

Pay As You Throw (PAYT)

Lakes Region Solid Waste Roundtable

June 14, 2018



PAYT - Overview

- ▶ Flat Rate Waste Disposal
- ▶ What is PAYT?
- ▶ Design Variations
- ▶ What are the pros? What are the cons?
- ▶ Examples/Case Studies
- ▶ Implementation
- ▶ Keys to Success
- ▶ Resources

Flat Rate Waste Disposal

- ▶ Residents pay a fixed amount for waste disposal services
- ▶ Those who generate less subsidize those who generate more
- ▶ Users (generators) don't usually know the actual costs of disposal
- ▶ Generators usually pay little attention to the amount of waste produced
- ▶ Reduction of waste is not encouraged
- ▶ Recycling is not priority
- ▶ May have additional fees for disposal of certain types of wastes

PAYT: What is PAYT?

- ▶ Residents dispose of waste in prepaid bags or containers
- ▶ IDEAL PAYT system: measures the amount of individual waste collected and charges the waste producer a fee equal to the cost of disposal
- ▶ Waste generators pay for disposal of their own waste
- ▶ Creates an economic incentive for waste reduction
- ▶ It is up to the individual to reduce/reuse/recycle/compost
- ▶ Treats waste disposal more like a utility
 - ▶ Pay for electricity out of property taxes?
 - ▶ Pay flat rate for “all you can use” electricity?

PAYT - Design Variability

- ▶ Full Unit Pricing
 - ▶ Users pay for all the garbage that they dispose of
- ▶ Partial Unit Pricing
 - ▶ No charge for base amount
 - ▶ Additional bags/containers paid for by user
- ▶ Variable-Rate Pricing
 - ▶ Resident chooses size of container to rent/bags to purchase
 - ▶ Price corresponds to volume

PAYT - Variations

- Other names:
 - Unit-Based pricing
 - Variable Rate Pricing
 - User Pay
 - Save Money and Reduce Trash (SMART)
 - Cash or Measured: Individual waste is measured and the resident pays the fee equal to the cost of generation
- Mechanisms
 - Cash
 - Overflow
 - Variable Rate Carts
 - Tags
 - Bags
- Not all versions of PAYT are the same
 - (See Waste Zero handout)

PAYT - Pros

- ▶ Disposal as a utility
- ▶ Generators charged for the service that they use
- ▶ Reduces costs to the community - can be cost-neutral
- ▶ Preserves tax revenue for other purposes
- ▶ Allows for expansion of services (equipment and staff)
- ▶ Reduces or eliminates need to raise taxes or fees due to waste disposal
- ▶ Waste reduction (usually 20-45%), doubling of recycling rates
- ▶ Flexible systems (local government, haulers, customer needs)
- ▶ Incentive-based, encourages individual responsibility
- ▶ Generally reduces fixed residential fees for trash collection
- ▶ Results: Cuts MSW by an average of 44%, increasing recycling rates two or three times the average (source: US EPA study of New England)

PAYT - Cons

- ▶ Opposition to change
 - ▶ Requires user awareness of guidelines, how the system works, & their responsibilities
 - ▶ Requires outreach and education
- ▶ Winners and losers
 - ▶ Large families, residents on fixed income
 - ▶ Discounts for low income and/or elderly
- ▶ Requires adequate funding for outreach & education, supervision, billing, and enforcement
- ▶ Dumping of unmarked MSW
- ▶ Rental units & apartments

PAYT - Case Studies

- ▶ Two states mandate PAYT (MN & VT)
- ▶ More than 7,000 US communities have adopted PAYT
 - ▶ Nearly 60% of MA and Iowa communities
- ▶ 26% of NH residents live in PAYT communities, ranging from Concord and Manchester to Somersworth, Sanbornton, and some of the smallest communities in the state
 - ▶ Piermont (pop. 709)
 - ▶ Trash disposal cut in half, recycling doubled (50 tons/yr to 98 tons/yr)
 - ▶ Fees from bag sales and recyclable income typically covers cost of transfer station, including labor and disposal

PAYT - Case Studies

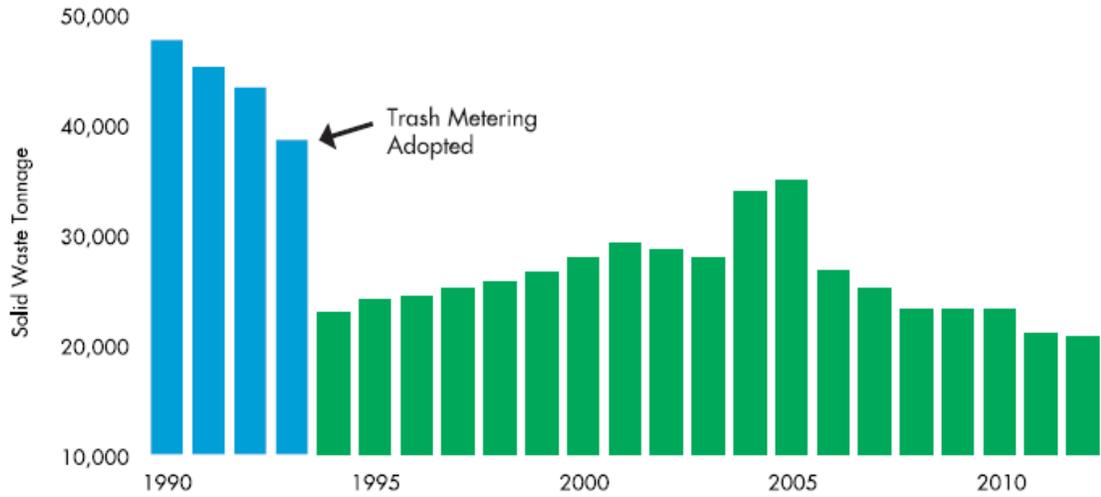
Typical results include:

Municipality	Solid Waste Tonnage	Recycling Rate
Ashland, MA	-38%	+98%
Dartmouth, MA	-59%	+50%
Decatur, GA	-42%	+79%
Duxbury, MA	-43%	+20%
Malden, MA	-49%	+74%
Sandwich, MA	-48%	+74%
Tiverton, RI	-50%	+100%
Wells, ME	-59%	+47%

Source: WasteZero: PAYT 101

PAYT - Case Studies

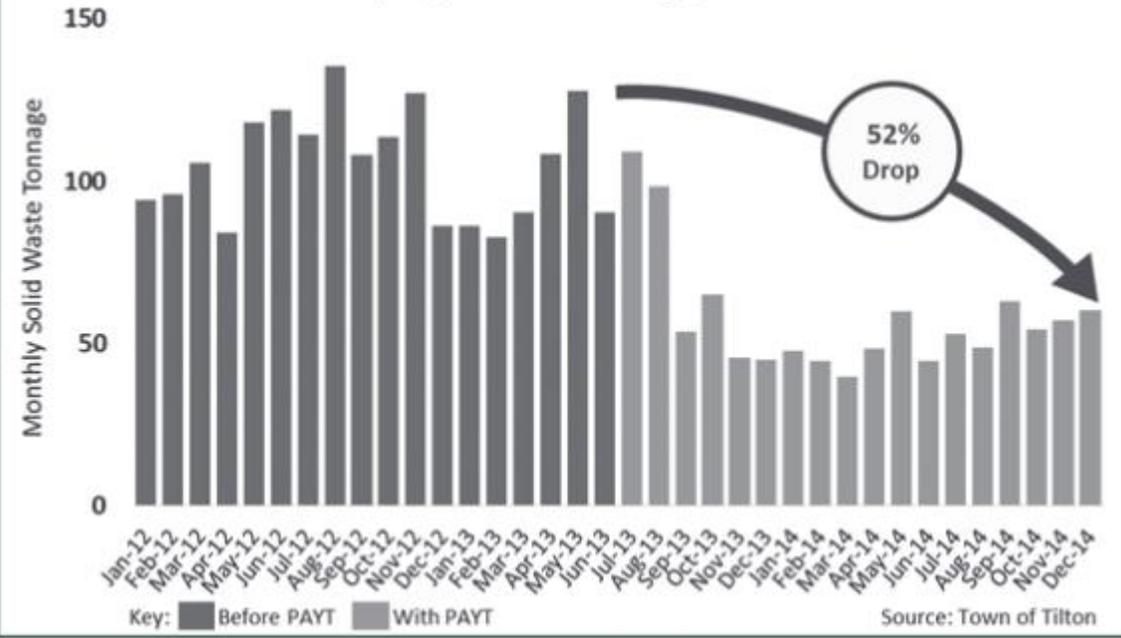
Worcester, Mass. Solid Waste Volume 1990 - 2012



Source: Worcester Department of Public Works

Source: WasteZero: PAYT 101

Tilton, NH, Solid Waste Tonnage, 2012 - 2014

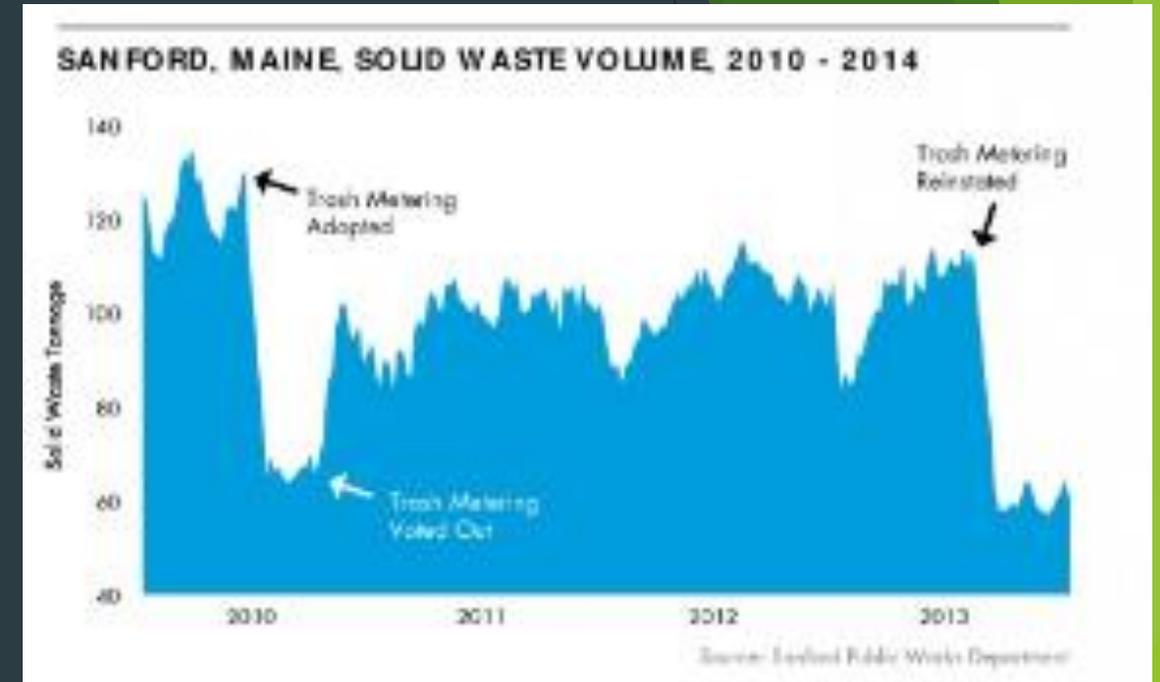
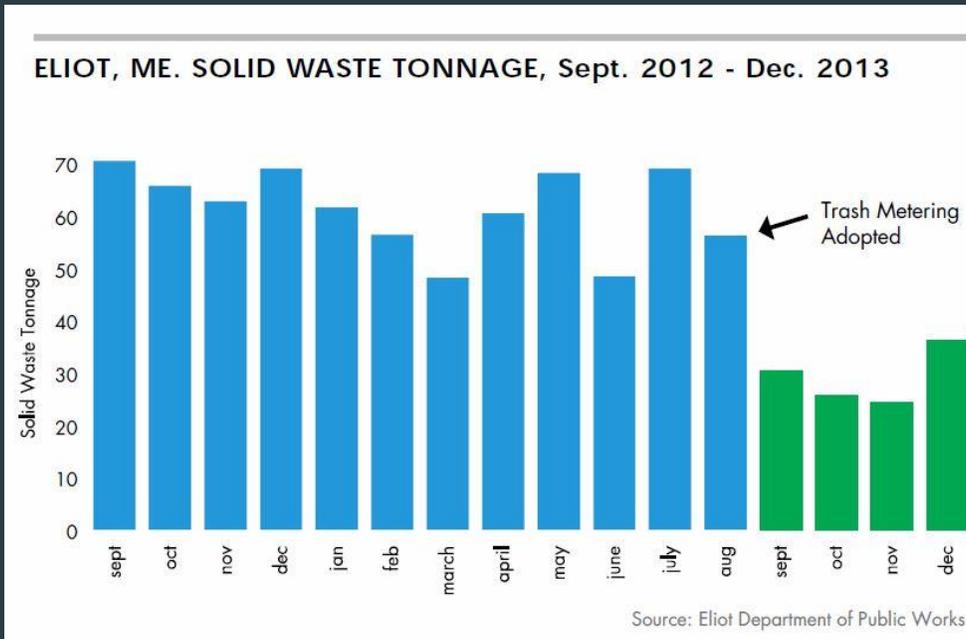


Source: Town of Tilton



Eliot and Sanford, ME

- ▶ 57% trash reduction in 4 months
- ▶ Saved \$8,589 in a town of 6,200 people



PAYT - Public Perception



► Mixed results in NH

PAY-AS-YOU-THROW AND POPULAR OPINION: A WINNING COMBINATION

A study conducted by the public opinion research firm Public Policy Polling (PPP) sheds light on resident attitudes toward PAYT—and shows those attitudes to be overwhelmingly positive.

Among the survey's findings:

- **Favorability:** 79% have either a very or somewhat favorable opinion of PAYT, with an outright majority (52%) having a very favorable opinion.
- **Fairness:** More than two-thirds-68%-see the program as fair.
- **Ease of Participation:** 74% think it is easy to take part in PAYT.
- **Effectiveness:** 89% said PAYT is performing better than or as well as they expected.



Concord officials: Time to pay more as you throw



Pay As You Throw bags line N. State St. awaiting pick-up; Wednesday, July 8, 2009. Elaine Kelleman of Concord, the Recyclerator for the Insider, and reporter Shira Schoenberg sifts through three households' curbside trash find out how much they could have saved by recycling more; Wednesday, July 8, 2009. The three bags weighed a total of 49.5 lbs but had 11.7 lbs of recyclables inside. Alexander Cohn/Monitor Photo

PAYT - Implementation

- ▶ Estimate total waste once PAYT established
- ▶ Estimate start-up and on-going costs
- ▶ Develop a PAYT pricing structure
 - ▶ Equipment, collection, hauling, tipping fee, other fees
 - ▶ Labor costs
 - ▶ Fixed costs? Some covered by taxes?
- ▶ Decide on system - bags, containers, hybrid
- ▶ Identify additional collection services, such as bulky items
- ▶ Recycling, composting programs?
- ▶ Special procedures/considerations - multi-family, low income, elderly
- ▶ Prep ordinance - requiring PAYT and other forms of disposal illegal

PAYT - Education & Promotion

- ▶ Elected officials and the public
- ▶ NOT an added cost - just a change in the way that people pay for waste services
- ▶ Transparency
 - ▶ Benefits
 - ▶ Garbage as a utility
- ▶ Make users aware of: schedules, locations for purchasing bags/carts, rates, penalties for non-compliance, billing schedules
- ▶ Methods
 - ▶ Press releases, newsletters, mailings, utility bills, door hangers
 - ▶ Social media, news articles, public meetings

PAYT - Education & Promotion

- ▶ Address public perceptions
 - ▶ That fee or bag cost is a tax
 - ▶ Adverse effects to low-income households
 - ▶ Increase in illegal dumping
 - ▶ High administration costs
- ▶ Rebut misrepresentations
- ▶ Direct engagement
- ▶ Gather public input
- ▶ Provide program specifics
- ▶ Monitor and evaluate, survey public, analyze problems and issues

PAYT - Resources

- ▶ Pay-as-you-throw Now - Lots of free resources for download <http://paytnow.org/>
- ▶ PayAsYouThrow.org is a project of the Recycling Foundation - Resources for download
- ▶ <http://payasyouthrow.org/>
- ▶ Variable Rate Pricing Guide and Sample Ordinance for Municipalities - Vermont
http://dec.vermont.gov/sites/dec/files/wmp/SolidWaste/Documents/Universal-Recycling/VariableRatePricingGuideOrdinance_2015.pdf
- ▶ Pay-As-You-Throw (PAYT)/Save-Money-And-Reduce-Trash (SMART) - Massachusetts
<https://www.mass.gov/lists/pay-as-you-throw-paytsave-money-and-reduce-trash-smart>
- ▶ Success with Pay As You Throw, DSM presentation
https://nerc.org/documents/conferences_presentations/Success_with_Pay_As_You_Throw.pdf
- ▶ NERC (Northeast Recycling Cooperative) <https://nerc.org/>
- ▶ WasteZero

PAYT - Resources

Wastezero.com

<https://nhmunicipal.org/TownAndCity/Article/621>