



Hazardous Waste Rulemaking Fee Increase Fiscal Impact Summary

October 2018

Fee Analysis

To address a projected \$1.2 million to \$1.5 million deficit in the 2019-21 biennium revenue for the hazardous waste management program, this rulemaking proposes to:

- 1) Amend the annual hazardous waste activity verification fee
- 2) Amend the management method factor
- 3) Introduce permitted operating disposal administration fee
- 4) Amend permitted treatment, storage and disposal facility compliance determination fees and permit modification fees

Qualifiers:

- For the purpose of this analysis, a small business is one with 50 or fewer employees
- Unless otherwise stated, the analysis is based on data DEQ receives for reporting year 2017

1) Annual Hazardous Waste Activity Verification Fee Increases

A three-year phase-in will increase the small quantity generator activity verification fee from \$300 to \$540 and increase the large quantity generator fee from \$525 to \$945 starting in July 2019. The proposed 80 percent increase would result in approximately **\$152,160** in additional revenue by 2021.

Generator Type	Current Fee	Proposed Fee	# Generators	# Small Businesses*
SQG	\$300	\$540	291	80
LQG	\$525	\$945	196	51

**Small businesses were identified by facilities voluntarily sharing number of employees with DEQ when obtaining an identification number. Includes no response as small businesses.*

2) Management Method Factor Increase

A six-year phase-in will increase the management method fee factors for all management methods by 70 percent starting in July 2019. This increase would result in an estimated \$975,367 annual increase from current funding by 2024.

This adjustment would increase the number of capped generators from 18 to 34 by 2024. The current management method factor revenue averages for Small Quantity Generators and Large Quantity Generators are \$299 and \$6,794, respectively. The proposed modifications would increase the average annual fees for SQGs and LQGs by \$532 and \$4,254, respectively.

To ensure the most accurate analysis, 18 sites reported as spills, cleanup, and remediation sites were not included in the following analysis, reducing the number of generators from 482 to 464 and \$43,671 in revenue.

Current Average		Proposed Average	
SQG: \$299 (280)	\$83,720	SQG: \$831 (280)	\$232,680
LQG: \$6,794 (184)	\$1,250,096	LQG: \$11,048 (184)	\$2,032,832

Small Business Average Fiscal Impact (131)	Large Business Average Fiscal Impact (333)
SQG: \$695 increase (80)	SQG: \$467 increase (200)
LQG: \$3,726 increase (51)	LQG: \$4,457 increase (133)

Small Business Impacts Estimated Breakdown:

SQG		LQG	
Increase	# Generators	Increase	# Generators
\$1,001 - \$4,000	18	\$10,001 - \$20,000	6
\$501 - \$1,000	14	\$5,001 - \$10,000	7 (1*)
\$100 - \$500	36	\$1,000 - \$5,000	20 (1*)
< \$100	12	< \$1,000	18 (1*)
Total	80	Total	51

*Denotes facilities that will reach the cap based on the increase.

Large Business Impacts Estimated Breakdown:

SQG		LQG	
Increase	# Generators	Increase	# Generators
\$2,001 - \$4,000	5	\$15,001 - \$21,000	11 (4*)
\$1,001 - \$2,000	23	\$10,001 - \$15,000	12 (4*)
\$500 - \$1,000	21	\$5,000 - \$10,000	18 (4*)
< \$500	151	< \$5,000	92 (1*)
Total	200	Total	133

*Denotes facilities that will reach the cap based on the increase.

3) Permitted operating disposal administration fee introduction

Amending annual permitting fees introduces a \$5.50 per metric ton administrative disposal fee for Oregon permitted operating treatment, storage and disposal facilities in July 2019. The proposed increase would result in a \$495,000 annual increase from current funding.

This fee applies to operating treatment storage and disposal facilities disposing of wastes in Subtitle C disposal units. Approximately 80 percent to 90 percent of this volume is expected

from out-of-state generators. Based on 2018 generator reporting, 152 Oregon generators sent their waste to Chemical Waste Management of the NW or Chem Waste; however, 13 of the 152 were associated with one-time spills/cleanups and are not included in the analysis. Under the proposed \$5.50 TSD fee, the potential pass through to these Oregon generators would result in a total of \$17,481 in additional dollars divided by the 139 non-clean-up/spill generators sending their waste to Chem Waste.

Of those generators utilizing Chem Waste, the indirect annual average increase is estimated to be \$126 per Oregon generator, with 70 identified as small businesses having 50 or fewer employees.

4) Annual Hazardous Waste Permit/Modification Fee Increases

The rulemaking increases the annual compliance determination fees for permitted treatment, storage, and disposal facilities as outlined below. Two TSDs currently operate in Oregon. One facility is invoiced for all three permitted activities as outlined below. If the proposal is approved that permitted TSD would see an increase of \$75,750 in annual permitting fees. The other facility with a storage permit only would see an \$5,750 increase in annual permitting fee.

Fee Type	Current fee	Proposed fee	Difference
Storage	\$18,750	\$24,500	\$5,750
Multi-Disposal	\$75,000	\$98,500	\$23,500
Multi-Treatment	\$150,000	\$196,500	\$46,500
Revenue*	\$262,500	\$344,000	
Potential Additional Revenue*			\$81,500

**Revenue based on two storage, one multi-disposal, and one multi-treatment annually*

The rulemaking increases the permit modification fees for permitted TSD facilities as presented in the following table. These increases are not likely to impact small businesses as they are specific to permitted facilities only. The two operating permitted TSD facilities are national companies with more than 50 employees.

Modification type	Current fee range	Proposed fee range	Difference
Class 1 High	\$2,800	\$4,500	\$1,700
Class 2 High	\$20,000	\$31,800	\$11,800
Class 3 High	\$31,000	\$49,300	\$18,300
Revenue*		\$40,800	
Potential Additional Revenue*			\$33,450

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

Conditionally Exempt Generators

DEQ does not anticipate conditionally exempt generators will be directly impacted by this proposed rulemaking effort as the proposed rulemaking extends to only small and large quantity generators and treatment, storage and disposal facilities that report to DEQ.