



Metro

Recommendations on Metro's Solid Waste Fee and Tax Exemption Policies

Metro Council Work Session
May 31, 2018

Purpose of Today's Discussion

1. Review Metro's current fee and tax exemption policies.
2. Review recommendations from Metro's consultant and SWAAC.
3. Review recommendations from staff.
4. Seek direction from Council.

Metro Code Title V

Track 1: MRF/CT

- Complete
- Council adopted on 10/26/17
- Effective on 01/24/18



Track 2: Fee/Tax Exemption Policy

- Policy study update in July 2017
- Subcommittee review completed in November 2017
- SWAAC discussion December 2017
- Metro Council work session today

Track 3: General Code Changes

- Complete
- Council adopted on 11/10/16
- Effective on 02/08/17



Fee and Tax Review Timeline

October 2015	Council directs staff to update study and commission SWAAC subcommittee
September 2016	Metro hires RRS to perform study
March 2017	SWAAC commissions subcommittee
July 2017	RRS completes study and recommendations
November 2017	Subcommittee recommendations
December 2017	SWAAC review and discussion

Public benefits

- Protect people's health
- Protect the environment
- Get good value for the public's money
- Keep our commitment to the highest and best use of resources
- Be adaptable and responsive in managing materials
- Ensure services are available to all types of customers

Tiered Fee and Tax Rate (FY 17/18)

	Regional System Fee	Excise Tax
Full Rate (\$28.93/ton)	\$18.12	\$10.81
Reduced Rate (\$3.50/ton)	\$2.50	\$1.00
Exempt	\$0.00	\$0.00

Exemption Categories

- Reuse/Recycling
 - Materials recycled or used outside of a disposal site (source-separated recyclables, composting feedstock, etc.)
 - Inert waste used for fill
- Intermediate Processing
 - Dredge spoils processed outside of the region
- Disposal Site
 - Tire processing waste
 - “Useful material” (alternative daily cover, road base, etc.)
 - Captive landfills

URS Fee and Tax Study – 2006

- *Evaluation of Disposal Trends for Environmental Clean-up and Beneficial Use Materials* by URS Corporation in October 2006
- Evaluate issues related to the management of reduced-rate and exempt waste
- Recommended options from the study:
 - Keep status quo
 - Clarify Code and reporting to improve tracking (no policy change)
 - Establish two-tiered rate system (full and reduced-rate categories)
 - Eliminate the reduced-rate and exemption policy
- Implemented pre-approval process and reporting changes

RRS Fee and Tax Study – 2017

- *Evaluation of Solid Waste Fee and Tax Policies by RRS in July 2017*
- Update 2006 report, perform interviews and research, and make recommendations for improvement
- Evaluated nine potential policy options
- Top four recommended options from the study:
 - Two-tiered rate system with exemption for tire processing and auto shredder waste
 - Material-based exemption (standing list)
 - Commodity-based exemption
 - Status quo

SWAAC Subcommittee

- Appointed by SWAAC in March 2017
- Five meetings from May to October 2017
- 13 members
- Purpose to determine if Metro's current solid waste fee and tax exemption policies are achieving the public benefits, goals, and objectives of the solid waste system

Policy Objectives

- Achieve the public benefits
- Easy to understand
- Resilient and adaptive
- Transparent and predictable
- Fair and equitable

Subcommittee Membership

- Tim Collier, Chair (Metro)
- Terrell Garrett (Greenway)
- Vern Brown (ECR)
- Mark Hope (Tire Disposal)
- Mat Cusma (Schnitzer Steel)
- Koreen Lail (Siltronic Corporation)
- Dave Claugus (Pioneer Recycling)
- Bill Carr (Waste Management)
- Brian Heiberg (Heiberg Garbage)
- Rick Winterhalter* (Clackamas County)
- Reba Crocker* (City of Milwaukie)
- Audrey O'Brien* (DEQ)
- Janice Thompson (Oregon CUB)
- Jennifer Martinez (Doctoral student)

* *SWAAC member*

Subcommittee Recommendations

1. Status quo for exempting reused and recycled materials
2. Status quo for exempting dredge spoils processed outside of the region, but should be further evaluated
3. Majority supported status quo for exempting tire processing waste and useful materials
4. Minority supported eliminating exemptions for all waste received at a disposal site

Metro Staff Recommendations

1. Retain status quo for overall fee and tax assessment:
 - a. No fees and taxes on recycled material or material used outside of a disposal site.
 - b. Full fee and tax rate at time of disposal except:
 - Waste that qualifies as “useful material” and is used at a landfill, such as approved alternative daily cover (ADC)
 - Tire processing waste
 - c. Reduced fee and tax rate on cleanup material.
2. Update and clarify Metro Code Chapter 5.02. Remove Metro’s facility-specific contract and operations related provisions and relocate to internal operating procedures.

Metro Staff Recommendations

3. Adopt administrative rules for Metro Code Chapter 5.02 to clarify cleanup material and useful material exemption criteria including the:
 - a. Application and approval process for obtaining a useful material exemption (such as for ADC).
 - b. Types of processes and materials that qualify for a useful material exemption. For example, clarify that crushing or grinding waste to manufacture ADC does not qualify.
 - c. Types of cleanup materials that qualify for the reduced rate e.g. sediments, soils, catch basin material, etc.
4. Evaluate and recommend a fee and tax policy for dredge spoils.

Questions for Council

1. Does Council have any comments or questions on the findings of Metro's consultant or the subcommittee?
2. Does Council have any additional suggestions or direction for staff?
3. Does Council support staff's proposed recommendations?