



## f a c t   s h e e t

### PAYT/SMART Basics for Municipalities

*This fact sheet presents some of the benefits and challenges associated with implementing Pay-As-You-Throw/Save-Money-And-Reduce-Trash, which the Department of Environmental Protection considers a primary vehicle for attaining the state's waste diversion goals.*

#### About PAYT/SMART

In a Pay-As-You-Throw (PAYT) solid waste program, residents pay a per-unit fee for disposal of household trash. Most programs utilize pre-printed trash bags or stickers. The price of the bag or sticker reflects the cost to dispose of the waste. Residents are not charged a direct fee for recycling. As residents pay directly for the amount of trash they dispose, they have a financial incentive to reduce their waste through recycling, composting, and waste reduction.

Some municipalities use the name "Save Money and Reduce Trash (SMART)," for their bag or sticker programs. Whether described as PAYT or SMART, unit-based pricing programs for municipal solid waste enable municipalities to simultaneously reduce waste tonnage disposed and more equitably distribute the cost of disposal among residents.

#### Advantages

PAYT/SMART provides residents an opportunity to save money on their trash bills and promotes:

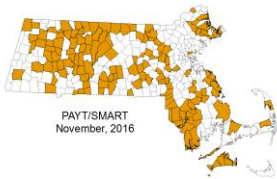
- **Fairness.** Residents pay for only the amount of trash that they generate. Households generating less trash pay less than households that generate more.
- **Decrease in Trash Tons Disposed and Associated Cost Savings.** PAYT/SMART has been shown to decrease a community's residential trash tonnage disposed by 35 to 50 percent, significantly reducing solid waste disposal costs.
- **Increased Recycling, Composting and Waste Reduction.** As residents come to understand that trash disposal costs more than recycling, they are encouraged to recycle more. PAYT/SMART programs conducted in conjunction with curbside recycling programs have been shown to increase a community's recycling tonnage by 20 to 35 percent in Massachusetts.
- **Improved Environmental Quality.** By diverting waste from disposal, PAYT/SMART programs extend the life of landfills, decrease air pollution from trash incinerators, and reduce the need for new disposal facilities. As communities increase reuse, recycling, and composting, natural resources such as land, air, and water, are protected and preserved and greenhouse gas emissions are reduced.

#### Types of Programs

There are three varieties of PAYT/SMART programs currently in use in Massachusetts. The systems are not mutually exclusive and can be combined to meet a community's needs. The four systems are:

- **Imprinted Trash Bags.** Residents purchase colored plastic bags imprinted with the name or seal of the municipality. The price of each bag should cover both the cost of the bag itself and the cost for disposal. Waste haulers are instructed to pick up only the specially marked trash bags.

**Did you know?** Over 40% of Massachusetts municipalities have PAYT/SMART programs.



**Did you know?** Municipalities can receive technical assistance to evaluate and implement PAYT/SMART programs. Learn more at: <http://www.mass.gov/eea/agencies/massdep/recycle/grants/smr-p-grants.html>

### **Did you know?**

Municipalities implementing PAYT/SMART can receive grant funding. Learn more at:

<http://www.mass.gov/eea/agencies/massdep/recycle/grants/smrp-grants.html>

Massachusetts Department of  
Environmental Protection  
One Winter Street  
Boston, MA 02108-4746

Commonwealth of  
Massachusetts  
Charles D. Baker, Governor

Executive Office of  
Energy & Environmental Affairs  
Matthew Beaton, Secretary

Department of  
Environmental Protection  
Martin Suuberg, Commissioner

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This information is available  
in alternate format by calling  
our ADA Coordinator at  
617-574-6872.



- **Stickers.** Residents purchase specially marked labels or tags and affix them to their own trash bags or barrels. Different sticker colors may indicate different volumes of waste being disposed.
- **First Bag or Barrel Free.** This is considered a hybrid PAYT/SMART program, in which one container (not to exceed 35 gallons) is collected at the curb “free”. Trash in excess of 35 gallons must be placed in municipal PAYT/SMART “overflow bags” that residents purchase.

### **Covering Municipal Costs**

PAYT/SMART programs generally involve a two-tiered funding system that combines a flat fee or tax subsidy and a unit-based fee. The flat fee/tax subsidy provides revenue stability to a municipal program and ensures that the fixed costs of trash collection are covered. The unit-based fee covers the variable cost for disposal and provides financial incentive for residents to recycle and compost more.

With any new program, concerns arise that need to be considered before implementation. The most prominent among considerations for a PAYT/SMART program are:

- **Public Perception that the Fee is a Tax.** Residents in some communities may perceive the unit-based pricing program as a new tax. To avoid this perception, many communities make their programs revenue-neutral by reducing the flat fee by the amount that unit-based fees are expected to generate. Many residents wind up paying less for trash disposal after a PAYT/SMART program is implemented since they are able to control their costs by recycling more and throwing less away.
- **Adverse Effects on Low-Income Households.** Because PAYT/SMART fees for trash service represent a higher percentage of a low-income family's income, steps may be taken to minimize the impact on these households. Just as electric, gas, and water utilities provide special rates for low-income users, a PAYT/SMART program may also include lowered rates for residents who demonstrate hardship.
- **Increases in Illegal Dumping.** Solid waste managers have expressed a fear that residents may resort to illegal dumping in commercial or public waste bins in a unit-based system. Studies of PAYT/SMART programs in Massachusetts and around the nation indicate that increased illegal dumping is **not** a problem in most communities.
- **Higher Administrative Costs.** With any new program, additional staff time may be needed for planning and implementation. However, these costs are generally recovered through savings associated with increased recycling and reduced waste disposal.

### **Building Public Support**

Public acceptance and support are the most important components of a successful unit-based pricing program. Key players from the municipal government, elected officials and the environmental/community organizations must be involved from the beginning of the planning process.

Taking the time and committing the resources to build support within both the government and community will minimize confusion about the program from the beginning. It is important to hold public forums and meetings to respond to questions and concerns of residents, municipal officials and employees.

### **Additional Information**

Visit the MassDEP web site: <http://www.mass.gov/eea/agencies/massdep/recycle/reduce/pay-as-you-throw-payt.html>