State of Oregon
DEQ Department of Environmental Quality

Recycling Modernization Act Updates 2026

Draft Fiscal Impact Statement

Statement of fiscal and economic impact

ORS 183.335(2)(b)(E) and 183.540 require DEQ to provide a fiscal impact analysis for all new, amended or repealed rules.

Overview: Fiscal and economic impact

The proposed rules are primarily amendments to current rules, which clarify and implement the 2021 Plastic Pollution and Recycling Modernization Act. In most cases, DEQ does not expect significant changes to the fiscal or economic impacts due to the proposed rules, except in seven proposals noted below. This impact statement focuses on the expected outcomes of these seven proposals. For an explanation of the fiscal and economic impacts of the current rules, please see the 2024 and 2023 RMA Rulemaking reports to the Oregon Environmental Quality Commission.

Generally, the proposed rules would further clarify current obligations and operations. DEQ expects that the proposed rules could result in some general positive fiscal and economic impacts for all entities engaged in Oregon's recycling system. These general positive impacts would be seen in more efficient administrative processes and reduction of confusion that contributes to contamination and the costs of removing that contamination from materials collected for recycling. The proposed rules included in the rulemaking are based on discussions with, and input provided by, DEQ's Rulemaking Advisory Committee. The advisory committee included representatives from service providers and commingled recycling processing facilities, local governments, non-profit organizations, waste generators, Oregon's Recycling Modernization Act PRO, and producers of covered products.

As noted, DEQ expects that seven proposed rule elements may result in substantive fiscal or economic impacts as discussed below:

1. OAR 340-093-0030: Definition for "effectively composted" (new rules)
    - For facilities proposing to accept food serviceware or packaging for composting, there will likely be a fiscal impact from the effort to collect data to submit to DEQ to support that the material can be effectively composted.
2. OAR 340-090-0630 and 0640: Glass packaging (amendment)
    - Would reduce the obligations of the PRO, resulting in a reduction in operating costs. That reduction would be reflected in a significantly lower per-pound fee paid by the producers of glass packaging, starting in 2027.

3. OAR 340-090-0640 and 0650: Pressurized cylinders and aerosol containers (amendment)
    - Would reduce costs incurred by participating local governments and other service providers relative to a pre-RMA baseline for these same materials.
    - Cost to the PRO would be significantly reduced relative to the existing rule.
4. OAR 340-090-0670 and OAR 340-096-0310: Responsible End Markets (amendment)
    - Proposed variance avoids approximately five years of costs for remelters of loose metal received from shredders, as these facilities will not need to be verified nor will need to report disposition through 2032.
    - Higher short-term costs, for approximately four years, to DEQ to continue tracking disposition of CRPF-sourced materials
5. OAR 340-090-0720: Program Calendar (amendment)
    - Avoids a spike in producer fees in 2027 due to expected system expansion costs related to purchases of larger capital assets for local governments and their service providers.
    - The proposed amendment also avoids a spike in producer fees in 2027 due to a peak in the processor commodity risk fee based on expected facility purchases of sorting assets in order to meet 2028 performance standards.
6. OAR 340-090-0840: Covered Products (amendments)
    - Fee relief for some producers due to new designation as exempt
7. OAR 340-090-0860: Producer Definitions (amendments)
    - Potential shifting of cost obligations between producers already engaged in the system, relative to proposed changes to definitions. The proposed rules are generally consistent with existing PRO guidance, so changes may be minimal.

Statement of cost of compliance

State agencies

DEQ does not expect the proposed rules to have fiscal or economic impacts on state agencies other than DEQ.

DEQ: OAR 340-090-0670: Responsible End Markets (amendment)

The proposed rule amendments related to Responsible End Markets, in OAR 340-090-0670(3), are likely to result in some costs to DEQ in the form of RMA program staff time. The proposed amendments would waive a PRO's obligation until Jan. 1, 2023, to ensure disposition reporting for materials in ORS 459A.869(7)(b), materials on the USCL and collected under an opportunity to recycle act collection program. The result of that amendment would be DEQ's continued use of program staff time to complete the disposition reporting verification tasks. DEQ staff completed this task in 2025 and 2026, and program staff spent approximately total 120 hours performing these tasks in 2025 and 2026.

The expected costs would be in the form of deferral or delay of other RMA-related projects. No new staff resources are needed, and the costs for the disposition reporting-related DEQ staff time are reimbursed through the administrative fees paid by the PRO to DEQ.

Local governments

DEQ expects that local governments will experience both some moderate positive and negative fiscal and economic impacts related to compliance with the proposed rules.

OAR 340-090-0630 and 0640: Glass packaging (amendment)

- Potential minor negative fiscal and economic impacts (loss of glass incentive payments from PRO)

The proposed rule amendments would significantly modify the obligations of the PRO for the collection of glass packaging, including the removal of a current incentive paid to local governments that operate glass packaging collection systems in lieu of PRO operation of those systems. The proposed amendments also, largely, result in a return to the requirements of the pre-RMA Opportunity to Recycle environment for the collection of glass.

DEQ acknowledges that some smaller and more remote communities may discontinue on-route glass collection, while maintaining the availability of drop-off and depot sites for this material, due the removal of the PRO's glass incentive payment. DEQ also expects that the long-term commitment by Oregon communities to collect and recycle glass packaging will safeguard against significant reductions in overall material collected. The proposed amendments also require periodic assessment by the PRO, and consultation with the Oregon Recycling System Advisory Council, to ensure that glass packaging collection rates remain above the 45 percent requirement in statute.

OAR 340-090-0640 and 0650: Pressurized cylinders and aerosol containers (amendment)

- Positive fiscal and economic impacts (reduction in management costs and avoidance of additional transportation requirements)

The proposed amendments would modify collection, handling and transportation obligations for local governments not yet in effect. DEQ expects local governments and their service providers who choose to accept pressurized cylinders and aerosol containers, at the more limited set of collection sites outlined in the proposed rule amendments, will see overall cost reductions relative to a pre-RMA baseline for the recycling of those same materials.

Public

The proposed rules do not establish or modify compliance obligations on the public. DEQ does not expect any fiscal or economic impacts of the proposed rules to directly affect the public.

Producer Responsibility Organization

DEQ expects that some proposed rule amendments will result in beneficial fiscal and economic effects, through lower operating costs and reduced compliance obligations, for the PRO engaged in Oregon's modernized recycling system.

OAR 340-090-0630 and 0640: Glass packaging (amendment)

The proposed amendments would significantly reduce the obligations of the PRO, resulting in a reduction in operating costs specific to the collection and transportation of glass packaging for recycling.

The proposed amendments would require periodic assessment of system functions to ensure continued compliance with statutory recycling rates; however, those assessments are unlikely to impose new costs as the PRO is currently responsible for a variety of monitoring and reporting activities as part of the RMA system.

OAR 340-090-0640 and 0650: Pressurized cylinders and aerosol containers (amendment)

The proposed amendments would significantly reduce the collection and compliance obligations of the PRO currently in rule for these items. DEQ expects the costs to the PRO would be significantly reduced relative to the existing rule.

Producers of covered products: Both large and small businesses

CAA reported 2909 producer-members registered in 2025, which represents the universe of producers of covered products subject to the requirements of the RMA. DEQ does not have an accounting of how many producers of covered products are considered "large" versus "small" businesses; however, the following proposed rules are expected to have some fiscal and economic impacts relative to the scale of the specific products affected. The expected outcomes vary by proposed rule.

OAR 340-090-0630 and 0640: Glass packaging (amendment)

- Positive financial and economic outcomes for producers of glass packaging (fee reduction).

As noted above, the proposed amendments would significantly reduce the obligations of the PRO, resulting in a reduction in operating costs. DEQ anticipates that reduction in PRO costs could result in a reduction of the $0.10 per-pound fee of glass packaging (2026) to reduce to approximately $0.07 per pound in 2027 and see further reductions in per pound fees for 2028. To note, the fee-setting process is conducted by the CAA Board of Directors, not DEQ, based on overall operational costs and methodologies based on the regulatory obligations of the PRO.

OAR 340-090-0720: Program Calendar (amendment)

- Positive financial and economic outcomes for all producers of covered products (fee increase avoidance)

The proposed amendments would avoid a spike in producer fees in 2027 by allowing for an extended timeline of investments into Oregon's modernized recycling system. DEQ expects that the costs will eventually be reflected in future years of annual fees paid by producers to the PRO; however, the proposed amendments would minimize sharp increase in 2027 and are likely to be absorbed into future years' fees as the system matures.

OAR 340-090-0840: Covered Products (amendments)

- Positive fiscal and economic outcomes for producers of products designated as exempt (fee reduction)

The proposed rules would designate several new types and classes of covered products as exempt, which removes their obligation to pay fees to the PRO for those specific products. The proposed exemptions include:

- Labels that, if not removed, interfere with use of the product
- Leased Reusable Plastic Containers
- Four formats of specialty packaging used exclusively for industrial or manufacturing purposes, including gaylords with a volume of 33.8 ft3 (standard size) or greater
- Garbage bags, as long as they are not marketed or sold as fulfilling a recycling purpose
- Film and flexible plastic packaging used in direct contact with raw meat, excluding trays.
    - This proposed exemption is proposed to expire in 2032
- Rigid HDPE packaging of commercial-use pesticides, fertilizers, adjuvants, surfactants and agricultural amendments produced by members of the Ag Container Recycling Council (ACRC) and eligible for collection by ACRC
- Packaging that is exempted under ORS 459A.869(13).

OAR 340-090-0860: Producer Definitions (amendments)

- Overall neutral financial and economic outcomes for producers of covered products, based on potential for shifting of cost obligations.

The proposed amendments clarify definitions that relate to what entity is considered the "obligated producer" in various scenarios. DEQ expects there may be potential shifting of cost obligations between producers already engaged in the system, relative to proposed changes to definitions. The proposed rules are generally consistent with existing PRO guidance, so changes may be minimal.

Large businesses - businesses with more than 50 employees

DEQ does not expect fiscal and economic impacts on large business, other than those noted above for the producers of covered products.

Small businesses – businesses with 50 or fewer employees

ORS 183.336 Cost of Compliance Effect on Small Businesses

a. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.

DEQ does not have an accounting of the producers of covered products who would be considered small business under this definition.

DEQ does expect two other types of businesses, likely to be considered small businesses, that will be subject to the proposed rules:

- Remelters of loose metal received from shredders: Fewer than 10 facilities in Oregon
- Composting facilities: Approximately 50 facilities in Oregon
    - Some of these facilities may be sub-parts of larger waste management companies even if they are operated as independent small businesses.

b. Projected reporting, recordkeeping and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.

The proposed rules specific to remelters of loose metal received from shredders (OAR 340-090-0670) would delay administrative costs for verification and disposition reporting through 2032. DEQ expects that delay in costs would be realized by these small businesses as a cost savings, generally, due to the avoidance of new administrative costs for several years.

The proposed rules specific to composting facilities (OAR 340-093-0030), would likely result in some additional administrative costs for facilities proposing to accept food serviceware or packaging for composting. DEQ expects these costs to be associated with data collection that is then submitted to DEQ related to the proposed definitions for material that the material can be effectively composted.

c. Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.

DEQ does not expect any modified costs of this type for small businesses affected by the proposed rules.

d. Describe how DEQ involved small businesses in developing this proposed rule.

DEQ included a small business representative on the Rulemaking Advisory Committee for this rulemaking. DEQ also specifically invited composting-related small businesses to engage in a Technical Workgroup for the development of the “effectively composted” definition and implementation plans. DEQ made input opportunities available at each of the five Rulemaking Advisory Committee meetings, at which any person could provide verbal input to the committee and DEQ through the development of the proposed rules.

Documents relied on for fiscal and economic impact

Document title	Document location
Oregon Revised Statutes: Chapter 183	Oregon Legislature: Oregon Revised Statutes
Rulemaking proposals: RMA 2023 and RMA 2024	Oregon DEQ Attn: Agency Records Coordinator 700 NE Multnomah Street, Suite 600 Portland, Oregon 97232
Permitted composting facilities in Oregon	Your DEQ Online record search: Oregon DEQ - Public Permit/License/Certificate (PLC) Records
Technical Workgroup materials (various), contained on the RMA Rulemaking 2026 webpage	Department of Environmental Quality : Recycling Modernization Act Updates 2026 : Rulemaking at DEQ : State of Oregon
Circular Action Alliance, 2025 Annual Report	*(link pending)*

Advisory committee fiscal review

DEQ appointed an advisory committee for this rulemaking. As ORS 183.333 requires, DEQ asked for the committee's recommendations on:

- Whether the proposed rules would have a fiscal impact,
- The extent of the impact, and
- Whether the proposed rules would have a significant adverse impact on small businesses; if so, then how DEQ can comply with ORS 183.540 reduce that impact.

The committee reviewed the draft fiscal and economic impact statement as part of its July 20, 2026, meeting and provided verbal and written feedback to DEQ. That feedback and all recommendations are incorporated into this document.

Note: Findings to be added here prior to Public Notice based on July 20, 2026, conversation and any written feedback from committee members

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would have an effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel.

DEQ determined the proposed rules would have no new effect on the development costs because the proposed rules are primarily clarifications and amendments to current requirements and do not modify costs that would be associated with development or construction activities.

Non-discrimination statement

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