

# Frequently Asked Questions



State of Oregon  
Department of  
Environmental  
Quality

## Materials Management: Senate Bill 245

These FAQs address DEQ proposals to increase both solid waste tipping fees and permit fees. SB 245 increases tipping fees; DEQ will seek to increase permit fees through a separate rule-making process, pending budget approval by the Legislature. For more information about Senate Bill 245, see DEQ's Fact Sheet "*Materials Management: Senate Bills 245 and 263; Policy Option Package 132.*"

### How much revenue does DEQ need to adequately fund its Materials Management Program?

By 2020, DEQ will need \$11.1 million per year to fund top priorities in the *2050 Vision and Framework for Action*. DEQ proposes to restore and enhance materials management services over a four-year period starting in 2016. For the 2015-2017 biennium DEQ has requested a budget that includes a Policy Option Package for \$1.9 million.

### How much of an increase is this from current levels?

Fee increases in SB 245 (tip fee) and a separate permit fee increase (by rule) will increase revenue by \$4.3 million per year by 2020.

### How will DEQ use new revenue?

New revenue will ensure that current services are funded through 2020, restore the grants program, and fund new high priority work.

### What does the tipping fee pay for?

High-priority projects to:

- Identify materials and processes with highest impacts such as plastics, food and carpet
- Prevent waste
- Reduce toxic chemicals in products and wastes
- Help businesses reduce impacts through voluntary programs
- Increase and improve recovery of discarded materials to provide high quality inputs for manufacturing
- Measure outcomes of programs to get the best results
- Share research and information with partners to improve decision-making

### What happens if tipping fees don't increase?

DEQ's ability to implement the highest-priority actions in its *2050 Vision and Framework for Action* would be constrained by ongoing reductions in purchasing power. Existing staff and services would be reduced. The severity of

the cuts would depend on the magnitude of future changes in disposal volumes.

DEQ projects moderate increases in disposal volumes as Oregon's and the region's population grow. However, even if disposal tonnage goes up, revenue is not expected to keep pace with expected cost increases from inflation and other factors.

### What does the permit fee pay for?

Oversight of solid waste facilities (permitting, inspections and technical assistance) and groundwater monitoring at both closed and open landfills.

### What happens if permit fees don't increase?

DEQ would cut up to 6 FTE, beginning in 2016. This would impact facility oversight (permitting, inspections and enforcement, and groundwater monitoring and protection).

Compared to current service levels, permit issuance and plan reviews would take longer to process, resulting in a growing backlog.

With reduced facility oversight, violations and delays in detecting problems would likely increase, leading to more and more serious enforcement actions and increased risk of pollution.

### How will fee increases affect garbage rates?

Most solid waste disposal sites charge fees to waste collection companies and individuals who self-haul their own garbage for disposal. These fees are either charged on a volume basis (for example, per cubic yard) or, for facilities with scales, on a weight basis (per ton).

DEQ surveyed all Oregon counties, all cities with a population of 3,800 or more, and a sampling of cities with population less than 3,800 to evaluate impacts of proposed fee increases. Among Oregon facilities that charge by weight, rates vary from \$30.40 per ton to \$126.40 per ton. Most of these fees are used to pay for facility operations; currently \$1.24 per ton is paid in state fees. The proposed fee increases

### Materials Management Program

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*DEQ is a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.*

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Last Updated: 2/25/15

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will raise this by \$0.65 per ton; a 0.5 to 2.1 percent increase.

Many Oregon households and businesses pay to have their waste collected. Collection fees include disposal fees as well as the costs of providing the collection service. The impact of proposed state fees on collection rates depends on several variables, including how local governments set rates.

Cities report that rates for households with basic garbage service may increase by approximately four to seven cents per month as a result of the combined increase in both tipping and permit fees. Total charges for basic household garbage collection services in Oregon range between \$9.00 and \$30.80 per month.

### **What are the benefits of tipping and permit fee increases for local governments?**

- Timely oversight of permitted facilities (including closed landfills)
- Timely complaint response and enforcement on illegal disposal and unpermitted waste handling operations
- Strong programs addressing toxic chemicals, such as removal of dangerous unwanted chemicals from school laboratories
- Support and technical assistance for waste prevention, recycling and composting
- More meaningful and updated measures of environmental outcomes, including waste composition and recovery
- Greater availability of low-impact products for local government purchasing (through state contracts)
- Restoration of important services reduced or suspended during the recession

### **What programs will DEQ restore?**

- Grant funds to support local programs with significant environmental benefits, such as community waste prevention and reuse programs
- Updated statewide Household Hazardous Waste Plan, incorporating stakeholder input, to identify funding priorities for specific local HHW collection programs
- "Special mercury collection" program that reimburses local programs for expanding mercury collection
- Funding for additional local projects to reduce toxic chemicals in homes, waste, wastewater and the local environment

- Financial and technical assistance to support, improve and expand waste recycling and composting programs

### **Why does the bill include a fee adjustment mechanism?**

The mechanism will stabilize the program's budget by allowing tipping fees to be adjusted by rule in response to changing circumstances. Both the permit and tipping fees are per-ton fees, meaning that fee revenue fluctuates with disposal tonnage. The costs of providing services typically increase over time due to inflation and other factors.

The Oregon Environmental Quality Commission already has statutory authority to adjust permit fees as needed. SB 245 seeks limited authority to adjust future tipping fees on solid waste disposal.

### **What will happen if disposal tonnage decreases?**

DEQ would likely ask the EQC to increase fees by rule. This would require a full rulemaking process, including public involvement.

SB 245 (as amended) places strict limits on potential increases in the per-ton tipping fee, including a cap of three percent per year.

### **What will happen if disposal tonnage increases?**

The EQC could reduce fees.

Without fee adjustments, revenues in excess of expenses would cause ending fund balances to grow beyond what is needed to operate the program.

### **Is SB 245 a long-term solution to the program's funding problem?**

It depends. If disposal volumes fall slightly, remain stable or increase, service levels can be maintained with only small, periodic adjustments to fees. Only if disposal tonnage falls significantly will revenue be insufficient to sustain service levels. In any event, DEQ will submit a report to the Legislature on alternative funding mechanisms in 2022.

### **For more information please contact:**

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### **Alternative formats**

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