internet/msvf/states.htm) at: www.epa.gov/epaoswer/non-hw/muncpl/factbook/internet/msvf/states.htm.