

SUCCESSFUL FUNDING APPROACHES USED IN MICHIGAN RECYCLING PROGRAMS

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. Examples include Leelanau and Oakland Counties.
- *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/ton) on all solid waste coming to 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. Saginaw County uses this approach. The authority is clearly established in the Michigan Court of Appeals case, County of Saginaw versus John Sexton Corporation, 232 Mich App 202; 591 NW2d 52 (1998)
- *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. Emmet County uses this approach.

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 inter-local agreement with the county. The County then collects the assessment and manages the solid waste and recycling program. Action is needed by the County (including two public hearings) and the Local Unit but no action is needed by voters. Property owners can appeal the assessment. Washtenaw County and the Western Washtenaw Recycling Authority (two villages and six townships) use this approach.
- *Act 138 User Fee:* Michigan counties can work with some or all of their local units to establish a recycling, composting and/or household hazardous waste project. The County can then collect up to \$25/year from households in the local units that have approved an agreement with the county. The County then collects the program availability fee on the winter tax roll and manages the recycling program. Action is needed by the County and the Local Unit but no action is needed by voters. Voters can challenge the program within a specific time period. Benzie and Allegan Counties use this approach.

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 via intergovernmental agreements to run recycling programs. Each local unit is obligated for their fair share and their own methods



of paying for that share. No action by voters is required. The Saginaw Area Solid Waste Management Authority (27 cities, villages and townships) uses this approach.

- *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 and disposal facilities 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. Eaton County uses this approach and Grand Traverse County has used this approach for nearly ten years with a disposal facility that is located in an adjacent county.
- *Dedicated Millage:* Incorporated Cities (via Act 238) 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. Many of Michigan's Cities use this approach – by far the most common funding system in the state.
- *Special Assessment:* Michigan Townships (Public Act 188, 1954) and Villages (Public Act 116, 1923) can create a special assessment district for municipal improvements that can be used to provide for recycling services. Many of Michigan's townships and villages use this approach in paying for municipal solid waste and recycling services.
- *Landfill Impact Fee:* Part 324.11532 of Act 451, Michigan's Solid Waste Management Act, allows municipalities to collect an impact fee from a landfill located within its jurisdiction of up to 10¢ per cubic yard. The funds can be used for any public health, safety and welfare purpose including providing for solid waste and recycling programs.
- *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.
- *Operating Revenues:* A program operated with public agency involvement can charge additional fees for various services that will help off-set 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..
- *Material Sales Revenues:* A program operated with public agency involvement can use the revenue from sale of recycled materials to help off-set 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.

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. Tuscola, Charlevoix and Chippewa Counties use this approach.

For more information:

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