

Category

User Fees and
Regulatory Charges



Geography/ Location

AB, BC, MB, NB,
NL, NS, ON, PE,
QC, SK

Municipality Size

All



Tier

Foundation



Constraints

None

Administrative Capacity Required

Medium



Fiscal Tool Brief: Fees for Solid Waste Collection and Disposal

Solid waste fees charge users directly for waste collection, recycling, composting, and disposal, helping municipalities recover service costs while encouraging waste reduction.

Fees for solid waste collection and disposal are user-pay municipal utility charges that directly recover the costs of waste services from those who generate waste rather than from the general tax base. In these systems, households, businesses, and other waste generators pay for the collection, recycling, composting, and disposal of solid waste based on service use, aligning with the user-pay principle that encourages waste reduction and recycling. Municipalities set these fees through bylaws or utility

rate frameworks, and they can include flat rates, volume-based pricing such as bin size or bag tag charges, or weight-based fees. In many Canadian cities, these fees fund ongoing operations, upgrades to processing facilities, landfill management, recycling services, and environmental programs. For multi-residential buildings and businesses, municipalities sometimes contract waste collection to private haulers, with property managers or business owners then passing charges through to tenants or incorporating them into utility bills.¹ Fees are typically structured to cover operating and long-term capital costs, improving financial sustainability while providing transparent cost signals to users. This user-pay approach contrasts with funding waste services through property taxes, which spreads costs more broadly irrespective of individual waste contributions.



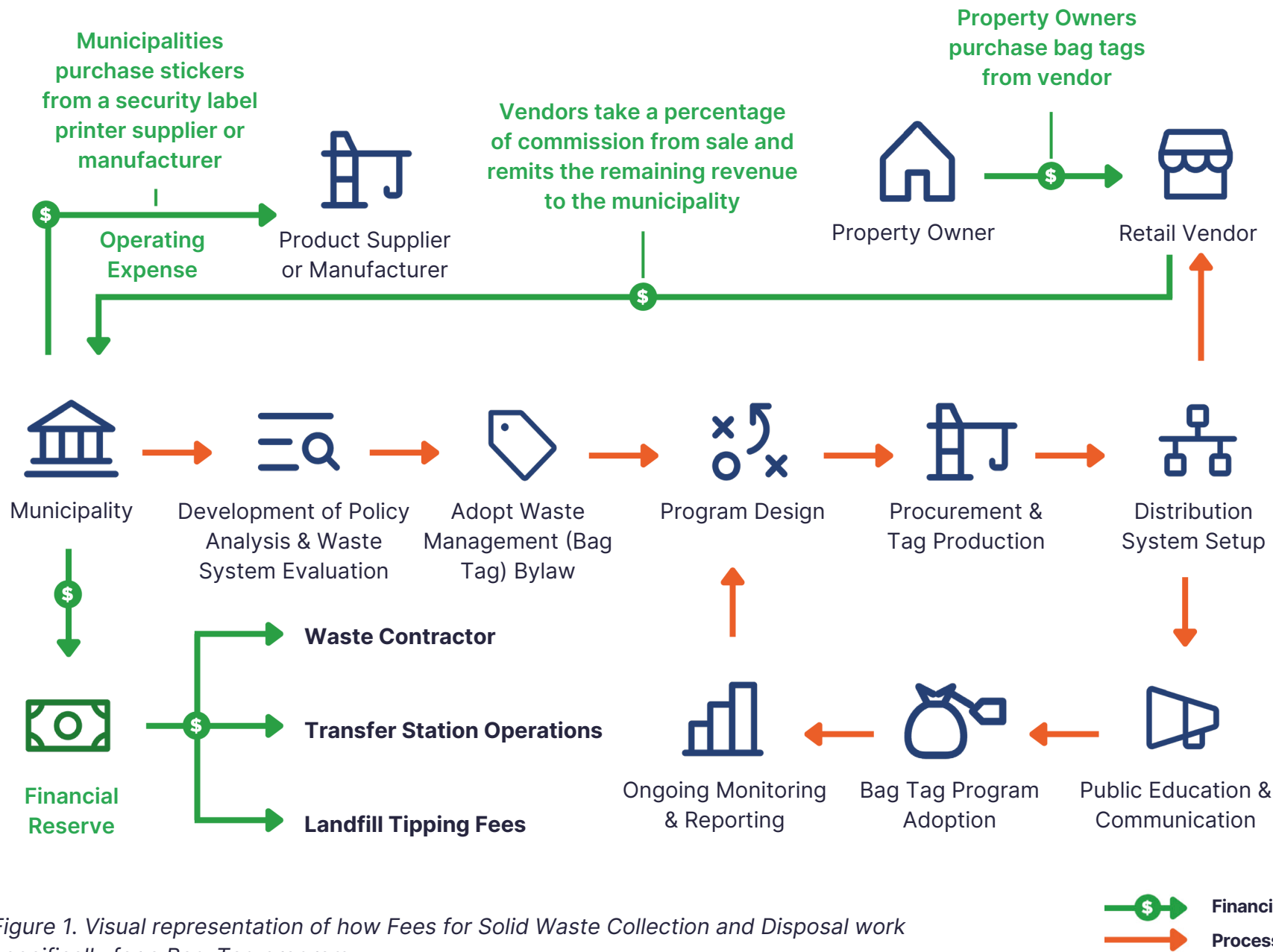


Figure 1. Visual representation of how Fees for Solid Waste Collection and Disposal work specifically for a Bag-Tag program

Examples

Solid waste collection and disposal fees are widely adopted by local governments in Canada, and there are various pricing structures for collecting these type of fees. For example, [Calgary \(AB\)](#) funds their residential cart programs through the program fees paid by residents and does not use property taxes for the programs. Calgary charges a flat fee to each household that receives City waste services. In 2026, the rate is \$20.51 per month.² Residents such as condo owners who do not receive City waste services are exempt from paying this fee. Each household is limited to one garbage cart of waste for each collection and residents need to purchase garbage tags for the excess waste.³ In [Durham Region \(ON\)](#), residents can dispose up to four garbage bags for their curbside waste collection each time, and they are required to purchase additional garbage bag tags for the waste generated over the limit.⁴ Municipalities such as [Victoria \(BC\)](#) provides the option for residents to determine their garbage bin size. Victoria has three bin sizes and sets different rates for different bin sizes.⁵ When residents have more garbage than what their bin can fit, they can purchase extra garbage tags, upgrade the size of their bin for an additional annual fee, or drop them off at the designated locations for an additional user fee.⁶ In [Beaconsfield \(QC\)](#) rate structure is comprised of a fixed portion: three bin sizes at different rates, which include 12 collections per year. All additional collections are charged at a variable rate,⁷ effectively discouraging waste disposal.⁸

Relevance to Advancing Adaptation

Fees for solid waste collection and disposal have significant potential to support climate adaptation due to its user-pay characteristic. The fees link cost recovery with waste reduction incentives, encouraging the community to divert more waste and reduce the associated environmental impacts.⁹ By charging users according to the amount of waste they generate, municipalities create incentives to divert organics and recyclables, which reduces methane emissions from landfills, decreases strain on waste infrastructure¹⁰ and mitigates risks to soil and water resources during extreme rainfall or flooding events. Volume-based pricing can also stimulate investment in resilient waste infrastructure and adaptive service planning, positioning municipalities to cope with demographic and consumption shifts without over-reliance on tax subsidization. Fee structures that encourage recycling and composting help communities manage organic waste, which in turn reduces the carbon intensity of municipal operations and enhances local circular economy opportunities. When waste fees are structured transparently and with affordability measures, they can help municipalities align waste management with broader climate adaptation and resiliency goals while ensuring long-term financial sustainability.

Accessibility

User fees for solid waste collection and disposal are broadly accessible across Canada, as municipalities in all provinces with modern enabling legislation hold authority to impose service charges for waste management. In Ontario, s. 11(2) of the Municipal Act designates “waste management” as a municipal sphere of jurisdiction, and s. 391(1) authorizes municipalities to impose fees or charges for services or activities provided by the municipality, together providing a clear basis for user-pay solid waste fees.¹¹ Ontario Regulation 584/06, made under s. 391, governs fee-setting parameters; a cost-ceiling principle (fees not to exceed the cost of service) is reflected in regulatory guidance and policy norms rather than as an explicit cap in the statute itself.¹² In British Columbia, municipalities draw on general revenue authority under the Community Charter,¹³ and the Local Government Act¹⁴ to establish utility-style rates for solid waste collection and disposal. In Alberta, waste collection fees are supported by the general user-fee and service-delivery powers of the Municipal Government Act.¹⁵ In Quebec, waste management can operate on two distinct levels. Municipal-level waste fees are governed by the general municipal tariffication and regulatory charge powers under the Loi sur les cités et villes and the Code municipal. At the provincial level, the Regulation respecting the charges payable for the disposal of residual materials, made under the Environment Quality Act, imposes a provincial charge (\$34 per metric ton) on operators of landfills, construction and demolition waste sites, incineration facilities, and transfer stations.¹⁶ This provincial charge functions as a Pigouvian tipping fee designed to discourage landfilling and internalize environmental externalities, rather than as a municipal cost-recovery mechanism. The

combination of municipal-level cost recovery and provincial-level environmental pricing gives Quebec a two-tiered structure distinct from provinces that rely primarily on municipal user fees. Across all provinces, implementation accessibility depends more on existing billing and administrative infrastructure than on statutory barriers: the legal authority to impose solid waste fees is well-established everywhere, but effective user-pay systems require measurement or differentiated billing capacities that smaller or less-resourced municipalities may lack.

Feasibility

Fees for solid waste collection and disposal are a feasible fiscal mechanism to implement because they build on municipalities’ existing service delivery frameworks and revenue collection systems. In many jurisdictions, solid waste services are already tracked through utility billing systems (e.g., water or other utility invoices), allowing waste fees to be incorporated without creating an entirely new administrative process. For example, Toronto’s solid waste management system charges households based on bin size and frequency and is implemented through existing municipal billing structures.¹⁷ In addition, user fees are a feasible tool for aligning incentives with environmental outcomes when they reflect true costs and create incentives for waste reduction and diversion. Pay-as-you-throw (PAYT) schemes, which vary fees based on the quantity of waste generated, have been shown in academic studies to encourage households to reduce waste and recycle more, supporting both financial and environmental feasibility.¹⁸ The feasibility for implementation also depends on public acceptance of the new fees structure; communicating environmental and accountability benefits increases acceptance

of shifting from fixed fees to PAYT schemes, helping smooth implementation.¹⁹ However, feasibility can be constrained by operational realities such as the need to integrate fee collection with utility billing systems, manage exception cases (e.g., private hauler services), and ensure that rates are set at levels that balance cost recovery with affordability and diversion incentives.

Risk

While fees for solid waste collection and disposal align users with service costs, they carry several implementation and equity risks. One documented risk is that for PAYT systems, the fees need to be set at levels that reflect true disposal costs, creating incentives for waste generators to divert waste illegally or engage in improper disposal to avoid charges, such as illegal dumping.²⁰ This highlights the importance of pairing fees with strong diversion infrastructure and enforcement to minimize leakage into illegal dumping or other inappropriate waste disposal methods. Fee structures that vary by service level (e.g., bin size) may also lead to perceptions of inequity, especially in the situations where users with lower waste production still pay base service fees or low-income households find the costs burdensome relative to income. From a tax-equity perspective, fees are more regressive than the property tax. Variable waste fees can be tagged as a 'family-based charge', in that they target households with a larger number of occupants. Therefore, equity and affordability are key considerations in the policy and program design, and progressive fee design and exemptions may be necessary to avoid disproportionate burden. Another risk is the revenue instability, particularly if fees are set too low to cover long-term capital and operating costs. A report on solid waste systems in Canada

indicates that municipal solid waste services are not always fully funded by fees alone and often rely on general revenues or grants in some jurisdictions, raising sustainability concerns.²¹ Finally, public opposition or low acceptance of fee increases, especially if not linked transparently to service improvements or environmental outcomes, can undermine implementation, requiring strong communication and stakeholder engagement to manage public perceptions and maintain community support.

Scalability

Fees for solid waste collection and disposal can scale effectively if there are legal frameworks and administrative systems to support the expansion and if the program designs are adaptable to different municipal contexts. Across Canadian municipalities, a variety of user-pay approaches demonstrates that multiple models can be scaled depending on community size, waste profiles, and service objectives. Research also indicates that charging residents and businesses in proportion to the waste they generate is a scalable approach that can improve system efficiency and provide reliable revenue streams across jurisdictions.²² Scalability is further supported when municipalities integrate fee structures within broader waste diversion and climate goals, aligning incentives for recycling and composting with fee design, which increases acceptance and reinforces environmental outcomes. Moreover, scalability can depend on administrative systems that can handle evolving fee structures, including billing, metering (for weight-or volume-based models), and customer service functions, as well as the ability to monitor outcomes and adjust fee levels accordingly.

Evaluation Matrix

Scoring: High = +1 | Medium = 0 | Low = -1

Criterion	Rating	Score	Key Evidence	Assessment
Effectiveness & Performance	Medium	0	Indirect adaptation benefits via waste reduction	The tool supports environmental resilience indirectly, but does not directly finance or target adaptation infrastructure.
Economic Efficiency	High	+1	Cost-recovery model; uses existing billing systems	Solid waste fees are an efficient user-pay mechanism with strong cost recovery and relatively low administrative burden.
Equity & Fairness	Medium	0	Polluter-pays principle but affordability concerns	The fee structure is fair in principle, but affordability concerns remain unless exemptions or tiered pricing are built in.
Political Acceptability	Medium	0	Acceptance depends on transparency and pricing design	Public acceptance is manageable but can weaken when fees rise or pay-as-you-throw models are introduced.
Feasibility (Admin/Legal)	High	+1	Established authority and widespread use	Municipal authority is clear and implementation is highly feasible because the model is already widely used in Canada.
Coherence (Portfolio Fit)	High	+1	Core municipal service with strong policy alignment	The tool fits well with utility systems, environmental objectives, and broader circular economy strategies.

Best Use Context

This tool is most effective as a foundational municipal revenue source for routine service delivery and environmental management. It works well across municipalities of different sizes where billing infrastructure already exists, but its adaptation value is mainly indirect rather than targeted.

Context Factor	Relevance	Notes
Municipal Size	High	Applicable across all sizes; scalable with different pricing models.
Administrative Capacity Required	Medium	Requires billing systems and program management, but often already in place.
Development Pressure	Low	Not linked to growth; applies to existing service delivery.
Climate Risk Targeting	Low	Indirectly linked to adaptation via environmental co-benefits.
Fiscal Flexibility Required	Low	Generates stable own-source revenue with cost recovery.

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