

Indiana Legislative Services Agency

Fiscal Issue Brief

August 28, 2012

Indiana's Solid Waste Management Districts

Introduction

P.L. 10-1990 required all Indiana counties (with the exception of Marion County) to form solid waste management districts. The districts could be single-county or multi-county districts. They were required to develop solid waste management plans, and to provide for reduction, management, and disposal of solid waste and the recovery of waste products. Currently, there are 70 solid waste management districts; 63 are single-county districts, while 7 are multi-county districts. A map of the solid waste management districts is at the end of this brief.

Solid Waste Management District Boards

Solid waste management districts are directed by boards of directors that consist of elected officials representing local governmental bodies within the districts. Single-county district boards consist of seven members: three county commissioners, one county council representative selected by the council, and three municipal officials representing at least two municipalities within the district. The solid waste management districts of Lake and St. Joseph Counties have different board compositions of locally elected officials due to their larger populations. The Lake County solid waste management district has 27 board members, and the St. Joseph County solid waste management district has 9 board members.

Solid waste management districts that are multi-county districts have a board composed of a variable number of locally elected officials based on the number of counties in the district. They also have the option of adding additional members based on county populations. The largest multi-county solid waste management district, Southeastern Indiana, has 19 board members, while W.U.R., which consists of two counties, has 10 board members¹.

Additionally, district boards must appoint and convene citizen's advisory committees. Citizen's advisory committees provide a forum for input from citizens regarding solid waste planning and the solid waste management process. These committees must include representatives of the solid waste management industry, the environmental community, and other citizens that have interest in environmental issues that are not employed by the solid waste management industry. All members of the committee must reside in the district.

Solid Waste Management District Powers

Statute² provides that solid waste management districts have the following powers.

Financial Powers

- (1) The power to impose district fees on the final disposal of solid waste within the district;

¹ Association of Indiana Solid Waste Management Districts, Inc., *District Profiles: Indiana Solid Waste Management Districts*, September 2010.

² IC 13-21-3-12.

- (2) The power to levy a tax or other solid waste-related fees within the district to pay costs of solid waste operations;
- (3) The power to receive and disburse money;
- (4) The power to accept gifts, grants, loans of money, other property, or services from any public or private source;
- (5) The power to borrow in anticipation of taxes;
- (6) The power to pay a fee from district money to the county or counties in which a final disposal facility is located; and
- (7) The power to establish by resolution a nonreverting capital fund.

Administrative Powers

- (1) The power to develop and implement a solid waste management plan;
- (2) The power to plan, design, construct, manage, own, lease, operate, and maintain facilities for solid waste management;
- (3) The power to enter into a contract or agreement related to the management of solid waste;
- (4) The power to purchase, lease, or otherwise acquire real or personal property for the management or disposal of solid waste, and to sell or lease any facility or part to any person;
- (5) The power to make and contract for plans, surveys, studies, and investigations necessary for the management or disposal of solid waste;
- (6) The power to hire the personnel necessary for the management of solid waste;
- (7) The power to do all things necessary for the reduction, management, and disposal of solid waste and the recovery of waste products from the solid waste stream;
- (8) The power to make grants or loans of money, property, or services to public or private recycling programs, composting programs, or any other programs that reuse any component of the waste stream as a material component of another product;
- (9) The power to implement collection programs for household hazardous waste and mercury commodities and mercury-added products;
- (10) The power to conduct promotional or educational programs concerning reuse, recycling, and proper disposal of various types of waste; and
- (11) The power to adopt resolutions that have the force of law.

Statute also provides that districts do not have the power of eminent domain or the power to exclusively control the collection or disposal of solid waste and recyclables within the district (except for the extension of a contract by a governmental entity within the district entered into prior to the formation of the district).

Solid Waste Management District Plans

According to P.L. 10 of 1990, solid waste management districts were required to develop district solid waste management plans with guidance from the Indiana Department of Environmental Management (IDEM), in accordance with a state plan model developed by IDEM. District plans provide policy guidance for solid waste management districts through an integrated approach focusing on source reduction, alternatives to dependence on final disposal facilities, and final disposal facilities.

The statute requires that district plans:

- (1) Set goals and objectives for the district;
- (2) Identify alternative means of achieving the goals;
- (3) Describe the operational and capital costs of implementing the district plan;
- (4) Establish the basis for setting fees, rates, and charges;
- (5) Designate a person to supervise the implementation of the district plan; and
- (6) Describe the surveillance and enforcement procedures to ensure compliance with the district plan.

The district plan must consider contracts with private persons and take account of permitted final disposition facilities in the district, but may not impose different operational requirements on privately

owned facilities from those imposed on public facilities. The IDEM Commissioner is responsible for approving all plans and may adopt a plan for a district that fails to submit a plan.

Recent Legislation Affecting Solid Waste Management Districts

P.L. 37-2012 ordered that beginning in 2015 and every fifth year after, the Legislative Council must require an interim study committee to: (1) assess solid waste management districts; and (2) determine whether any changes should be made to the statutes governing the districts. This law also required increased financial and program reporting from the solid waste management districts that will be made available online on the Indiana Gateway for Government Units. The districts must prepare this financial information at the end of each year and make the report available to IDEM, the Department of Local Government Finance (DLGF), and the Legislative Council by February 1 of the following year. The following information will be included in these reports:

- (1) End-of-the-year cash balances for each fund containing district money.
- (2) All encumbrances (and documentation supporting them) that the district is legally obligated to pay.
- (3) Total and per capita expenditures.
- (4) Any other financial and/or programmatic information required by IDEM.
- (5) Total of all fund balances.
- (6) Total expenditures for personnel and program costs.
- (7) Total amount of solid waste (in tons) disposed of in the district for the reporting year.
- (8) Total amount of recycling (in tons) carried out in the district for the reporting year.

Since these reports have not been released yet, this brief used the best available data to date.

Solid Waste Management District Expenditures

Solid waste management districts provide a variety of programs including recycling, household hazardous waste collection, education, composting, and others. The types of programs funded by districts are not specified in district financial statements. However, the most recent Association of Indiana Solid Waste Management Districts' District Profiles report³ did provide more information about these activities. Out of 66 district profiles in the report, all reported that they provided recycling programs. Ninety-one percent of these districts claimed to provide household hazardous waste programs, and 97 percent reported that they provided public educational programs. According to the report, 55 percent of the districts profiled provided composting programs. The programs offered vary by district, and some may be more extensive than others.

Solid waste management districts' budgeted spending detail and disbursement data for calendar years 2011 and 2012 was accessed from the Indiana Gateway for Government Units, while data for calendar year 2010 was accessed from the Indiana Transparency Portal, which provides unaudited detailed annual financial reports from the districts to the State Board of Accounts. Data was available for all districts for calendar year 2010 and for 68 out of 69⁴ districts for calendar year 2011. Data was available for 63 out of 70 districts (or 90 percent of the districts) for calendar year 2012⁵. The average total expenditures for these districts for calendar year 2010 were about \$729,000, \$746,000 for calendar year 2011, and \$773,000 (budgeted) for calendar year 2012. The median expenditures for these districts for calendar year 2010 were about \$357,000, \$364,000 for calendar year 2011, and \$420,000 (budgeted) for calendar year 2012.

³ Association of Indiana Solid Waste Management Districts, Inc., *District Profiles: Indiana Solid Waste Management Districts*, September 2010.

⁴ There are currently 70 districts. A multi-county district for two counties, Wildcat Creek, dissolved into the two single-county districts of Wild Cat solid waste management district (Clinton County) and Tippecanoe County solid waste management district effective on March 1, 2012.

⁵ The districts of Jackson County (CY 2011), and Clark, Fayette, Greene, Hancock, Knox, Shelby and Tippecanoe County (CY 2012) were excluded due to incomplete data.

Expenditures were broken into four main categories: personal services, supplies, capital outlay, and services and charges. The table below provides the percentages of expenditures for each expenditure category based upon the average expenditures for calendar years 2010 and 2011, and average budgeted expenditures for calendar year 2012 for the districts that had data available.

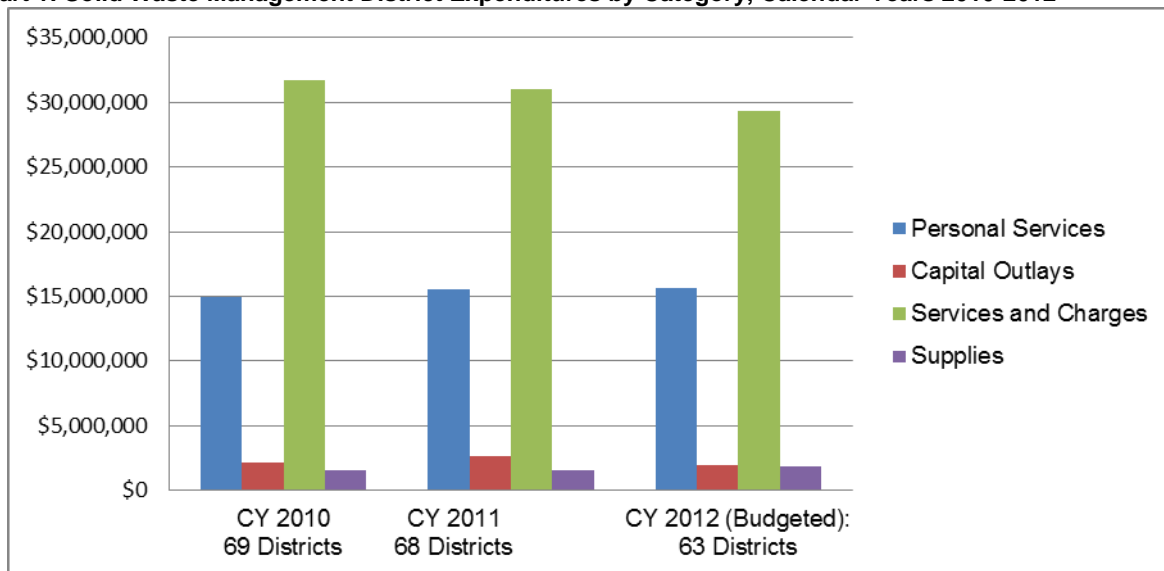
Table 1: Solid Waste Management District Expenditures, Averages by Category

	2010	2011	2012
Total Districts Included	69	68	63
Personal Services	35.9%	35.0%	38.8%
Services and Charges	56.1%	57.5%	55.1%
Capital Outlay	4.7%	4.0%	2.6%
Supplies	3.3%	3.5%	3.5%

Sources: Indiana Gateway for Government Units; Indiana Transparency Portal; Clinton County Auditor.

The following chart provides solid waste management district expenditures by category for calendar years 2010 and 2011, and budgeted expenditures for calendar year 2012 for the districts that had data available.

Chart 1: Solid Waste Management District Expenditures by Category, Calendar Years 2010-2012



Sources: Indiana Gateway for Government Units; Indiana Transparency Portal; Clinton County Auditor.

Personal services and services and charges were the two categories with the highest expenditures on average across districts. Salaries, wages, and benefits were included in personal services, while expenses such as repairs, maintenance, utility services, and insurance were included in services and charges. Capital outlay included buildings, land, and machinery, while supplies included office, operating, and repair and maintenance supplies.

Solid Waste Management District Revenue Sources

Solid waste management districts are able to employ a variety of revenue sources to fund their operations and programs. Statute permits the following revenue sources to be utilized by solid waste management

districts: property tax (not to exceed \$0.0833 for each \$100 of assessed value); local option income taxes (LOIT); excise taxes; fees on the final disposal of solid waste (tipping fees); fees on the management of solid waste (such as user fees set on a flat-rate, per household basis); direct contributions from participating government bodies; grants through IDEM and other organizations or government entities; and loans and bonds.

Revenue data for solid waste management districts for calendar years 2010 through 2012 (budgeted) was accessed from the DLGF's Local Government Database. The primary sources of revenue for solid waste management districts are property taxes, excise taxes (including motor vehicle excise taxes and commercial vehicle excise taxes), LOIT, charges for services (including tipping fees, user fees, and other charges for services), and miscellaneous revenue (including all other revenue not represented by these categories). The average total revenue for districts that had data available⁶ was about \$703,000 for calendar year 2010, \$646,000 for calendar year 2011, and \$642,000 (budgeted) for calendar year 2012. The median revenue for districts that had data available was about \$370,000 for calendar year 2010, \$345,000 for calendar year 2011, and \$351,000 (budgeted) for calendar year 2012. Although the budgeted revenue for calendar year 2012 is less than the budgeted expenditures for calendar year 2012 for most districts, on average, cash balances for calendar year 2012 represent about 110 percent of 2012 adopted budgets.

The table below provides the average breakdown of solid waste management district revenue by revenue source for calendar years 2010 and 2011, and average budgeted revenue for calendar year 2012 for the districts that had data available.

Table 2: Solid Waste Management District Revenue by Revenue Source, Calendar Years 2010-2012

	CY 2010	CY 2011	CY 2012 (Budgeted)
Total Districts Included	63	64	65
Property Tax	37.2%	38.0%	36.6%
Excise Tax	3.1%	2.8%	2.8%
LOIT	4.0%	3.4%	3.2%
Charges for Services	40.0%	37.2%	33.0%
Miscellaneous Revenue	15.7%	18.6%	24.4%

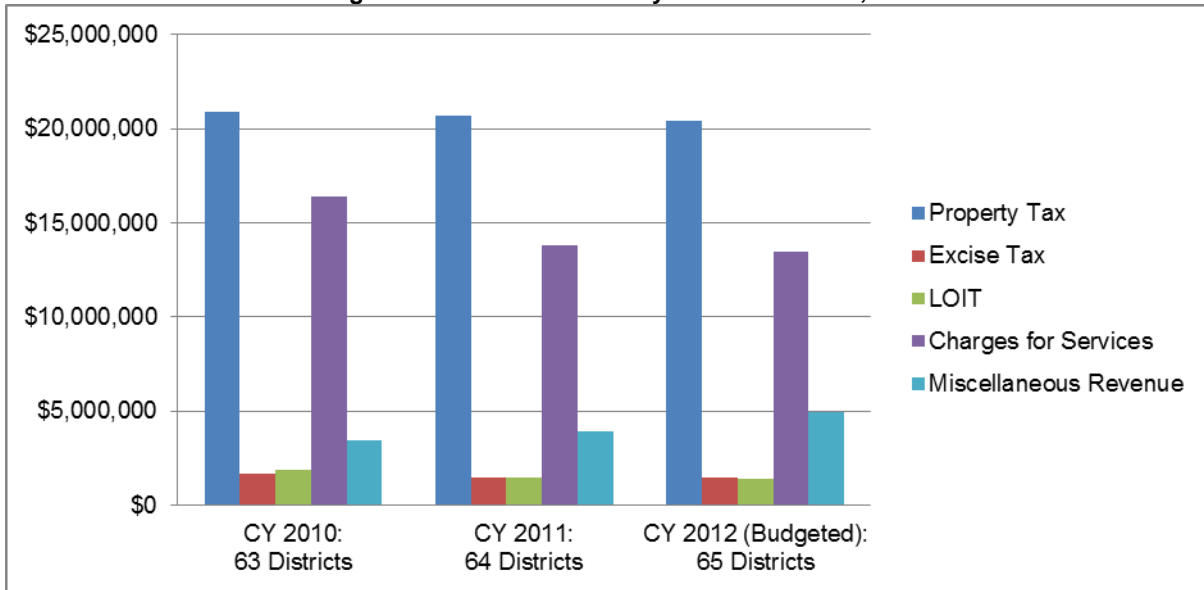
Sources: Local Government Database, Department of Local Government Finance; Clinton County Auditor.

Property taxes and charges for services are the two main revenue sources for solid waste management districts. For calendar year 2012, 35 of the 65 districts for which data was available reported property tax as a funding source. Of these 35 solid waste management districts, 30 districts budgeted property tax revenue for more than half of their funding and 14 districts depended upon property tax revenue for 75 percent or more of their funding. Thirty-six districts budgeted charges for services as a revenue source. Charges for services made up half of the funding sources for 21 districts, and 18 of these districts budgeted charges for services for 75 percent or more of their funding. Lawrence County solid waste management district has reached the maximum property tax rate of \$0.0833 for each \$100 of assessed value, and Washington County solid waste management district has the next highest rate at \$0.802 for each \$100 of assessed value.

The following chart provides solid waste management district revenues by revenue source for calendar years 2010 and 2011, and budgeted revenue for calendar year 2012 for the districts that had data available.

⁶ The districts of Miami County (CY 2010), Floyd County (CY 2010 and CY 2011), Clark, Fayette, and Hancock Counties (CY 2010, CY 2011 and CY 2012), LaPorte County (CY 2010 and CY 2012), and Tippecanoe County (CY 2012) were excluded due to incomplete data.

Chart 2: Solid Waste Management District Revenue by Revenue Source, Calendar Years 2010-2012



Sources: Local Government Database, Department of Local Government Finance; Clinton County Auditor.

The following table provides budgeted solid waste management district revenues by revenue source for calendar year 2012 for the districts that had data available.

Table 3: Budgeted Solid Waste Management District Revenue by Revenue Source, Calendar Year 2012

Solid Waste Management District	Property Tax Levy	Excise Taxes	LOIT	Charges for Services	Misc. Revenue	Total Revenue
Adams County	\$595,433	\$33,540	\$88,398	\$325,000	\$93,080	\$1,135,451
Allen County	\$0	\$0	\$0	\$912,000	\$34,572	\$946,572
Bartholomew County	\$858,155	\$64,528	\$0	\$1,550,000	\$126,000	\$2,598,683
Blackford County	\$3,351	\$291	\$0	\$0	\$1,826	\$5,468
Boone County	\$0	\$0	\$0	\$0	\$167,500	\$167,500
Brown County	\$133,529	\$9,240	\$0	\$0	\$30,000	\$172,769
Cass County	\$0	\$0	\$0	\$140,800	\$11,000	\$151,800
Clay-Owen-Vigo	\$0	\$0	\$0	\$144,000	\$1,000	\$145,000
Crawford County	\$188,640	\$12,473	\$21,882	\$0	\$80,050	\$303,045
Daviess County	\$361,610	\$30,840	\$67,595	\$500,000	\$0	\$960,045
Dearborn County	\$619,346	\$39,063	\$0	\$0	\$37,560	\$695,969
Decatur County	\$285,611	\$19,350	\$58,900	\$50,000	\$2,000	\$415,861
Dubois County	\$0	\$0	\$0	\$0	\$200,026	\$200,026
East Central Indiana ⁸	\$690,759	\$45,691	\$0	\$0	\$0	\$736,450
Elkhart County	\$0	\$0	\$0	\$582,000	\$5,000	\$587,000
Floyd County	\$0	\$0	\$0	\$0	\$270,000	\$270,000
Fountain County	\$145,342	\$12,853	\$0	\$0	\$102,200	\$260,395
Fulton County	\$0	\$0	\$0	\$300,000	\$103,000	\$403,000
Gibson County	\$1,138,616	\$84,536	\$0	\$0	\$9,000	\$1,232,152
Greene County	\$0	\$0	\$0	\$0	\$310,000	\$310,000

**Table 3: Budgeted Solid Waste Management District Revenue by Revenue Source, Calendar Year 2012
(Continued)**

Solid Waste Management District	Property Tax Levy	Excise Taxes	LOIT	Charges for Services	Misc. Revenue	Total Revenue
Hamilton County	\$560,194	\$43,250	\$257,244	\$0	\$9,000	\$869,688
Harrison County	\$192,113	\$21,685	\$61,064	\$0	\$60,000	\$334,862
Hendricks County	\$0	\$0	\$0	\$672,500	\$29,000	\$701,500
Howard County	\$772,861	\$56,136	\$103,082	\$0	\$2,400	\$934,479
Huntington County	\$187,451	\$13,702	\$35,549	\$12,500	\$1,250	\$250,452
Jackson County	\$0	\$0	\$0	\$250,000	\$5,000	\$255,000
Jay County	\$0	\$0	\$0	\$225,000	\$0	\$225,000
Johnson County	\$425,684	\$34,441	\$0	\$0	\$16,600	\$476,725
Knox County	\$0	\$0	\$0	\$0	\$310,360	\$310,360
Kosciusko County	\$67,999	\$4,525	\$0	\$0	\$308,000	\$380,524
Lake County	\$4,707,948	\$268,197	\$0	\$0	\$0	\$4,976,145
Lawrence County	\$1,083,738	\$100,546	\$249,851	\$322,865	\$86,919	\$1,843,919
Marshall County	\$265,990	\$20,926	\$0	\$0	\$1,000	\$287,916
Martin County	\$91,382	\$10,233	\$0	\$40,000	\$150,000	\$291,615
Miami County	\$0	\$0	\$0	\$350,000	\$900	\$350,900
Monroe County	\$1,553,084	\$109,488	\$0	\$0	\$809,560	\$2,472,132
Morgan County	\$0	\$0	\$0	\$0	\$142,000	\$142,000
Northeast Indiana ⁹	\$1,057,261	\$63,884	\$235,421	\$70,000	\$1,800	\$1,428,366
Northwest Indiana ¹⁰	\$0	\$0	\$0	\$375,436	\$78,994	\$454,430
Orange County	\$294,540	\$32,770	\$90,086	\$0	\$1,000	\$418,396
Perry County	\$0	\$0	\$0	\$31,000	\$371,000	\$402,000
Pike County	\$0	\$0	\$0	\$190,000	\$800	\$190,800
Porter County	\$0	\$0	\$0	\$855,500	\$49,100	\$904,600
Posey County	\$521,426	\$34,387	\$0	\$80,000	\$0	\$635,813
Randolph County	\$0	\$0	\$0	\$0	\$202,524	\$202,524
Rush County	\$105,696	\$5,681	\$0	\$0	\$0	\$111,377
Shelby County	\$165,344	\$11,591	\$0	\$145,000	\$15,000	\$336,935
Southeastern Indiana ¹¹	\$680,127	\$59,872	\$108,238	\$7,000	\$75,000	\$930,237
Spencer County	\$339,053	\$22,714	\$0	\$120,000	\$50,000	\$531,767
St. Joseph County	\$0	\$0	\$0	\$2,654,000	\$0	\$2,654,000
Starke County	\$0	\$0	\$0	\$270,014	\$0	\$270,014
Sullivan County	\$0	\$0	\$0	\$3,000	\$83,700	\$86,700
Three Rivers (Henry County)	\$0	\$0	\$0	\$231,000	\$0	\$231,000
Tipton County	\$126,138	\$12,055	\$29,689	\$0	\$0	\$167,882
Vanderburgh County	\$0	\$0	\$0	\$415,000	\$750	\$415,750
Vermillion County	\$0	\$0	\$0	\$12,500	\$0	\$12,500

**Table 3: Budgeted Solid Waste Management District Revenue by Revenue Source, Calendar Year 2012
(Continued)**

Solid Waste Management District	Property Tax Levy	Excise Taxes	LOIT	Charges for Services	Misc. Revenue	Total Revenue
W. U. R. ¹²	\$0	\$0	\$0	\$0	\$64,900	\$64,900
Wabash County	\$0	\$0	\$0	\$531,000	\$17,500	\$548,500
Warren County	\$111,776	\$12,940	\$31,575	\$0	\$55,100	\$211,391
Warrick County	\$1,226,516	\$89,659	\$0	\$290,000	\$0	\$1,606,175
Washington County	\$703,690	\$63,684	\$0	\$220,000	\$10,500	\$997,874
Wells County	\$106,248	\$8,064	\$0	\$0	\$6,000	\$120,312
West Central Indiana ¹³	\$0	\$0	\$0	\$5,000	\$275,767	\$280,767
Whitley County	\$0	\$0	\$0	\$596,579	\$53,000	\$649,579
Wild Cat (Clinton County only) ¹⁴	\$44,559	\$3,645	\$0	\$0	\$30,000	\$78,204
Total	\$20,411,210	\$1,456,480	\$1,438,574	\$13,478,694	\$4,958,238	\$41,743,196

Sources: Local Government Database, Department of Local Government Finance; Clinton County Auditor.

⁸ Delaware, Grant and Madison Counties

⁹ DeKalb, LaGrange, Noble and Steuben Counties

¹⁰ Benton, Carroll, Jasper, Newton, Pulaski and White Counties

¹¹ Franklin, Jefferson, Jennings, Ohio, Ripley, Scott and Switzerland Counties

¹² Union and Wayne Counties

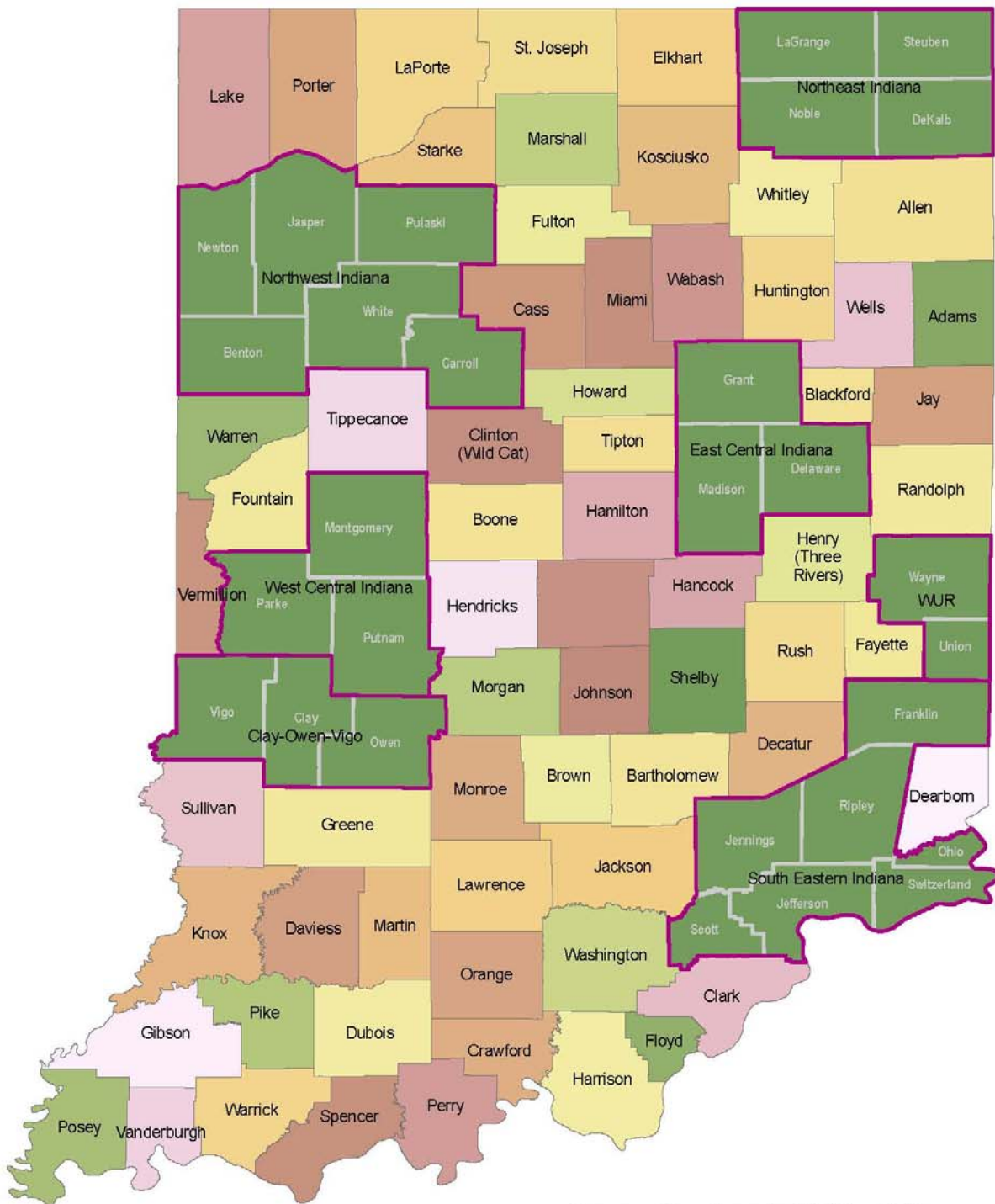
¹³ Montgomery, Parke and Putnam Counties

¹⁴ Data for Wild Cat solid waste management district is estimated and was obtained from the Clinton County Auditor.

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Indiana's Solid Waste Management Districts as of March 1, 2012



There are 7 multi-county districts and 63 single-county districts. Marion County is not required to have a solid waste management district.