

More Cash for Trash

How New Orleans Can Align Sanitation Fees with Service Costs and Protect Ratepayers

Why This Matters

If you live in New Orleans, the trash fee on your water bill went up on October 1, 2026, from \$24 to \$32.25 a month.

Here's why. For years, the fixed fee hasn't covered what the City pays private companies to pick up and dispose of trash. The City has made up the difference from its main operating budget, money that could have gone to police, streets, or other services. Based on current budget projections, the total since 2021 will top \$80 million by the end of 2027.

Starting in 2028, the fee will change every year to match what trash service costs. That should end the shortfall, but it also means that if the City overpays its contractors, residents will pay more too. BGR wrote this report because closing the trash gap is an important step toward fixing the City's budget, and residents need protections in place before the new cost-based fee model begins.

The Bottom Line

Tying the fee to costs makes sense. But the new law doesn't require anyone to check whether those costs are reasonable before they're passed on to you. The City also needs to educate residents on what it would take to return to twice-per-week trash pickup and how to handle the recycling program, so those policy discussions can be well informed.

Your trash fee just went up, and starting in 2028 it will change yearly along with costs. The question is how to ensure those costs are reasonable.

What BGR Found

The fixed fee doesn't cover the cost. It hadn't changed since 2011; meanwhile, the cost of trash service has nearly doubled since 2021, largely because of new contracts signed after Hurricane Ida. Even with the increase, BGR estimates a \$22.4 million shortfall this year and about \$6.4 million next year. The cost-based fee will close the gap.

The City plans to regularly check customer lists. The City pays contractors based on how many addresses they serve. A 2026 state audit found nearly 13,000 addresses on those lists that may not belong there, such as vacant or duplicate properties. The City's Inspector General flagged the same problem back in 2010. The City is verifying current collection lists and plans to establish guidelines for regular review before the new fee model kicks in. The initial verification, expected by spring 2027, could reduce the projected budget deficit.

Everyone pays for recycling, even if they don't use it. Curbside recycling costs about \$11 million a year. Only 41% of households have signed up, but contractors are paid to serve every address, and all residents share the cost through their trash fee. The City needs to evaluate the current program, residents' demand for it, and how to pay for it in a more equitable way.

What Comes Next

October 19, 2026: City Council hearing on the Department of Sanitation's 2027 budget.

Spring 2027: City expects to complete verification of curbside sanitation customer lists.

October 1, 2027: The City must publish the first new fee and explain how it was calculated.

January 1, 2028: The new fee takes effect.

BGR Recommends

- **Follow through with checking the customer lists regularly.** The City should review contractors' lists every month so it only pays for addresses that should be served.
- **Review costs at least every five years.** A required review of contracts and service levels would help keep costs, and fees, in check. These reviews should be more frequent in the initial years of the new cost-based fee.
- **Report to the public every year.** An annual report on trash and recycling service, costs, and affordability would show residents what they're paying for.
- **Lay out the options.** Some residents want twice-per-week trash pickup back, and recycling could be run differently. The City should publicly compare the choices, with the costs and tradeoffs of each.

A fee that keeps up with costs can end the trash budget gap. Regular oversight can make sure residents don't pay more than they should.



Read the full report at

<https://go.bgr.org/more-cash-for-trash>