

# FUNDING OPTIONS FOR MICHIGAN RECYCLING PROGRAMS

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## ACTION BY COUNTY BOARD

**General Fund Appropriation:** Some Michigan counties allocate general fund dollars to cover their county-wide recycling programs. No action is needed by local units or voters. Ingham, Calhoun, Eaton, Oakland, and Missaukee Counties use general fund monies to fund portions of their programs.

**Landfill Surcharge:** Michigan counties that have a landfill within their jurisdiction can enact an ordinance that establishes solid waste and recycling programs and imposes a tipping fee Surcharge (e.g., \$3 per ton) on all solid waste coming into the landfill. The operator must collect the surcharge and pay it to the county for use in the established solid waste and recycling programs. No action is needed by local units or voters. Berrien, Eaton, Calhoun, St. Clair, Wexford, Monroe, and Clare Counties use a landfill surcharge to fund recycling programs.

**Disposal Facility Surcharge:** Michigan counties that have their own solid waste disposal facilities can establish rates for using those facilities that include the costs of running a recycling program. No action is needed by local units unless local unit support is needed to commit waste to the facility. Emmett County Transfer Facility and Wexford, Kent, Jackson, Alpena, Montmorency, Oscoda, and St Clair Counties.

## ACTION BY COUNTY BOARD AND LOCAL UNITS OF GOVERNMENT

**Act 185 Public Works Assessment:** Michigan counties can create a board and Department of Public Works (DPW) and then work with some or all of the local units to establish a solid waste and recycling project. The engineers estimate for the project is then used to establish an assessment roll for parcels within the jurisdiction of the local units that have approved an agreement with the county. The county then collects the assessment as a program availability user fee and manages the solid waste and recycling program. Action is needed by the county and the local unit but no action is needed by voters. Property owners can appeal the assessment. Washtenaw County and Western Washtenaw County Authority,

**Public Act (PA) 69 of 2005:** PA 69 of 2005 allows counties to work with some or all of their local units to establish a recycling, composting, and/or household hazardous waste project. The county can collect up to \$25 per year from households in the local units that have approved an agreement with the county. Further, subject to the approval of local voters, the county may collect up to \$4 per month or \$50 per year. Commercial businesses could be subject to the surcharge, with voter approval. To hold an election on the increased surcharge, the county board of commissioners must pass a resolution with specific information. The initial authorization for the additional surcharge is for a period of five years. Subsequent authorizations are for at least 10 years. The surcharge approved by voters would not apply to vacant land, land owned by a public-utility, rights-of-way, and easements that do not generate solid waste. Benzie, Leelanau, Allegan, and Cheboygan Counties use this funding mechanism.

## ACTION BY COUNTY BOARD AND/OR LOCAL UNITS OF GOVERNMENT

**Intergovernmental Agreement and Independent Cost Sharing:** Counties and local units and/or local units working together on their own can act in unison through intergovernmental agreements to run recycling programs. Each local unit can be obligated for their fair share and then come up with their own methods of paying for that share. No action by voters is required. Mid-Michigan Waste Authority, Southeastern Oakland County Resource Recovery Authority (SOCRRA), Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC) use this funding mechanism.

**Intergovernmental Agreement and Hauler Licensing:** Counties and local units and/or local units working together on their own can act in unison through intergovernmental agreements and a uniform ordinance that requires private waste haulers to meet certain recycling requirements in order to do business and to include the costs for those programs in their overall solid waste service fees. No action by voters is required. Grand Traverse County Curbside Recycling, Eaton and Kalamazoo Counties use this funding mechanism.

**Dedicated Millage:** Incorporated Cities and Charter Townships in Michigan can charge an additional millage for solid waste and recycling services up to limits specified by statute. No action by voters is required. Royal Oak, Ann Arbor, Troy, Birmingham, Southfield, and Pontiac Counties use this funding mechanism.

**Organized Collection:** Any local unit of government can use contracting and ordinances to select a single hauler to provide solid waste and recycling services to all households, all businesses, or both and establish a fee collection mechanism to cover the cost for the same. Through intergovernmental agreement a third party (BPW, authority, etc.) can be assigned this responsibility by the local unit. No action by voters is required. Shelby Township hauler does the fee collection, Superior Township (rate is established by bid, hauler does billing).

**Operating Revenues:** A program operated with public agency involvement can charge additional fees for various services that will help offset the public sector's costs for the program. An example would be a multi-township recycling and solid waste drop-off facility that collected a per bag charge for the solid waste dropped off by citizen's and used that revenue to help offset operating costs such as staffing, building improvements, etc. The City of Ann Arbor/Washtenaw County drop-off program uses this funding mechanism.

**Material Sales Revenues:** A program operated with public agency involvement can use the revenue from sale of recycled materials to help offset the public sector's costs for the program. An example would be a regional recycling facility owned by a multi-county authority and operated under contract by a private firm, with the public agencies offsetting some of their costs with a share of the revenue from sale of recyclables. RRRASOC, Emmet and Newaygo Counties use this funding mechanism.

## **VOTER APPROVED MEASURES**

**Voter Approved Millage:** Any local unit of government and/or a county can put a vote to the people for a temporary or permanent millage to fund a solid waste or recycling program. Examples include Royal Oak, Chippewa, Charlevoix, and Tuscola Counties.

### **Fee**

If approved by voters, a city may collect a per household fee to fund a recycling program. The fee is collected with the property taxes. City of Lansing uses this funding mechanism.

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