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Evaluation of Oregon DEQ Solid Waste Disposal Fees

Report to the Oregon Legislature as Required by SB 245 (2015)



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Executive Summary

The Materials Management Program at the Oregon Department of Environmental Quality works to reduce the full life cycle environmental and human health impacts of products and materials that are made and used in Oregon by advancing waste prevention, sustainable production and use of materials, and proper recovery and disposal of solid waste.

This report contains updates relating to solid waste management funding as required by SB 245 (2015). The law directs DEQ to submit a report, which may include recommendations for legislation and should include:

- (1) Information on options for sustainable and adequate funding of solid waste management, prevention, reuse and recycling programs;
- (2) An evaluation of the effectiveness and value of the fee rebate program provided for under ORS 459A.130; and
- (3) Information on the implementation of the state's plan for an integrated system of materials and waste management in the State of Oregon, as adopted in accordance with ORS 459A.020. [2015 c.662 §18]

DEQ's Materials Management Program is largely funded by a "tipping fee" and a "permit fee," both of which are assessed on the tons of solid waste disposed in Oregon. The tipping fee is also assessed on a small volume of waste that originates in Oregon but is disposed of in other states. These fees were unchanged between 1994 and 2015. In the years leading up to 2015, revenue dropped due to declines in disposal volumes. In response, DEQ's Materials Management Program curtailed several important programs and was facing the possibility of needing to make even deeper cuts in programs and services that protect the environment if additional funding was not identified.

Senate Bill 245 was passed into law in 2015. The bill increased tipping fees incrementally from \$0.81 to \$1.18 per ton by 2019. The bill also extended fees to waste streams not previously covered and authorized the Environmental Quality Commission to adjust tipping fees within defined limits to stabilize funding in the future. Money collected under the bill is to be used to fund a large range of programs as specified in ORS 459A.120, including activities to reduce the environmental and human health impacts of materials at all stages of their lifecycle. An accompanying fee rebate program was created to return funds to the nine most economically distressed counties in Oregon, as determined each year. These adjustments have allowed DEQ to restore and maintain Materials Management programs.

The funding from SB 245 supports the multiple focus areas of the program's work to address the full life cycle of materials to advance the *2050 Vision and Framework for Action*. The Environmental Quality Commission adopted the 2050 Vision and Framework for Action in 2012 as an update to Oregon's solid waste management plan. It outlines an approach to waste management that emphasizes the sustainable use of materials across all stages of their life cycle, from their design and production to their use and final disposal. This approach serves as

the backbone of the integrated system of materials and waste management in Oregon and includes strategies for waste prevention, including encouraging reuse and repair to extend the useful life of a product, in addition to the more traditional strategies of increasing rates of recycling and composting. Passage of the Plastic Pollution and Recycling Modernization Act (SB 582, 2021) moves Oregon to the forefront of states in implementing a modern recycling system, adds producer funding in support of recycling in Oregon, and advances program priorities.

This report outlines the current status of the fees, an overview and report on the effectiveness of the rebate program, current work underway, and recommendations for the legislature to consider.

Introduction

Senate Bill 245 (2015) requires the Department of Environmental Quality (DEQ) to report to the legislature on the following:

- (1) Information on options for sustainable and adequate funding of solid waste management, prevention, reuse and recycling programs;
- (2) An evaluation of the effectiveness and value of the fee rebate program provided for under section 6a of this 2015 Act; and
- (3) Information on the implementation of the state's plan for an integrated system of materials and waste management in the State of Oregon, as adopted in accordance with ORS 459A.020. The report may also include legislative recommendations.

This report to the legislature is prepared in accordance with the requirements of Section 18 of the Act.

Funding for the DEQ Materials Management program in 2015 relied upon tipping and permit fees assessed on tons of solid waste disposed in Oregon. Fees had been last revised in 1994 and revenue was dropping along with declines in waste disposal. Revenue was declining at the same time that operating costs were increasing due largely to inflationary effects.

Sustainable Funding Materials Management Program

(1) Information on options for sustainable and adequate funding of solid waste management, prevention, reuse and recycling programs

The changes to funding established in SB 245 are currently providing adequate funding for the Materials Management program including management, prevention, reuse and recycling programs at DEQ. The Materials Management program takes a holistic approach to reducing the environmental impacts of materials that Oregonians use. These projects and collaborations involve the promotion of food waste prevention, sustainable government procurement, reuse and repair, new measures of environmental outcomes, toxics reduction and cleaner production. At the same time, the Materials Management program continues to conduct the vital work in solid waste management – permitting, inspections, and investigation of complaints – crucial to ensuring the proper operation of disposal sites. New sources of funds available through implementation of the Plastic Pollution and Recycling Modernization Act will supplement funding provided through SB 245 while reducing the burden on Oregon residents and businesses.

Rebate Program Effectiveness

Impacts to Distressed Counties

(2) An evaluation of the effectiveness and value of the fee rebate program provided for under section 6a of this 2015 Act

The program described in section 6a of SB 245 (ORS 459A.130) requires DEQ to “provide a rebate of the fees established under ORS 459A.110 to the nine most economically distressed counties in this state.” Section 6a(1)(a). A portion of the fees shall go to a city instead of a county if a city within an economically distressed county owns and operates a landfill. SB 245, section 6a(3).

Moneys received by a city or county through the rebate program may only be used for: (a) purposes authorized in ORS 459A.120; (b) the operation of solid waste disposal facilities; or (c) the reduction of disposal fees. Section 6a(4). Purposes authorized at ORS 459A.120 include activities to reduce the environmental and health impacts of materials at all stages of their life cycles, solid waste planning activities by local governments, and grants supporting these purposes.

The legislature required the Environmental Quality Commission to adopt rules implementing the fee rebate program. Those rules were adopted in 2016 and are found at OAR 340-083-0500 to 0530. The Commission, as authorized by the legislature at Section 6a(5)(b) of SB 245, utilized rules for identifying economically distressed counties based on a methodology adopted by the Oregon Business Development Department. When presenting rules to the Commission for consideration, DEQ stated it will know if the proposed rules have addressed legislative needs if, among other things, the nine most distressed counties annually receive a partial rebate of any increase in solid waste tipping above current fees. As required by the legislature through the Administrative Procedure Act, DEQ conducted a five-year review of the rules in 2021.

Figure 1: The Rebate Amounts Paid to the Distressed Counties Since 2015

	2016	2017	2018	2019	2020	2021	2022
Baker	-	-	\$3,941.80	-	-	-	-
Clatsop	-	-	-	-	-	-	\$11,993.98
Coos	-	\$12,724.54	-	-	-	-	\$16,345.47
Crook	\$4,126.03	\$5,695.14	\$5,865.44	\$6,425.78	\$7,068.35	\$7,224.06	-
Curry	\$4,447.94	\$5,382.18	-	\$5,637.30	\$5,644.74	-	\$6,198.92
Douglas	\$20,781.30	\$21,015.11	\$22,151.77	-	-	\$26,425.87	-
Grant	\$1,044.33	\$1,082.98	\$1,144.89	\$1,191.68	\$1,203.92	\$1,257.17	\$1,290.43
Harney	\$1,001.20	-	-	\$1,282.87	\$1,324.80	\$1,412.90	-
Jefferson	\$3,047.29	\$3,737.50	\$4,247.46	\$4,490.20	\$4,078.70	\$4,708.22	\$5,288.13
Josephine	\$16,317.54	-	\$21,531.48	-	-	-	-
Klamath	\$13,888.79	\$16,271.30	\$16,563.50	\$18,866.83	\$18,476.19	\$18,984.42	\$24,641.93
Lake	-	\$1,818.96	\$1,800.17	\$1,810.69	\$1,511.50	\$1,667.16	-
Lincoln	-	-	-	-	-	-	\$17,950.03
Malheur	\$5,656.15	\$6,217.30	\$6,513.31	\$7,318.18	\$6,740.70	\$7,402.62	-
Union	-	-	-	\$5,304.35	-	-	\$5,624.94
Tillamook	-	-	-	-	-	-	\$9,082.53
Wallowa	-	-	-	-	\$1,804.76	\$1,721.95	-
Annual Total Dispersed	\$70,310.57	\$73,945.01	\$83,759.82	\$52,327.88	\$47,853.66	\$70,804.37	\$98,416.36

Figure 1 illustrates the rebates DEQ paid to distressed counties over the past six years. Some counties (Crook, Grant, Jefferson, Klamath and Malheur) have been among the most distressed counties each of the years, however, there is some variability each year among the remaining counties that received the rebates.

The methodology for calculating distressed counties in Oregon using the Distressed County Index is described at OAR 340-083-0510. The following four composite factors are multiplied using the latest data available on the date of calculation:

- (1) The state’s unemployment rate divided by the county’s unemployment rate (U.S. Department of Labor Bureau of Labor Statistics);
- (2) The county’s per capita personal income divided by the state’s per capita personal income (U.S. Department of Commerce Bureau of Economic Analysis);
- (3) The percent change in the county’s average covered payroll per worker over a two-year period (U.S. Department of Labor Bureau of Labor Statistics); and
- (4) The percent change in the county’s employment over a two-year period (U.S. Department of Labor Bureau of Labor Statistics).

The legislature required the distressed county rebate to offset the tipping fee increase. The concern was the tipping fee increase would prevent waste being disposed in the most distressed counties with landfills, and that might negatively impact the budgets of those county governments, especially where the county government is the direct service provider for landfill operations. DEQ reviewed records of disposal for the distressed counties to evaluate whether this dynamic occurred. These records come to the agency via quarterly or annual reporting forms filed by all disposal sites. A review of Appendix A, taken from the [2020 Oregon Material Recovery and Waste Generation Rates Report](#) (and data for other years not shown), illustrates that in most (85%) cases, the waste disposed in the counties have increased in the year that

they were eligible for a rebate. There is no strong evidence of solid waste disposal tonnages decreasing, even though fees have increased and only partially offset by the mandatory rebate. DEQ supports continuing to provide the rebates to the nine most distressed counties as required under ORS 459A.110 and does not recommend any changes to this program structure.

Materials Management Integrated System

2050 Vision and Framework for Action

(3) Information on the implementation of the state’s plan for an integrated system of materials and waste management in the State of Oregon, as adopted in accordance with ORS 459A.020.

The 2050 Vision and Framework for Action was adopted by the Environmental Quality Commission in 2012 as an update to Oregon’s solid waste management plan. It outlines an approach to waste management that emphasizes the sustainable use of materials across all stages of their life cycle, from their design and production to their use and final disposal. This approach serves as the backbone of the integrated system of materials and waste management in Oregon and identifies impacts and actions to address those impacts across the full cycle of materials and products as they move through the economy from raw material extraction to product design and manufacture, transport, consumption, use, reuse, recycling and disposal.”

The *2050 Vision and Framework for Action* was prepared in accordance with ORS 459A.020 as an update to the statewide integrated solid waste management plan. The plan guides implementation of ORS 459 and 459A. The Environmental Quality Commission, in adopting the plan, envisioned an Oregon in 2050 where:

- “Producers make products sustainably. Every option is a sustainable option.”
- “People live well and consume sustainably.”
- “Materials have the most useful life possible before and after discard.”

The Framework for Action adopted in 2015 includes pathways to lead Oregon to desired outcomes, including the following:

- Foundations. This work will create the solid foundation necessary to achieve the 2050 Vision. Foundational work includes setting goals and measuring outcomes, supporting and performing research, and securing stable funding.
- Policies and regulations. DEQ will evaluate and develop policies and regulations that put Oregon on the path toward achieving the 2050 Vision.

- Collaboration and partnerships. Coordination throughout the life cycle of materials and products will support innovative solutions. DEQ will collaborate with other state agencies, businesses, local governments and nongovernmental organizations.
- Education and information. DEQ will share information it develops with partners for distribution to appropriate audiences.

Overview of Program Implementation Work

A broad highlight of Materials Management Program products and activities since 2014 includes:

Policies and regulations:

- Overseeing product stewardship programs for electronics, paint, and drugs, initiating the implementation of the Plastic Pollution and Recycling Modernization Act and the Oregon Recycling Mattress law
- Enforcing statutory requirements

Collaboration and partnerships:

- Hosting and administering household hazardous waste collection events
- Developed the voluntary concrete environmental product declaration incentive program
- Publication of the [Built Environment Strategic Plan](#), centered on equity, environmental justice and racial justice
- Supporting State building projects to reduce the embodied carbon impacts of materials, as directed by [Executive Order 17-20](#)
- Collaborating with local governments and other stakeholders implementing recycling programs impacted by a broad range of international to local issues
- Allocated \$4,442,412 (2015-2020) in materials management grants as described on the [DEQ grants webpage](#)
- Developed the [2020 Framework for Action](#), as an update of the original 2015 Framework for Action document accompanying the *2050 Vision*
- Maintaining core values of a healthy environment for all, dignity for all human beings, social equity as an environmental issue, valuing collaboration, research and measurement, a need for change, adaptability, and the needs of all communities

Education and information:

- Public education campaigns, such as the [Bad Apple Campaign](#), an award-winning, research-based campaign to raise consumer awareness and reduce residential food waste
- Continue activities to prevent food waste, grounded on the 2017 [Strategy for Preventing the Wasting of Food](#) and completed projects such as a wasted food measurement study

Foundations:

- Published [The Significance of Environmental Attributes as Indicators of the Life Cycle Environmental Impacts of Packaging and Food Service Ware](#)
- Life Cycle Assessments evaluating waste and environmental impacts of materials in multiple industries

- Developed and distributed a materials [waste impact calculator](#) available to local governments and other stakeholders
- Developed consumption-based waste impact analysis
- Implemented the material recovery and waste composition survey to better understand waste generation in Oregon and identify priority needs

Additional work is currently underway to continue implementing the *2050 Vision* and the 2020 Framework for Action, including:

- Inclusive strategic planning process for Oregon’s approach to reducing food waste and the environmental impacts of the food system, which includes listening sessions with diverse partners and impacted communities
- Redesigning the Materials Management grants program to incorporate diversity, equity and inclusion and better serve communities across Oregon
- Mapping the flows and impacts of building materials produced and consumed in Oregon
- Life cycle assessment of marijuana produced in Oregon
- Evaluating and modernizing Oregon’s approach to hazardous materials in the home
- Providing funds for pilot projects that reduce the embodied carbon, health, or equity impacts of building projects
- Providing administrative oversight of product stewardship programs for paint, household medicines, and electronics to ensure that these programs, implemented by private organizations on behalf of product manufacturers, comply with applicable laws and offer convenient and safe disposal options to the public for these products
- Establishing a new product stewardship program for discarded mattresses

Additional details describing the implementation of the State’s plan for an integrated system of materials and waste management include:

- Materials Management Program 2019-20 Report to the Legislature: <https://www.oregon.gov/deq/FilterDocs/MMReport-Leg2019-20.pdf>
- Materials Management programs described on the DEQ website: <https://www.oregon.gov/deq/mm/Pages/Programs.aspx>
- 2050 Vision and Framework for Action at <https://www.oregon.gov/deq/FilterDocs/MManagementOR.pdf>.
- 2020 Framework for Action Update: <https://www.oregon.gov/deq/mm/Documents/mmFramework2020.pdf>

Conclusion

DEQ does not have statutory funding recommendations at this time. SB 245 passed in 2015 increasing tipping fees from \$0.81 to \$1.18 per ton by 2019. It is currently providing adequate funding for the Materials Management program. As programs such as the Plastic Pollution and Recycling Modernization Act and implementation of the *2050 Vision* and the 2020 Framework for Action progresses, adequate funding of solid waste management, prevention, reuse, and recycling programs will continue to be evaluated for sufficiency. Importantly, SB 245 authorized the Environmental Quality Commission to adjust tipping fees (within certain limitations) as

needed to align with program funding requirements; the Department retains authority to exercise this option when needed.

DEQ recommends continuing to provide the rebates to the nine most distressed counties as required under ORS 459A.110.

While SB 245 currently provides adequate funding for maintaining existing solid waste management, prevention, reuse and recycling programs, continued success of the program to reduce waste will impact the revenue that supports the work of the program. As the 2050 Vision and Framework for Action envisions a holistic approach that addresses the full life cycle of materials, there will still be significant work for the program to address beyond waste reduction to conserve resources, protect the environment, and enhance wellbeing. Impact to revenue sources that impact DEQ's ability to advance the 2050 Vision and Framework for Action may result in recommendations for legislation.

The 2021 Legislature passed the Plastic Pollution and Recycling Modernization Act, making Oregon a national leader in recycling. DEQ is actively working with stakeholders in developing rules and policies for implementing this legislation.

DEQ will continue reporting in the Materials Management Program's biennial report to the Legislature on initiatives, evaluation of funding, and progress towards initiatives. The 2050 Framework for Action also includes an update every six years. The next update is scheduled for 2026 and will provide the subsequent update for Materials Management initiatives and goals.

