NEXT DETROIT

Kwame M. Kilpatrick, Mayor • City of Detroit, Michigan

The City of Detroit Solid Waste Fee

FREQUENTLY ASKED QUESTIONS

Q: Why are we proposing a Solid Waste Fee instead of the Garbage Mills?

A: Since 1976, when the mill were levied, economic conditions have changed and the costs of service delivery have increased. Unfortunately, there have not been any adjustments or initiatives to keep up with rising costs in over 30 years. The Solid Waste Fee will help the City of Detroit better manage increasing costs for service by lowering the burden on the General Fund.

Q: What is the Solid Waste Fee?

A: The Solid Waste Fee absorbs 69% of the total costs ($102.million)for the Department of Public Works to provide garbage pick up and disposal.

It costs the City $102.8 million to provide this service. Currently the 2.9928 mills generate approximately $28 million. The General Fund contributes $74.7 million. The Solid Waste Fee will generate $71 million, reducing the City's contribution by 60%.

Q: What happens to Garbage Mills?

A: Homeowners will not be assessed the 2.9928 mills, thus, reducing their property tax payment.

Q: How much is the Solid Waste Fee for residential property?

A: For residential customers the Solid Waste Fee is $75 a quarter (every four months) or $25 a month.

Q: How much is the Solid Waste Fee for commercial property?

A: For commercial customers with weekly service it is $75 quarterly for 90 gallon container, $175 quarterly for 300 gallon container, and $225 quarterly for 400 gallon container. Daily service is also available for commercial customers for an additional fee.

Q: What will commercial properties pay who have a private contractor for garbage collection?

A: Commercial property that has private collection will pay a $150 annual inspection fee to verify that a valid contract with the licensed private refuse collection company is in place and that the containers are in appropriate locations.

Q: How will the residential Solid Waste Fee be collected?

A: Every household will receive a bill which is payable quarterly or annually.

Q: If I don't pay my fee, what happens to my trash?

A: The City of Detroit will continue to pick it up trash weekly, even is an account is delinquent. However, the resident will receive a tax lien on their property for nonpayment.

Q: How long can a payment be delinquent before liens imposed?
A: 1 year

Q: What if I cannot afford the Solid Waste Fee?

A: The city recognizes that these are challenging financial times for everyone, that is why under the direction of Mayor Kilpatrick, two programs have been adopted– a Hardship Provision and a Senior Discount Provision.

The Hardship Provision is offered for citizens with lower income living in a homestead with a Taxable Value of less than $110,000. Eligibility is based on number of members in the household and income provisions.

A Senior Discount Provision is also available. To qualify, seniors must be 65 and older, owner of the property and have an annual income less than $39,000. The discount is 30% of the Solid Waste Fee. 70% of the seniors in the City of Detroit qualify under the terms of this provision.

Q: How does Detroit compare with other municipalities charging a Solid Waste Fee?

A: In 1986, the City sold bonds to build the Greater Detroit Resource Recovery (GDRRA) Facility to process the city's solid waste. The City is obligated to pay debt service for the bonds, $76 million this year. The bonds will be retired in FY 2008-09. The city is in the process of determining the most efficient and cost effective method to dispose of refuse when the bonds are retired. However, currently this is an additional cost of our disposal that other municipalities do not have. When the bonds are retired in 3 years the Solid Waste Fee will be reduced to reflect the savings.

Other cites have implemented Solid Waste Fees- Atlanta, GA, Southfield, MI, but due to the costs of GDRRA, their fees are not comparable to the City of Detroit.