



State of Oregon Department of Environmental Quality

Rule Concepts 1: PRO Compensation of Local Governments for Contamination Reduction Programming

Plastic Pollution and Recycling Modernization Act (SB 582, 2001) Rulemaking Advisory Committee Meeting 2 of 5, Rulemaking 1

Background

This memo provides background information for the Rulemaking Advisory Committee on the topic of Producer Responsibility Organization (PRO) compensation to local governments and their service providers for contamination reduction programming, and introduces DEQ's proposed rule concepts on the topic. The topics include:

- Method(s) for determining population-based limits on funding or reimbursement associated with generator-facing contamination reduction efforts; and
- Standards for local governments and/or their service providers to document costs and procedures for them to request reimbursement from a PRO

The Plastic Pollution and Recycling Modernization Act ("Act") requires local governments to deliver generator-facing programming to reduce contamination in set-out recyclables, requires PROs to compensate local governments (both regulated and non-regulated) for such efforts, and includes a requirement that the Environmental Quality Commission establish a method for determining funding or reimbursement associated with generator-facing contamination reduction efforts.

ORS 459A.890(4)(b) states that "Rules adopted under this subsection may not require producer responsibility organizations to provide funding or reimbursement of more than \$3 per capita per year, based on the population of a local government or, if the local government is a county, the population of the unincorporated area of the county."

Concepts for discussion at Sept. 28, 2022 RAC meeting

DEQ seeks feedback from Rulemaking Advisory Committee members on the following:

1. Determining population estimates
2. Standards for documenting costs for reimbursement or funding

I. Rule concept for discussion: Population estimates

DEQ proposes the following method(s) for determining population-based limits on funding or reimbursement associated with generator-facing contamination reduction efforts:

- a. Use the most recent Population Estimate Reports published by Portland State University's Population Research Center to determine populations for each local government (city or county).
 - Population estimates are updated on an annual basis.
 - Preliminary estimates for any calendar year are typically released mid-November annually, and estimates are certified (i.e., finalized) by mid-December annually.

- b. Allow local governments to seek reimbursement using the most current published population estimate at the time reimbursement is requested, provided that an estimate for a subsequent year is not used.
 - o A local government requesting reimbursement for 2027 expenses prior to publication of 2027 population estimates would have their expenses capped using 2026 estimates.
 - o A local government requesting reimbursement for 2027 expenses following publication of 2027 population estimates would have their expenses capped using 2027 estimates.
 - o A local government that requested reimbursement for 2027 expenses in 2029 would have expenses capped using 2027 estimates.

II. Rule concept for discussion: Standards for documenting costs and reimbursement procedures

DEQ proposes establishing standards for local governments and/or their service providers to document costs and procedures for them to request reimbursement from a PRO.

- a. To document costs, the local government or their service provider must provide the PRO with an itemized invoice detailing the contamination reduction effort undertaken, such as resources, administrative costs, etc.
- b. The local government or their service providers may submit reimbursement invoices as necessary (e.g., monthly, quarterly, end-of-project, etc.) but not more frequently than once per month.
- c. Per ORS 459A.890(10) A producer responsibility organization shall remit payment for these expenses to a local government or the local government's service provider or other person authorized by the local government to receive payment within 60 days of receiving a request for payment.
- d. Multiple local governments may submit joint funding requests in order to pool populations and reduce the number of reimbursements. All such local governments must sign/endorse the funding request.

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