

Frequently Asked Questions

Proposed Solid Waste Service Tax District March 2014

1. What is a Solid Waste Service Tax District?

It is a defined geographic area of a county where specific solid waste related services are provided and whose property owners fund the service through a tax that is set at a rate that will finance those defined services.

2. What is the Solid Waste Service Tax District that is being proposed by the Board of County Commissioners?

The Board of Commissioners are proposing a service district that would provide for every other week curbside/roadside recycling collection. The proposed district does not include waste/trash collection; only recycling. This service was previously funded by a \$38 annual Rural 3-R Fee that was billed on the annual tax bill, but that fee was eliminated following the 2012 Tax Billing. The service district is being proposed to replace the rural recycling program funding previously provided from that fee. The proposed service district will expand this recycling service to about 1,600 additional residents beyond the 13,750 households who are currently eligible for this service.

3. What if I don't recycle or take my materials to a Solid Waste Convenience Center? Is there an option whereby a property owner can opt-out of this service?

The Solid Waste Service Tax District, as with the previous Rural 3-R Fee, does not provide an exemption or opt-out option for those residents who choose not to use the service. All property that is included within the district would be assessed the district tax. As with property taxes in general, there would be no opt-out option.

4. Since I received a notice of a Public Hearing does this mean that my property will be included in the proposed district?

Yes. If you received this notice your property, or if you own multiple properties, at least one property you own is proposed to be located within the district. If more than one property is owned only those located within the proposed district would be subject to the district tax.

5. How much will I have to pay through a district tax?

The district tax rate will be set to generate funding for the every other week recycling service. It is currently estimated that the tax rate would be set at approximately 1.5 cents per \$100 of assessed value. This would mean a property with an assessed value of \$100,000 would pay \$15 per year.

6. Why not continue charging the Rural 3-R Fee of \$38/year?

The County Attorney and the County Manager recommended to the Board of County Commissioners last year that the Board abolish the Rural 3-R Fee due to some uncertainty with regard to the fee being wholly consistent with state law authorizing counties to assess these type of fees. Following that recommendation, the Board agreed it did not wish to risk continuing a practice that was not unmistakably consistent with state law, so the annual rural recycling fee was eliminated and consideration of alternative financing of the rural recycling service was initiated. After several months of examining numerous funding alternatives the Board is proposing the Solid Waste Service Tax District to generate the replacement program funding. About 13,750 residents who were eligible for the service were previously assessed the fee.

7. Will the Solid Waste Service District apply to vacant (undeveloped) land?

Yes, the district tax would apply to all property located within the proposed district without regard to whether structures or homes exist on the property.

8. If the Board chooses **not** to adopt a Solid Waste Service District and wishes to establish a service opt-out program what would the estimated cost be for annual curbside recycling service? Is there data or information relating to performance of Opt-in programs?

Key to estimation of the cost for opt-out service is the assumption made regarding how many paying customers will remain in the program. If the assumption is that of the current approximate 13,750 customers only 60% currently participate, and that of that 8,250 monthly users 20% (1,650) choose to opt-out, the estimated annual fee for service would be increased accordingly

Experience in other governmental jurisdictions (states and NC county's) provides convincing evidence that many property owners will choose not to participate, which will result in increased costs for those who do participate. Economies of scale exist in recycling collection services like most other programs and services, meaning that the more property owners that join in funding a given service results in a reduced cost per each service unit. Alternatively, as the number of fee payers is reduced, costs increase for each remaining participant. A NCDENR Recycling Specialist has spoken previously to the BOCC, as well as other recycling professionals, who have indicated the weaknesses of the so called "Opt-In" or subscription (fee for service) type recycling program.

Please note that it will take 5-6 months to establish an opt-out or subscription type service for rural curbside/roadside recycling. .

9. Would a Solid Waste Service District funding option or an opt-out (or subscription) fee for service option result in the most recyclable materials being recovered and move Orange County the furthest toward its 61% waste reduction goal? Which would cost the least per unit served?

Based on evidence from other jurisdictions (both North Carolina and out of state) a subscription fee for service option of funding the recycling collection service would yield the least quantity of recovered recyclables and result in the greatest unit cost for users of the program. The Solid Waste Service District would be the least costly per parcel served.

10. What does it mean that handicap service will continue?

Both the Urban and Rural Curbside Recycling programs maintain a special services option for handicapped and elderly residents. This service requires the collector to go to the resident's home at an agreed upon location and collect their receptacle, empty it into the truck and return the empty container to the home.

11. Has the value of the property within the proposed district been analyzed?

The total valuation of the district is located at the bottom of the map and is calculated at \$4,478,900,424.

12. Is the current participation rate for the rural program 57%? If so, how many are estimated as not using the service?

Yes, according to the latest survey of four rural routes. About 5,800 are estimated to be using the convenience centers, not recycling or recycling through alternative means.

13. How many parcels in the proposed district are not going to be paying the tax but will be receiving the service?

There are 631 tax exempt properties located in the proposed district that will not be paying the district tax. It is understood that any of those parcels that contain buildings that generate recyclables we would be required by statute to receive the service.

14. If the Rural Program participation rate is 57%, what would be the participation rate in the Urban Program for comparison?

The participation rate in the Urban Program is estimated to be 90%. Utilization of the new roll carts fitted with RFID tags will allow much more accurate calculations of set out and participation rates.

15. When roll carts are implemented will people be required to use them?

Due to the variability in the county such as geography and other differences consistent with rural living, accommodations will have to be made. When a resident expresses a desire to continue using a bin and does not wish to use a roll cart, they will be allowed to use what they think best suits their situation. They will be allowed to choose, although in many instances they will be encouraged to try a roll cart.

16. If residents will be allowed to continue to use bins if they choose rather than be required to use roll carts, and if only 57% of residents will be participating, how many roll carts will be purchased?

It is estimated that 7,000 carts would be purchased initially. Prior to implementation a more thorough assessment will be performed to match the type of recycling receptacle with resident needs and requests.