

PAYT Fact Sheet



In the State of New Mexico approximately 50% of the population currently uses a curbside collection system and the other 50%, mostly comprised of rural areas, uses a drop-off system for waste collection. The goal of this fact sheet is to provide New Mexico residents, municipal solid waste (MSW) planners, and state/local government officials with additional resources for developing waste disposal programs that contribute increased revenues from the sale of collected materials. Further, these structured rate incentive programs can be designed to cover the cost of not only waste collection and disposal, but also programs for collecting recyclables, green waste for composting and bulky waste. The concept of rate based incentives works well in both curbside and drop-off communities.

What is Pay As You Throw (PAYT)?

PAYT programs, also known as unit-based pricing or variable-rate pricing, provide a direct economic incentive for your residents to reduce the amount of waste they generate. Under PAYT, households are charged for waste collection based on the amount of waste they throw away, similarly to how they are charged for electricity, gas, and other utilities. As a result, residents are motivated not only to increase the amount they recycle, but also to think about ways to generate less waste in the first place.

PAYT can be structured in several different ways:

- Communities can charge residents based on the volume of waste they generate.
- Volume-based programs charge residents a fee for each bag or can they fill up.
- Communities can require that residents purchase tags or stickers and affix them to their own containers.
- Communities bill residents based on the weight of their trash. However, due to the cost of the equipment required to weigh the waste and record the amount for billing, there are fewer weight-based programs.

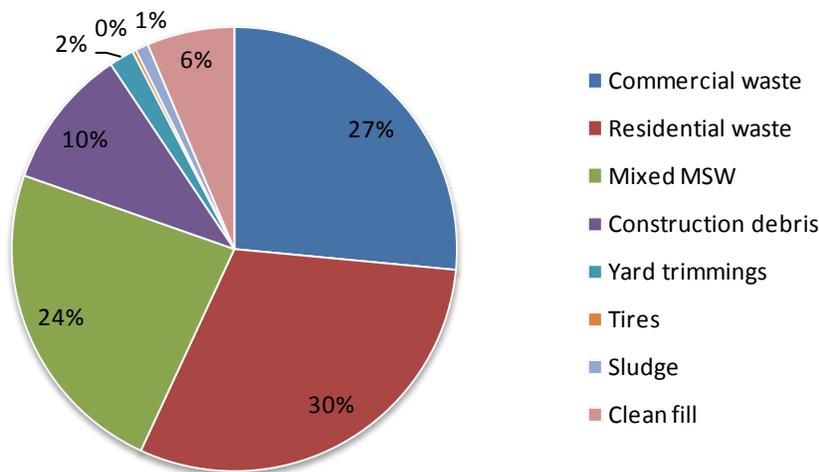
What are the benefits?

PAYT has the potential to improve MSW programs in several important ways:

- **Economic Benefits:** Because of the incentive to generate less, communities with programs in place have reported reductions in waste amounts ranging from 25 to 35 percent, on average. For many communities, this can lead to lower disposal costs, savings in waste transportation expenses, and other cost savings.
- **Economic Sustainability:** PAYT is an effective tool for communities struggling to cope with soaring municipal solid waste management expenses. Well-designed programs generate the revenues communities need to cover their solid waste costs, including the costs of complementary programs such as recycling and composting. Residents also benefit because they have the opportunity to take control of their trash bills.

- **Increases in Recycling:** The majority of PAYT communities report significant increases in recycling. In some cases, this can yield increased revenues from the sale of collected materials. These programs can be designed to cover the cost of not only waste collection and disposal, but also some or all of the community's complementary MSW programs (such as recycling, composting, and bulky waste collections).
- **Built-in Costs:** There often are new costs for the community with this system, including expenditures for education and enforcement. These costs usually are not significant and they can be built into the program's rate structure to ensure that they will be covered.
- **Cost Control:** Another advantage of PAYT is the greater control over costs it offers to residents. While they may not realize it, your residents pay for waste management services. And whether they pay through their taxes or with a flat fee, those residents who generate less and recycle more are paying for neighbors who generate two or even three times as much waste. With PAYT, residents that reduce and recycle are rewarded with a lower trash bill.

Opportunities to decrease residential waste landfilled in New Mexico



Based on data obtained from a survey of New Mexico landfills, residential waste is the largest share of waste landfilled in New Mexico. Collecting and landfilling residential waste places a strain on municipalities and landfills. By implementing PAYT programs, municipalities can reduce the amount of residential waste generated and divert more residential waste from the landfill towards recycling.

Resources:

- EPA PAYT PROGRAM: <http://www.epa.gov/epawaste/conservation/tools/payt/index.htm>
- EPA SMART BET TOOL: <http://www.epa.gov/epawaste/conservation/tools/payt/tools/smart-bet/index.htm>
- EPA PAYT RESOURCES: <http://www.epa.gov/epawaste/conservation/tools/payt/tools/index.htm>
- DOE Recycling: http://management.energy.gov/energy_reduction/recycling.htm
- Massachusetts DEP: <http://www.mass.gov/dep/recycle/reduce/paytfact.htm>