

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF SUBMITTING TO THE ) RESOLUTION NO. 99- 2873  
VOTERS FOR THEIR APPROVAL ORDINANCE )  
99-824A "FOR THE PURPOSE OF AMENDING )  
THE METRO CODE CHAPTER 7.01 TO MODIFY )  
AND ADJUST METRO EXCISE TAXES AND ) Introduced by  
MAKING OTHER RELATED AMENDMENTS" )

WHEREAS, the Metro Council has approved Ordinance No. 99-824A which amendments change the way the Metro excise tax on solid waste is charged and increased the amount of the tax; and

WHEREAS, pursuant to Oregon law and the Metro Code, a prospective petition has been filed to seek a referendum to the voters of Ordinance No. 99-824A; and

WHEREAS, the Metro Council finds that it is in the best interests of the Metro region that the amendment to the Metro excise tax made by the Metro Council be placed before the voters of the Metro region for their approval or disapproval as soon as possible; now, therefore,

BE IT RESOLVED:

1. That the Metro Council submits to the qualified voters of the district the question of approval of Ordinance No. 99-824A, a true copy of which is attached as described in Exhibit "A."
2. That the measure shall be placed on a ballot for an election held on the \_\_\_\_\_ day of \_\_\_\_\_, 2000, or the nearest legally available election date thereafter.

3. That the district shall cause this resolution and ballot title attached as Exhibit "B" to be submitted to the Elections Officer and the Secretary of State in a timely manner as required by law.

4. That the Executive Officer, pursuant to the laws of the State of Oregon and Metro Code chapter 9.02 shall submit this measure, ballot title and explanatory statement and arguments for and against, if any, to the county elections officers for inclusion in any county voters' pamphlets published for the election at which this measure is placed before the voters.

5. If it is approved by a majority of the voters, Ordinance No. 99-824A shall become effective on the date specified in section 39 of the 1992 Metro Charter and if Ordinance No. 99-824A is not approved by a majority of the voters, then Ordinance No. 99-824A shall not take effect.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Rod Monroe, Presiding Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

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OGC/MDF/kvw 11/16/1999

EXPLANATORY STATEMENT  
FOR REFERRAL OF  
METRO ORDINANCE NO. 99-824A

This measure is a Referral of Metro Ordinance 99-824A. If passed, this Referral will approve amendments to the Metro Excise Tax adopted by the Metro Council. These amendments change the way the tax on solid waste is charged and increase the tax.

Metro collects an excise tax from users of all facilities, products or services provided by Metro or entities that it licenses, franchises, or regulates. The current excise tax is 7.5% of the payment charged for that use, product or service. Each user of solid waste system facilities pays an additional excise tax of 1% of the payment charged for the use of that facility.

In 1999, Metro re-negotiated certain solid waste transport and disposal contracts, substantially reducing its costs under those agreements. The savings resulting from these contract re-negotiations could be used for purposes other than solid waste management and programs, including growth management, environmental protection, or parks and greenspaces programs, if the amount of the excise tax were adjusted.

Metro Ordinance 99-824A changes the method of calculating the tax on solid waste disposal from the current percentage of the payment charged for disposal to a tax of \$9 for each ton of solid waste disposed. The excise tax for users of facilities not associated with solid waste disposal, such as the Oregon Zoo and the Oregon Convention Center, is not affected.

Ordinance 99-824A also establishes two new solid waste excise tax credits. One credit of \$4.40 per ton is provided for disposal of non-putrescible wastes. A second credit is provided to material recovery facilities, which would receive a per-ton tax credit on a sliding scale depending upon the amount of solid waste recovery they perform. Ordinance 99-824A also includes an interim excise tax provision, under which facilities that may lose revenue as a result of the amended tax are entitled to pay the current percentage tax until June 30, 2000. After that date, all facilities must pay the same tax. The Ordinance also provides a limited excise tax exemption for users of privately owned facilities disposing of solid waste generated outside the boundaries of Metro. Finally, Ordinance 99-824A includes an inflationary adjustment provision under which the excise tax on solid waste facilities would be adjusted annually, beginning July 1, 2002, in an amount equal to the percentage change in the Consumer Price Index, as reported by the U.S. Government.

Metro forecasts that, if left unchanged, the current excise tax of 8.5 percent of the payments charged for solid waste disposal would generate receipts of approximately \$6 million during the Metro fiscal year that starts July 1, 2000. During the same fiscal year, Ordinance 99-824A would generate an additional \$3.66 million, for a total of \$9.66 million in excise tax receipts from solid waste facilities.

BALLOT TITLE  
FOR REFERRAL OF  
METRO ORDINANCE NO. 99-824A

Caption (10 words): Referral of Amendments to Metro Solid Waste Excise Tax

Question (20 words): Shall Metro increase excise tax on solid waste disposal to allow use of disposal contract savings for other permissible purposes?

Summary (85 words): Amends Metro Excise Tax on solid waste disposal at district facilities. Changes amount of tax from 8.5 percent of charges for solid waste disposal to \$9.00 for each ton of solid waste accepted; allows tax credits for materials recovery; defers effective date of tax and creates alternative interim tax for qualifying facilities; allows excise tax to increase by sum equal to increase in Consumer Price Index, effective July 1, 2002; provides limited exemption for solid waste generators outside district.