



State of Oregon Department of Environmental Quality

Hazardous Waste Generator and Permit Fees Increase Fiscal Impact Statement

The Oregon Department of Environmental Quality Hazardous Waste Program promotes reducing and safely managing hazardous waste, issues permits to waste management facilities, inspects hazardous waste generators and used oil processors, and assists Oregon small businesses in complying with complex federal regulations.

The primary objectives of the program are to:

- Reduce or eliminate the threat of exposure to hazardous waste
- Reduce the use of toxic chemicals in the workplace
- Deliver excellence in service

DEQ remains committed to maintaining state authorization for this program rather than having the U.S. Environmental Protection Agency run the program. This ensures flexibility and responsiveness in implementing the Hazardous Waste Program in Oregon.

Since January 1986, EPA has authorized Oregon to manage the state's hazardous waste or Resource Conservation and Recovery Act program. DEQ implements the state hazardous waste program, as defined in Oregon Revised Statute 466.086 and as applied in Oregon Administrative Rules 340-100-0002, to ensure harmful wastes are properly managed from "cradle to grave."

ORS 466.165(1) authorizes DEQ to collect fees to "carry on monitoring, inspection and surveillance program established under ORS 466.195 and to cover related administrative costs." (ORS 466.165(1))

Annually, DEQ's Hazardous Waste Program receives approximately \$3.5 million from multiple sources, including various fees (79 percent), a federal grant (20 percent), and small cost recovery funds (1 percent). Required General Fund reductions and shifts to grant- and fee-based program ended the program's General Fund allocation in 2014. The Oregon Legislature approved a budget of 25 full-time equivalent staff for the program's 2017-2019 budget. Current revenue supports 19 full-time staff.

Who does this affect?

These fees will affect 487 fee payers producing hazardous waste and two businesses operating permitted treatment, storage and disposal facilities. Of those, DEQ identified 18 remedial clean-up sites, includes nine closed sites that intermittently generate hazardous waste.

The proposed amendments of OAR 340-102 and 105 apply to all hazardous waste generators required to report.

Fee Analysis

The Oregon Environmental Quality Commission's approval of this rule proposal would increase existing Hazardous Waste Program fees. EQC authority to act on the proposed fees is Oregon Revised statutes 466.020, 466.045, 466.075, 466.165, 466.195, and 468.020.

Brief description of proposed fees

The proposed fees would address the forecasted \$1.2 million - \$1.5 million deficit in Hazardous Waste Program revenue for the 2019-21 biennium. This shortfall threatens DEQ's ability to ensure safe management and disposal of hazardous waste and greatly reduces compliance assistance to small businesses. It also potentially impacts Oregon's ability to retain federal authorization of the Hazardous Waste Program.

DEQ proposes revising:

- Annual hazardous waste generators activity verification fees
- Annual hazardous waste generators management method factor fees
- Annual permitted treatment, storage and disposal compliance determination fees
- Treatment, storage and disposal permit modification fees
- Treatment, storage and disposal annual disposal administrative fees

Reasons

The proposed fees would address the projected funding shortfall in the 2019-21 biennium revenue for the Hazardous Waste program. Contributing factors to the projected funding shortfall include:

- Change in state revenue

The Hazardous Waste Program received \$1.2 million in General Funds in 1999. Since then, the amount of General Fund support has steadily declined, and was eliminated in 2014.

- Change in fee revenue

Since 2004, Oregon's Hazardous Waste Program funding has significantly decreased. This includes the Chemical Waste Management's Arlington landfill hazardous waste tipping fees (approximately 60 percent), and Hazardous Waste Permit fees. Program staffing during this time decreased by 30 percent.

- Change in other fund revenue

Since 2004, the program EPA's Performance Partnership Grant funding decreased by approximately 7 percent.

- Increased program costs

Most program fees remain unchanged for nearly 20 years without adjustment for inflation. Increased program costs include, but are not limited to, salaries/benefits and information technology updates. This includes replacing two information systems to

ensure continued compatibility with the State of Oregon's information technology standards and security requirements.

- **Change in transaction costs**

The program has two, currently operating TSD permitted facilities. Permit modification fees remain at the 1997 level, without inflation increase.

- **Program streamlining**

The program has cut costs over the last decade by minimizing expenses, reducing overhead, holding positions vacant, and supplementing with a small ending fund balance.

- **Static number of base fee payers**

The number of hazardous waste generators reporting annually in the past 10 years (2008 to present) has remained relatively static with an average 470. However, the program's staff level has decreased from 39 legislatively approved FTE to the current 25 FTE.

Fee proposal alternatives considered

The program considered the following fee increase alternatives:

- No fee increases, which does not address the projected shortfall in revenue

In addition, the program considered the following, which requires changing the Oregon Revised Statute and is out of scope of the proposed rulemaking:

- Amending hazardous waste generator fee cap of \$32,500 to help cover associated costs
- Amending hazardous waste metric ton \$130 fee
- Amending hazardous waste permit renewal fees of \$150,000 to help cover costs
- Inflation or consumer price index consideration
- Cost recovery for permit modifications

Fee payer

The proposed rules will increase the annual hazardous waste activity verification fees for businesses generating more than 220 pounds of hazardous waste per calendar month or 2.2 pounds of acutely hazardous waste per calendar month, in addition to increasing all management method factors. DEQ estimates this will affect 487 fee payers.

The proposed rules will also increase the annual hazardous waste permit compliance determination fees, increase the hazardous waste permit modification fees, and add an annual administrative disposal fee for operating permitted TSD facilities. The proposed rules will affect two operating permitted TSD facilities.

Affected party involvement in fee-setting process

DEQ convened a nine-member Hazardous Waste Fees Advisory Committee that also served as the fiscal advisors in the fee-setting process. The committee was comprised of statewide geographic representation, directly and indirectly affected regulated parties for large and small businesses, business advocates and environmental interests.

Fee payer agreement with fee proposal

DEQ utilized the advisory committee’s discussions in forming draft proposals. The draft proposals will be part of the required formal notice process that includes public hearing and an opportunity for the public to comment.

DEQ will consider all comments before finalizing and presenting the proposed fee package to the Oregon Environmental Quality Commission in May 2019.

When were these fees last increased?

- The generator management method factor has not changed since establishment in 1992
- The generator annual activity verification fee last changed in 1997, when the small quantity generator fee increased from \$200 to \$300 and large quantity generator fee increased from \$350 to \$525
- Permitting annual compliance determination fees have remained the same since 1997 and permit modification fee since 1998

Hazardous waste generator fee statutory changes not considered in this rulemaking:

- The annual metric ton generator fee changed in 2008 from \$110 to \$130 per metric ton
- The hazardous waste generation fee cap changed in 2008 from \$27,500 to \$32,500

How long will the current fee sustain the program?

The program has reduced expenditures and is still experiencing an annual \$1.0 million deficit. Without additional revenue, the program will exhaust all available fund sources in July 2019 and the program will need to consider other cost reductions by December 2019.

Current Fees		
Program costs covered by fees*	\$6,070,641	74 percent
Program costs covered by General Fund	\$0	0 percent
Fee Last Changed	1992 – Established Management Method factor 1997 – Generator Annual Activity Verification 1997 – Permit Annual Compliance Determination 1998 – Permit Modification fee	

*Source: DEQ 2017-19 Legislative Approved Budget

How long will the proposed fee sustain the program?

DEQ is looking at several fee-funding alternatives in a multi-year effort to address this deficit by 2026. Phase I, this rulemaking, will address those fees that can change by rule. DEQ must make additional rule and statute changes within the next seven years to secure long-term, stable funding to maintain the program at its current full-time equivalent service level.

Proposed Fees		
Expected change in revenue (+/-) - generators	+ ~ 1,127,527	73 percent
Expected change in revenue (+/-) - permitting	+ ~ \$576,500	159 percent
Expected effective date (begins multi-year increase)	July 2019 with phase-in through 2024 for generator fees	

Transactions and revenue

For hazardous waste generators annually reporting:

Transactions and Revenue				
Biennium	Number of transactions	Number of fee payers	Impact on revenue (+/-)	Total revenue (+/-)
2017-19 current	~ 487	~ 487	+ \$0	+ \$ 0
2019-21 biennium	~ 487	~ 487	+ ~ \$600,953	+ ~\$2,150,953
2021-23 biennium	~ 487	~ 487	+ ~ \$299,477	+ ~\$2,450,429
2023-25 biennium	~ 487	~ 487	+ ~ \$227,098	+ ~\$2,677,527

For permitted hazardous waste treatment, storage and disposal facilities:

Transactions and Revenue				
Biennium	Number of transactions	Number of fee payers	Impact on revenue (+/-)	Total revenue (+/-)
2017-19 current	2	2	+ \$0	+ \$0
2019-21 biennium	2	2	+ ~\$576,500	+ ~\$939,000

Generator Fees

DEQ's current annual hazardous generator fee has two components:

1. An annual activity verification fee
2. An annual hazardous waste generation fee (includes management method factor)

Part 1: \$525 or \$300 +

Part 2: [Amount of metric tons waste x \$130 x management method factor]

Both parts combine to represent the total fee included on the annual hazardous waste invoice. DEQ has a current generator fee cap of \$32,500, which applies only to Part 2 of this formula.

1. Annual activity verification fee

The fee is based on generator category. All generators of hazardous waste that notified DEQ of their activities and obtained a Resource Conservation and Recovery Act Site Identification Number must verify their basic registration information annually. They are assessed a fee according to their generator category.

a. Current Annual Activity Verification Fees are:

- Large Quantity Generators \$525
- Small Quantity Generators \$300

- Conditionally Exempt Generators - No fee

The table below shows how DEQ defines hazardous waste generators

Informational Only: Defines hazardous waste generator categories		
Generator Category	Accumulation Limit	Storage/Shipping Schedule
Large Quantity Generator Generates more than 2,220 lbs. of hazardous waste per calendar month, and generates more than 2.2 lbs. of acutely hazardous waste per calendar month.	<ul style="list-style-type: none"> • No limit. 	All accumulated hazardous waste must be shipped off-site within 90 days of accumulation start date. If the 90-day deadline is not met, the generator is required to obtain a hazardous waste storage facility permit.
Small Quantity Generator Generates more than 220 lbs. and less than 2,200 lbs. of hazardous waste per calendar month, and generates no more than 2.2 lbs. of acutely hazardous waste per calendar month.	<ul style="list-style-type: none"> • 13,200 lbs. If generator exceeds this limit, a permit is required • Accumulates no more than 2.2 lbs. of acutely hazardous waste at any time. 	Waste must be shipped off-site within 180 days after the waste was first placed in a container. If the receiving facility is more than 200 miles from generation site, the small-quantity generator may store wastes up to 270 days.
Conditionally Exempt Small Quantity Generator Generates 220 lbs. or less of hazardous waste per calendar month and generate no more than 2.2 lbs. of acutely hazardous waste per calendar month.	<ul style="list-style-type: none"> • 2,200 lbs. • Accumulates no more than 2.2 lbs. of acutely hazardous waste at any time. 	2,200 lbs. or less of hazardous waste may be stored indefinitely.

The examples below shows how DEQ calculates the hazardous waste generator fees.

Informational Only: Calculating Hazardous Waste Generator Fees						
Management Method	Annual Amount Managed	Per Metric Ton	Management Method Factor	Waste Generation Fee**	Generator Activity Verification Fee	Total Invoice
Landfill Disposal	4 metric tons (8,820 lbs.)	X \$130	X 1.50	= \$780	+ \$300 =	\$1,080
Fuel Blending	4 metric tons (8,820 lbs.)	X \$130	X 0.75	= \$390	+ \$525 =	\$ 915
** The annual maximum any one generator may pay in hazardous waste generation fees is \$32,500. This annual maximum does not include the activity verification fee.						

b. Proposed Annual Activity Verification Fees:

A three-year phase-in will increase the Annual Hazardous Waste Activity Verification Fee as defined in Oregon Administrative Rule 340-102-0065(4) by 80 percent to better align with the consumer price index (1997-2021: 72%) using this schedule:

Hazardous Waste Generator Annual Activity Verification Fee				
Effective in Calendar Year				
Generator Type	Current 2018	2019 (25%)**	2020 (20%)**	2021 (20%)**
Large Quantity Generators	\$525	\$656	\$788	\$945
Small Quantity Generators	\$300	\$375	\$450	\$540
Conditionally Exempt Generators	\$0	\$0	\$0	\$0
Annual Fee Total*	\$190,200	~\$237,750	~\$285,300	~\$342,360
Additional Annual Revenue	\$0	\$47,550	\$47,550	\$57,060

*Revenue based on 2017 hazardous waste generator invoicing of 196 LQGs and 291 SQGs.

** Percent increase is over previous year.

2. Annual hazardous waste generation fee

This fee applies to large- and small-quantity generators reporting hazardous waste generation and management during a calendar year. One portion of this calculation is the management method factors, which this rulemaking is addressing. The management method factors reflect Oregon’s environmental hierarchy of preferred management methods and offer financial incentives to responsibly manage and reduce hazardous waste.

a. Current Management Method Factors are:

Management Method	Fee
Management method unknown or not reported	2.00
Land disposal	1.50
Incineration	1.00
Aqueous inorganic treatment	1.00
Aqueous organic treatment; aqueous organic and inorganic treatment	1.00
Sludge treatment	1.00
Other treatment	1.00
Stabilization	1.00
Energy recovery (reuse as fuel)	0.75
Fuel blending	0.75
Neutralization offsite	0.75
Solvents recovery	0.50
Metals recovery (for reuse)	0.50
Other recovery	0.50
Hazardous wastewater not managed immediately upon generation, only in on-site elementary neutralization unit(s) or wastewater treatment unit(s)	0.50

Management Method	Fee
RCRA-exempt management elementary neutralization unit(s) on-site [includes only corrosive characteristic hazardous waste managed immediately upon generation only in an on-site elementary neutralization]	0.00
Permitted discharge under the federal Clean Water Act Section 402 or 307b [includes only hazardous wastewater managed immediately upon generation only in an on-site wastewater treatment unit(s)]	0.00

b. Proposed Management Method Factor schedule:

A six-year phase-in will increase the management method factors as defined in Oregon Administrative Rule 340-102-0065(3)(c) by 70 percent to better align with the consumer price index (1992-2021: 94%) using this schedule:

Proposed Management Method Factor Increase							
Effective in Calendar year	Recovery & Wastewater	Energy Recovery & Neutralization (off site)	Incineration & Treatment	Land Disposal	Unknown & Not Reported	Potential Revenue* by year	Potential Additional Annual Revenue
Current-2018	0.50	0.75	1.00	1.50	2.00	\$1,390,457	\$0
2019 (12%)+	0.56	0.84	1.12	1.68	2.24	\$1,557,457	\$166,999
2020 (17%)+	0.66	0.98	1.31	1.97	2.62	\$1,822,224	\$264,768
2021 (5%)+	0.69	1.03	1.38	2.06	2.75	\$1,913,336	\$91,111
2022 (8%)+	0.74	1.11	1.49	2.23	2.97	\$2,066,403	\$153,067
2023 (7%)+	0.80	1.19	1.59	2.39	3.18	\$2,211,051	\$144,648
2024 (7%)+ & After	0.85	1.28	1.70	2.55	3.40	\$2,365,824	\$154,774

*Revenue based on 2017 hazardous waste generator invoicing.

+ Calculated by percent multiplied by current revenue and subsequently over previous year

c. Proposed New Management Method Factor

The proposed rule would add a new management method factor to encourage brownfield or orphaned industrial property site cleanups receiving grant funding. DEQ identified two sites in the last six years that would meet this criteria, each had ~\$30,000 in disposal costs.

New Management Method Factor	
Effective in Calendar year	Grant-funded environmental cleanup of a brownfield or orphaned industrial property involving waste residues for off-site treatment and/or landfill disposal
2019	0.00

Permitting Fees

DEQ's current permitting fees include two components addressed in this rulemaking:

1. Annual permit compliance determination fee
2. Permit modification fee

As background, each permitted hazardous waste treatment, storage, and disposal facility subject to 40 C.F.R. 264, 265, 270 and OAR 340, with an active operating hazardous waste unit(s) is subject to the annual compliance determination fee.

DEQ will assess permittees a permit modification. This excludes modification related to corrective action.

1. Annual Compliance Determination Fee
 - a. Increases TSD annual compliance determination fees in Oregon Administrative Rule 340-105-0113(3) by 31 percent to better align with the consumer price index (1997-2021: 72%) using this schedule:

Permitted Treatment, Storage, and Disposal Compliance Determination Fee			
Facility Activity Type	Current 2018	Effective in Calendar Year 2019	Proposed Revenue
Storage	\$18,750	\$24,500	\$49,000
Treatment: Single Technology	\$37,500	\$49,500	\$0
Treatment: Multiple Technology	\$75,000	\$98,500	\$98,500
Disposal Facility: Single Disposal Unit	\$75,000	\$98,500	\$0
Disposal Facility: Multiple Disposal Units	\$150,000	\$196,500	\$196,500
Total Revenue*	\$262,500		\$344,000

Permitted Treatment, Storage, and Disposal Compliance Determination Fee			
Facility Activity Type	Current 2018	Effective in Calendar Year 2019	Proposed Revenue
Additional Annual Revenue			\$81,500
<i>*Revenue based on 2018 TSD reporting data of 2 Storage, 1 Multi-Treatment, 1 Multi-Disposal</i>			
Post-Closure Facility	\$18,750	\$24,500	\$0

Where more than one hazardous waste management activity takes place at a single facility, DEQ will assess all of the applicable category Annual Compliance Determination Fees.

b. New Permitted Operating Hazardous Waste Disposal Administrative Fee

Amending annual fees introduces a new administrative fee of \$5.50 per metric ton of waste disposed into a permitted Subtitle C land unit, by operating Oregon permitted hazardous waste disposal facilities. Approximately 80 percent to 90 percent of the metric ton volume is expected from out-of-state generators. The rulemaking adds new annual administrative fees using this schedule:

New Permit Administration Fee		
Type	Current 2018	Effective in Calendar Year 2019
Permitted Operating Disposal Fee	\$0	\$5.50 per metric ton
Estimated annual revenue*		~\$495,000
Potential Additional Revenue		\$495,000

**Revenue based on ~90,000 metric tons hazardous waste disposed in Oregon annually*

2. Permit Modification Fee

This increases the permit modification OAR 340-105-0113(4) fees 59 percent to better align with the consumer price index (1992-2021: 94%) and streamline the modification types to remove low and medium workloads using this schedule:

Permit Modification Fee			
Modification Type	Current 2018	Effective in Calendar Year 2019	Potential Variable Revenue*
Class 1 Low Workload	\$425	\$0	
Class 1 Medium Workload	\$1,500	\$0	
Class 1 High Workload	\$2,800	\$4,500	\$9,000
Class 2 Low Workload	\$5,000	\$0	
Class 2 Medium Workload	\$10,000	\$0	
Class 2 High Workload	\$20,000	\$31,800	\$31,800
Class 2 Processed as Class 3	\$31,000	\$0	
Class 3 Low Workload	\$7,500	\$0	
Class 3 Medium Workload	\$15,000	\$0	
Class 3 High Workload	\$31,000	\$49,300	
Revenue*	~\$7,350		~\$40,800
Potential Additional Revenue			\$33,450

**Revenue based on 20-year average of 2-Class 1 and 1-Class 2*

DEQ only receives permit modifications fees when permittee request a modification. These fees are not a reliable source of annual revenue.

Statement of fiscal and economic impact

Fiscal and Economic Impact

For Generators

The proposed generator rules will increase the annual hazardous waste reporting fees for businesses generating more than 220 pounds of hazardous waste a calendar month, generating 2.2 pounds of acutely hazardous waste a calendar month, or accumulating more than 2,200 pounds at any one time.

DEQ reviewed its hazardous waste registered businesses and found this rule would affect 487 active businesses that report their hazardous wastes. A small number of Oregon businesses may report periodically as they conduct a chemical clean out or one-time hazardous waste cleanup event that would move them from the conditionally exempt category to a small or large quantity generator of hazardous waste.

For Permitting

The proposed permitting rules will increase the annual hazardous waste compliance determination fees, add a new annual permitted operating disposal administrative fee, and amend the permit modification fees for businesses permitted to operate TSD facilities.

DEQ reviewed its hazardous waste permitted TSD facilities and found this rule would affect two active operating TSD facilities that report their hazardous wastes.

Statement of Cost of Compliance

DEQ anticipates this rule adoption will cause small economic impacts on its own expenditures. DEQ will make administrative changes on the annual reporting and accounting systems. We expect this impact to be minimal.

Any rule change requires staff training, and outreach to the regulated community. DEQ expects this impact to be minimal, as DEQ currently performs outreach through the hazardous waste annual reporting notifications and through the hazardous waste technical assistance program to regulated facilities.

State, federal and local governments

Direct Impacts

For state, federal, and local government businesses, annually reporting their hazardous waste generation and management activity, compliance costs associated with the proposed rules is identical to costs described under “Large Businesses.”

Indirect Impacts

The proposed rules would have the same indirect costs as “Large Businesses” indirect impacts.

Public

Direct Impacts

DEQ anticipates there will be no fiscal impact on the public, as fees and a federal grant fund the program. No Oregon General Funds are used to support the Hazardous Waste Program.

Large businesses - businesses with more than 50 employees

Hazardous Waste Generator Direct Impacts

DEQ anticipates there will be a fiscal and economic impact to businesses generating and managing hazardous wastes who report. The tables below provide summaries of the proposed direct financial impact of each total fee increase proposal for generators and permitted facilities, respectively.

Proposed - Fee type	Generator - Large Business Fiscal Impact by 2024
Annual Activity Verification Generator fees	SQG: \$240 increase (200 businesses) LQG: \$425 increase (133 large businesses)
Management Method Factor fees	SQG: 200 subject to \$467 average increase LQG: 133 subject to \$4,457 average increase. Includes cap*. *This increase would result in thirteen (13) additional LQGs reaching the cap. To provide the most accurate representation of future impacts, this analysis does not include spills, cleanup sites, remediation sites, or closed facilities.

Proposed - Fee type	Permitted Facility – Large Business Fiscal Impact by 2019
Permitting Annual Compliance Determination fees	Two permitted operating TSD facilities will be subject to increases of \$75,750 and \$5,750 respectively for fee increase of 31%.
New Operating TSD Disposal Administrative Fee	One permitted operating hazardous waste disposal facility will be subject to an annual \$5.50 per metric ton disposal administrative fee. This may result in potentially \$495,000 in additional revenue based on ~ 90,000 tons annually disposed to a permitted Subtitle C land disposal unit. Approximately 10-20% is in-state disposal. If the \$5.50 per metric ton is passed through directly to Oregon’s hazardous waste large business generators, the estimated impacts of this fee is estimated as follows, based on 2017 disposal data: <ul style="list-style-type: none"> • Average annual increase to the 23 CEGs \$5.83 • Average annual increase to the 14 SQGs \$12.14 • Average annual increase to the 32 LQGs \$451.34
Permitting Modification Fee	Permitted treatment, storage and disposal facilities will be subject to the applicable hazardous waste permit modification fee when requesting permit modifications. Impact depends on the classification of work needed. A 20-year average identified submission of three permit modifications a year, or roughly ~\$40,800 under the amended fee. This proposal would result in an increase in potential revenue of ~\$33,450.

Hazardous Waste Generator Indirect Impacts

Generators may be impacted as the proposed rules include an increase in permitted hazardous waste TSD site permitting fees. Because of increased fees, Oregon’s two operating facilities may decide to pass the costs on to businesses utilizing their services.

DEQ is not responsible for these types of business decisions and cannot quantify what those potential costs might be.

Permitted Treatment, Storage and Disposal Facility Direct Impacts

DEQ anticipates there will be a fiscal and economic impact to two operating permitted hazardous waste TSD facilities generating and managing hazardous wastes who report. The impact to those businesses would be a direct cost increase of 31 percent to their annual compliance determination fees. In addition, if the facility seeks a modification to its current active hazardous waste permit, the business would have a direct cost increase of 59 percent. The proposed fee table above shows a detailed breakdown of the estimated financial impact.

Permitted Treatment, Storage and Disposal Facility Indirect Impacts

DEQ anticipates adopting the rules will have no indirect fiscal and economic impacts to permitted TSD businesses. The businesses already report annually, and the proposed rules do not add facilities or generators.

Small businesses – businesses with 50 or fewer employees

For the purpose of this discussion, a small business has 50 or fewer employees.

Direct Impacts

These rule changes will not affect most small businesses. This because the rules only affect businesses generating more than 220 pounds a month of hazardous waste or more than 2.2 pounds of acutely hazardous waste. DEQ identified 131 small businesses the rules will affect.

DEQ determined the proposed rules would have direct economic impact on all small businesses that report generated hazardous wastes.

DEQ determined the economic impacts on these small businesses will not likely pose a significant impact due to the phased-in multi-year stepped increases. The direct impacts are outlined in the tables below for small business generators and permittees.

Proposed Fee type	Generator - Small Business Fiscal Impact by 2024
Annual Activity Verification Generator	SQG: \$240 increase (80 small businesses) LQG: \$425 increase (51 small businesses)
Management Method Factor fees	SQG: 80 subject to \$695 average increase LQG: 51 subject to \$3,726 average increase This increase would result in three (3) additional LQGs reaching the cap.

Proposed Fee type	Generator - Small Business Fiscal Impact by 2024
	To provide the most accurate representation of future impacts, this analysis does not include spills, cleanup, remediation or closed facilities.

Proposed Fee type	Permitted Facility - Small Business Fiscal Impact by 2019
Permitting fees	Oregon’s two permitted TSD sites are national companies with more than 50 employees.

The following presents a comparison of generator pre-rule and post-rule implementation invoices for five facilities. The facilities chosen represent the 25th, 50th, 75th, 90th, and 95th percentile based on the volume of hazardous waste generated for calendar year 2017, as reported in 2018.

Estimated Invoices for Small Quantity Generators										
Cost	Percentile – SQG									
	25th		50th		75th		90th		95th	
	2018	2024	2018	2024	2018	2024	2018	2024	2018	2024
Verification Fee	\$300	\$540	\$300	\$540	\$525	\$945	\$525	\$945	\$525	\$945
Mgt. Method Factor	\$104	\$289	\$226	\$629	\$1,004	\$2,792	\$3,166	\$8,808	\$21,799	\$32,500
Projected Increase	\$425		\$643		\$2,213		\$6,067		\$11,126	

Proposed Fee type	Permitted Facility - Small Business Fiscal Impact by 2019
Permitting Annual Compliance Determination fees	This increase is unlikely to direct affect small businesses. Oregon’s two permitted TSD facilities are national companies with more than 50 employees.
New Operating TSD Disposal Administrative Fee	If the \$5.50 per metric ton is passed directly to small businesses, the estimated impacts will be as follows, based on DEQ 2017 reported hazardous waste disposal data: <ul style="list-style-type: none"> • Average annual increase to the 29 CEGs \$21.45 • Average annual increase to the 24 SQGs \$10.29

Proposed Fee type	Permitted Facility - Small Business Fiscal Impact by 2019
	<ul style="list-style-type: none"> Average annual increase to the 17 LQGs \$109.71

The following the Oregon 131 small businesses as identified by the North American Industry Classification System.

a. Estimated Number and Type of Small Businesses Subject to Proposed Rule		
Using a combination of 2015 Department of Employment and 2017 generator-provided employment data, DEQ found an estimated 131 Oregon businesses having 50 or fewer employees that are likely to be impacted by this rule. Using reporting data, DEQ identified 65 small business North American Industry Classification System codes, DEQ found the following:		
237310	Highway, Street and Bridge Construction	1
238160	Roofing Contractors	2
238320	Painting and Wall Covering Contractors	5
321114	Wood Preservation	9
321911	Wood Window and Door Manufacturing	1
325199	All Other Basic Organic Chemical Manufacturing	4
325211	Plastics Material and Resin Manufacturing	2
325411	Medicinal and Botanical Manufacturing	2
325510	Paint and Coating Manufacturing	3
325611	Soap and Other Detergent Manufacturing	1
325910	Printing Ink Manufacturing	1
325998	All Other Miscellaneous Chemical Product & Preparation Manufacturing	2
326150	Urethane & Other Foam Product (except Polystyrene) Manufacturing	1
326199	All other Plastics Product Manufacturing	1
327212	Other Pressed & Blown Glass & Glassware Manufacturing	1
327215	Glass Product Manufacturing Made of Purchased Glass	1
331210	Iron and Steel Pipe & Tube Manufacturing from Purchased Steel	1
331410	Nonferrous Metal (except Aluminum) Smelting and Refining	1
331529	Other Nonferrous Metal Foundries (except Die-Casting)	1
332111	Iron and Steel Forging	1
332312	Fabricated Structural Metal Manufacturing	1
332313	L&E Tubing LLC dba Clackamas Tool Welding	1
332439	Other Metal Container Manufacturing	1
332710	Machine Shops	1
332721	Precision Turned Product Manufacturing	1
332722	Bolt, Nut, Screw, Rivet and Washer Manufacturing	1

a. Estimated Number and Type of Small Businesses Subject to Proposed Rule

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332812	Metal Coating, Engraving (except Jewelry and Silverware), & Allied Services to Manufacturers	5
332813	Electroplating, Plating, Polishing, Anodizing, and Coloring	11
333242	Semiconductor Machinery Manufacturing	1
333924	Industrial Truck, Tractor, Trailer & Stacker Machinery Manufacturing	1
334413	Semiconductor and Related Device Manufacturing	7
336211	Motor Vehicle Body Manufacturing	1
336214	Travel Trailer and Camper Manufacturing	1
337215	Showcase, Partition, Shelving and Locker Manufacturing	1
339113	Surgical Appliance and Supplies Manufacturing	1
339114	Dental Equipment and Supplies Manufacturing	1
339999	All Other Miscellaneous Manufacturing	1
423490	Other Professional Equipment & Supplies Merchant Wholesalers	1
423850	Service Establishment Equipment & Supplies Merchant Wholesalers	1
423930	Recyclable Material Merchant Wholesalers	1
424690	Other Chemical and Allied Products Merchant Wholesalers	2
424910	Farm Supplies Merchant Wholesalers	1
424950	Paint, Varnish, and Supplies Merchant and Wholesalers	1
441310	Automotive Parts and Accessories Stores	1
442110	Furniture Stores	1
446110	Pharmacies and Drug Stores	1
484122	General Freight Trucking, Long-Distance, Less Than Truckload	1
493110	General Warehousing and Storage	3
493190	Other Warehousing and Storage	4
531110	Lessors of Residential Buildings and Dwellings	1
531120	Lessors of Nonresidential Buildings (except Mini warehouses)	2
531312	Nonresidential Property Managers	1
532412	Construction, Mining, Forestry Machinery/Equipment Rental & Leasing	1
541380	Testing Laboratories	7
541713	Research and Development in Nanotechnology	1
562111	Solid Waste Collection	1
562910	Remediation Services	3

a. Estimated Number and Type of Small Businesses Subject to Proposed Rule

Using a combination of 2015 Department of Employment and 2017 generator-provided employment data, DEQ found an estimated 131 Oregon businesses having 50 or fewer employees that are likely to be impacted by this rule. Using reporting data, DEQ identified 65 small business North American Industry Classification System codes, DEQ found the following:

621511	Medical Laboratories	2
622110	General Medical and Surgical Hospitals	4
811118	Other Automotive Mechanical & Electrical Repair & Maintenance	5
811121	Automotive Body, Paint, and Interior Repair and Maintenance	2
811219	Other Electronic & Precision Equipment Repair & Maintenance	1
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	2
811420	Re-upholstery and Furniture Repair	1

Indirect Impacts

The proposed rules would have the same indirect costs as “Large Businesses.”

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

Using recent employment data, DEQ compared the 487 businesses registered with the Hazardous Waste Program to current self-reported employment data to determine how many businesses employ 50 or fewer employees. One hundred and thirty one are small businesses. Of those 131 businesses, 51 are large quantity hazardous waste generators, 80 are small quantity hazardous waste generators. One is a conditionally exempt generator and thus not subject to the proposed rule.

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

No additional activities are required to comply with the proposed rules. Registered hazardous waste generators already pay hazardous waste fees.

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

No additional resources are required for compliance with the proposed rules. Registered hazardous waste generators already pay hazardous waste fees.

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

DEQ included small business representatives and delegates from Oregon Business and Industry who represent small businesses in Oregon on the Hazardous Waste Fee Advisory Committee. The Committee advised DEQ on the cost of compliance for small businesses. DEQ also provided rulemaking notice to all hazardous waste businesses registered with Oregon DEQ and fee-payers. These groups included small businesses. Small businesses will also have the opportunity to comment through the public comment and public hearing.

Documents relied on for fiscal and economic impact

Document title	Document location
Oregon Department of Environmental Quality Annual Hazardous Waste Reporting for disposal in 2016 as reported in 2017	Oregon DEQ Hazardous Waste Program 700 NE Multnomah St, Ste. 600 Portland, OR 97232-1400
Oregon Department of Environmental Quality Annual Hazardous Waste Reporting for disposal in 2017 as reported in 2018	Oregon DEQ Hazardous Waste Program 700 NE Multnomah St, Ste. 600 Portland, OR 97232-1400
Oregon Department of Employment 2016 data	Employment Department 875 Union Street NE Salem OR 97311

Advisory committee fiscal review

DEQ convened a nine-member advisory committee that also served as the fiscal advisors in the fee-setting process. The committee was comprised of statewide, geographic representation, directly and indirectly affected regulated parties for large and small businesses, business advocates and environmental interests.

During the last committee meeting, DEQ asked the committee to review the draft and consider the fiscal impacts of the proposed rules, as OAR 183.333 requires. DEQ specifically asked the committee:

- a. Will the rule have a fiscal impact?
- b. If so, what is the extent of the fiscal impact?
- c. Will the rule have a significant adverse impact on small businesses (<50 employees)?
- d. If so, how can DEQ reduce the economic impact of the rule on small businesses?

Committee Findings

The committee determined the proposed rules will have economic impacts to all hazardous waste fee payers. The proposed rules will affect all hazardous waste annual reporters, including some businesses that may intermittently generate and report hazardous waste due to a one-time cleanout or other infrequent activity. The impact will be different for each business.

The committee did not identify significant adverse impact on small businesses in Oregon. Without additional information, such as business revenues not readily available, the full impact to small businesses is difficult to determine. To help minimize the impacts to businesses, the proposed generator fee increases will be phased-in over multiple years.

The Committee meeting notes are posted to DEQ's Hazardous Waste Fees 2019 Rulemaking [Advisory Committee Webpage](#).

Housing cost

ORS 183.534 requires DEQ to evaluate whether the proposed rules would affect 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 effect on the development costs because the proposed rules only affect regulated businesses under the hazardous waste regulations.

Federal relationship

Relationship to federal requirements

ORS 183.332, 468A.327 and OAR 340-011-0029 require DEQ to attempt to adopt rules that correspond with existing equivalent federal laws and rules unless there are reasons not to do so.

The proposed rules are not different from or in addition to federal requirements in 40 Code of Federal Regulations 260-268, 270, 273, and Subpart A and Subpart B of part 124.

Land use

Land-use considerations

In adopting new or amended rules, ORS 197.180 and OAR 340-018-0070 require DEQ to determine whether the proposed rules significantly affect land use. If so, DEQ must explain how the proposed rules comply with statewide land-use planning goals and local acknowledged comprehensive plans.

Under OAR 660-030-0005 and OAR 340 Division 18, DEQ considers that rules affect land use if:

- The statewide land use planning goals specifically refer to the rule or program

- The rule or program is reasonably expected to have significant effects on:
 - Resources, objectives or areas identified in the statewide planning goals,
 - Present or future land uses identified in acknowledged comprehensive plans

DEQ determined whether the proposed rules involve programs or actions that affect land use by reviewing its Statewide Agency Coordination plan. The plan describes the programs that DEQ determined significantly affect land use. DEQ considers that its programs specifically relate to the following statewide goals:

Goal	Title
5	Open Spaces, Scenic and Historic Areas, and Natural Resources
6	Air, Water and Land Resources Quality
9	Ocean Resources
11	Public Facilities and Services
16	Estuarial Resources

Statewide goals also specifically reference the following DEQ programs:

- Nonpoint source discharge water quality program – Goal 16
- Water quality and sewage disposal systems – Goal 16
- Water quality permits and oil spill regulations – Goal 19

Determination

DEQ determined these proposed rules do not affect land use under OAR 340-018-0030 or DEQ’s State Agency Coordination Program.

Advisory Committee

Background

DEQ convened a nine-member advisory committee that also served as the fiscal advisors in the fee-setting process. The committee included representatives from industry, small and large businesses and environmental entities. It met three times in 2018: Aug. 13, Sept. 17 and Oct. 18, 2018. Supporting documents are located on the committee’s webpage at: [Hazardous Waste Fees 2019 Rulemaking](#).

The Committee members were:

Hazardous Waste Fees Rulemaking Advisory Committee	
Name	Representing
Keri Bishop	Large Quantity Generator, Northwest
Jim Denson, Jr.	Hazardous Waste Permittee, Large Quantity Generator, Eastern
Michael Doherty	Small Business, Small Quantity Generator, Northwest
Lori Grant	Environment, Statewide
Bruce Johnson	Large Quantity Generator, Eastern
Marjorie MartzEmerson	Environment, Small Businesses Statewide, Eastern
Matthew Sauvageau	Hazardous Waste Permittee, Large Quantity Generator, Northwest
Mike Standen	Small Quantity Generator, Small Business, Western
Geoffrey B. Tichenor	Oregon Business & Industry, Small Businesses, Statewide
Kim Kaminski (Alternate)	Hazardous Waste Permittee, Large Quantity Generator, Northwest
Amber Petersen (Alternate)	Large Quantity Generator, Eastern
Leah Shannon (Alternate)	Hazardous Waste Permittee, Large Quantity Generator, Eastern
Sheila Smith (Alternate)	Hazardous Waste Permittee, Large Quantity Generator, Northwest

Meeting notifications

DEQ notified 23,744 people about the Advisory Committee’s activities by:

- Sending GovDelivery bulletins, a free e-mail subscription service, to the following lists:
 - Hazardous Waste - 3,009
 - Hazardous Waste Training – 6,599
 - Toxics Use and Hazardous Waste Reduction Program – 2,783
 - Rulemaking – 8,316
 - DEQ Public Notices – 3,037
- DEQ also sent on July 25, Sept. 4, and Oct. 10, 2018 a one-time notice to the above GovDelivery subscribers to describe how to sign up for committee meeting notices
- Added committee announcements to DEQ’s calendar of public meetings at [DEQ Calendar](#)
- On July 25, Sept. 4, and Oct. 10, 2018 DEQ provided notice of meetings and links to committee information through postings on Facebook and Twitter.

Committee discussions

In addition to the recommendations described in the Statement of Fiscal and Economic Impact section, the committee provided input and discussion on the proposed draft rules. Agendas, meeting summaries, and presentation slides are available on the committee’s webpage at: [Hazardous Waste Fees 2019 Rulemaking](#).