



County Technical Assistance Service

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Local Revenue Sources

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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Local Revenue Sources

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In addition to state aid, there are several other sources through which counties and other governmental entities may fund their solid waste management operations. In general, these options are cumulative; they may be used singly or in mix-and-match combinations to suit each area's needs. These revenue sources include the following choices:

1. **Tipping Fee.** Any county, municipality, or solid waste authority that owns a disposal facility or incinerator may impose a tipping fee on each ton of waste or its volume equivalent. The amount of the fee is determined according to the cost of providing services, and the uniform solid waste accounting system is to be used to arrive at this cost. Revenue raised by the tipping fee is to be used only for solid waste management purposes. T.C.A. § 68-211-835(a).
 2. **Host Fee.** In order to encourage regional use of solid waste disposal facilities or incinerators, a county that is host to a solid waste disposal facility or incinerator used by other counties in the same region may impose a surcharge on municipal solid waste received at any such solid waste disposal facility or incinerator by resolution of its county legislative bodies in the region. These revenues may be used only for solid waste management purposes or to offset costs resulting from hosting the facility. T.C.A. § 68-211-835(e).
 3. **General Surcharge.** After approving the regional solid waste plan, a municipality, county, or solid waste authority may impose a surcharge on each ton of waste received at a disposal facility within that area. Funds collected through this surcharge may be expended for collection or disposal purposes. T.C.A. § 68-211-835(f).
 4. **Disposal Fee.** A county, city, or solid waste authority may collect a mandatory user fee that bears a reasonable relationship to the cost of providing disposal services. This fee may be imposed on residences and businesses. A disposal fee may not be imposed on a waste generator who owns the facility for processing its own waste. A county disposal fee may be imposed on municipal residents if the municipal residents have access to the services funded by the disposal fee, such as a convenience center. Op. Tenn. Att'y Gen. 93-49 (July 23, 1993). Disposal fee revenues may be used only to establish and maintain collection and disposal services to which all county residents have access. Upon agreement with the area's electric utility, these fees may be collected as part of the utility's billing process. T.C.A. § 68-211-835(g).
 5. **Property Tax.** A county may levy a general county-wide property tax to pay for waste collection and disposal services if all persons in the county are to be equally served, but such a county-wide levy shall be unlawful if any city, town or special district in any city or town, that, through its own forces or by contract, provides such services within its boundaries, or if any other part of the county is to be excluded from the service area. T.C.A. § 5-19-108.
 6. **Service Charge.** A county may charge users a reasonable fee for providing waste collection services. T.C.A. § 5-19-107.
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