



FACT SHEET: PAYT BASICS FOR MUNICIPALITIES

This fact sheet presents some of the benefits and challenges associated with implementing a Pay-As-You-Throw (PAYT) program, which MassDEP considers a primary vehicle for attaining the state's waste reduction goals.

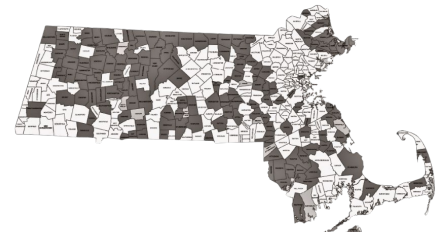
About PAYT

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 in which the price of the bag reflects the cost to dispose of the waste. Residents are not charged a direct fee for recycling. As residents pay directly for trash they dispose, they have a financial incentive to reduce their waste through recycling, composting, donations, reuse/repair, and smart purchasing.

A PAYT program enables municipalities to simultaneously reduce trash tonnage disposed and more equitably distribute the cost of disposal among residents.

DID YOU KNOW?

162 municipalities in Massachusetts have PAYT programs.



Advantages

- **Fairness.** Residents only pay for the amount of trash that they generate. Households generating less trash pay less than households that generate more.
- **Decrease in Trash Tons Disposed & Associated Cost Savings.** PAYT has been shown to decrease a community's residential trash tonnage disposed by 25 to 50 percent, significantly reducing solid waste disposal costs.
- **Increased Recycling, Food Waste Diversion & Waste Reduction.** PAYT programs increase recycling, encourage composting and a reduction in food waste thrown in household trash, and improve waste reduction efforts through reuse, repair, and repurposing goods into the circular economy.
- **Improved Environmental Quality.** By diverting waste from disposal, PAYT 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 several types of PAYT programs currently in use in Massachusetts. The systems are not mutually exclusive and can be combined to meet a community's needs.

- **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.
- **Stickers or Tags.** 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.

Note: this is often less desirable as it is more difficult to ensure consistency in the size of the bags being used. Imprinted trash bags guarantee a uniform size.

- **Hybrid Program.** In this type of PAYT program, one container (not to exceed 35 gallons) is collected at the curb as part of a municipality's basic level service. Trash in excess of 35 gallons must be placed in PAYT overflow bags, tags, or stickers that residents purchase.
- **35-gallon Trash Cart or Barrel.** More municipalities in Massachusetts are implementing programs with uniform 35-gallon wheeled trash carts, as they are aesthetically pleasing and supported by most waste haulers. This qualifies as a PAYT program for MassDEP grant purposes.
- **Imprinted Trash Bags in Carts.** Some municipalities in Massachusetts are faced with having already committed to carts larger than 35 gallons but still want to adopt a PAYT model that addresses waste reduction. This can be accomplished by implementing the imprinted bag program mentioned above but requiring that they be placed inside carts. And with a strong industry push toward automated curbside collection of trash, requiring PAYT bags inside trash carts can effectively support waste reduction goals as long as the enforcement protocol is well managed.

\$\$\$ DID YOU KNOW? \$\$\$

Municipalities can receive technical assistance and grant funding to implement PAYT programs. Learn more at: www.mass.gov/how-to/apply-for-a-sustainable-materials-recovery-program-smrp-municipal-grant

Covering Municipal Costs

PAYT 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.

Addressing Common Public Concerns and Misconceptions

With any new program, concerns arise that need to be considered before implementation. It's best to address common issues and misconceptions before they become an obstacle.

- **Isn't a PAYT fee is just another tax?** Some residents 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. Residents often wind up paying less for trash disposal after a PAYT program is implemented since they can control their costs by throwing less away.
- **Will it adversely affect Low-Income Households?** Because PAYT fees for trash service represent a higher percentage of a low-income family's budget, 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 program may also include lowered rates for residents who demonstrate hardship.
- **Will this increase our incidences of 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 programs in Massachusetts and around the nation indicate that increased illegal dumping is not a problem in most communities.
- **Will a new PAYT program create 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 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 environmental /community organizations must be involved from the beginning of the planning process. Taking the time and committing resources, holding public forums and meetings, and responding to questions and concerns of residents, municipal officials, and employees will minimize confusion about the program.

We Are Here to Help

Your city or town may apply for a Technical Assistance grant that provides up to 80 hours of help from a [MassDEP Municipal Assistance Coordinator \(MAC\)](#) to support analyzing and/or implementing a PAYT program. And if PAYT grant funds are sought, a PAYT technical assistance project with your MAC is required to support development of a PAYT Implementation Plan.

Technical Assistance grants help communities navigate the planning, implementation, and outreach required for a successful program. Assistance may include analyzing waste data, developing rate structures, engaging stakeholders, and addressing policy concerns to ensure PAYT is both financially and environmentally effective. By leveraging this grant, communities can make informed decisions and build a tailored PAYT program that maximizes waste diversion and cost savings. [Apply now](#) or reach out to your [Municipal Assistance Coordinator](#) for more information.

FOR MORE INFORMATION:

MassDEP website: www.mass.gov/lists/pay-as-you-throw-paytsave-money-and-reduce-trash-smart

Contact: Ron Cochran ron.h.cochran@gmail.com