



Underground Storage Tank Rulemaking 2017 Fiscal Impact Statement

Oregon Department of Environmental Quality
Underground Storage Tank Compliance Program
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Introduction

A) 2015 revisions to the federal underground storage tank (UST) regulations changed certain portions of the 1988 UST technical regulation in 40 CFR part 280 that requires DEQ to adopt rules:

- Requiring:
 - Walkthrough inspections;
 - Overfill prevention equipment inspections;
 - Spill prevention equipment tests;
 - Containment sump tests; and
 - Operability tests for release detection equipment.
- Addressing UST systems deferred in the 1988 UST regulation by:
 - Removing release detection deferral for emergency generator tanks (EGTs); and
 - Removing deferrals for airport hydrant fuel distribution systems (AHFDSs) and UST systems with field-constructed tanks (FCTs).
- Providing for other changes to improve release prevention and detection and program implementation by:
 - Requiring testing after repairs to spill and overfill prevention equipment and secondary containment;
 - Eliminating flow restrictors in vent lines as an overfill prevention option for all new tanks and when overfill prevention equipment is replaced;
 - Addressing responses to interstitial monitoring alarms; and
 - Establishing requirements for demonstrating compatibility with fuels containing greater than E10 and greater than B20.
- Making general updates to the UST regulation by:
 - Referencing newer technologies, including explicitly adding continuous in-tank leak detection (CITLD), as release detection methods;
 - Updating codes of practice listed in the UST regulation; and
 - Making editorial and technical corrections.

B) Amendments by the 2017 legislature (HB 2168) to laws governing underground storage tanks require DEQ to adopt rules to:

- Increase the annual tank fee from \$135 per year to \$325 per year over 4 years using this schedule:
 - For calendar year 2018, \$195 per tank;
 - For calendar year 2019, \$245 per tank;
 - For calendar year 2020, \$295 per tank; and
 - For calendar year 2021 and for each subsequent calendar year, \$325.

C) This rulemaking proposal also improves existing UST regulations by:

- Making editorial and technical corrections.

Statement of Cost of Compliance

- The regulatory requirements focus on additional testing and inspection of existing equipment, and do not reflect large-scale investments in equipment or significant changes to facility operations.
- Due to small per-facility costs (approximately \$715 per year for an average facility), closures or changes in market structure represent an unlikely response to the final UST regulation.
- Many of the requirements in the final UST regulation will not immediately impose new costs upon UST owners or operators. For example, new requirements for walkthrough inspections do not require owners or operators to perform those tests at the time the regulation comes into effect and instead will have three years to satisfy the new requirements.

Fiscal and Economic Impact

State UST legislation's (HB 2268) economic impact on all tank owners is:

- The increase in the annual tank fee from \$135 per year to \$325 per year over 4 years.

State and federal agencies

Federal and state agencies owning regulated USTs will experience the same effects as large or small business owners.

DEQ

The proposed amendments will increase costs for DEQ to implement the increased inspection and subsequent tracking activities.

Local governments

Local governments owning regulated USTs will experience the same effects as large or small business owners.

Public

There is no direct or indirect economic impact on the general public as a result of the proposed rule revisions.

Large businesses - businesses with more than 50 employees

Large business owners would experience the same potential financial effect as small business owners.

Small businesses – businesses with 50 or fewer employees

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

The proposed rule changes will affect approximately 400 small businesses owning one or more regulated UST facilities with fewer than 50 employees.

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

There are no additional reporting requirements anticipated with this rulemaking proposal. Additional recordkeeping for newly required inspection and testing requirements are minimal, as many facilities are already performing some of these now and all permittees already pay tank fees.

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

We anticipate economic impact for new inspection and testing requirements. However, these will have a relatively small economic impact relative to the total costs currently associated with complying with the UST regulations.

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

The program convened its stakeholder group consisting of industry, trade organizations, and service provider representation. One small UST facility owner from a rural county in Oregon participated in this rulemaking.

Documents relied on for fiscal and economic impact

Document title	Document location
Assessment Of The Potential Costs, Benefits, And Other Impacts Of The Final Revisions To EPA's Underground Storage Tank Regulations	https://www.epa.gov/sites/production/files/2015-07/documents/regs2015-ria.pdf

Advisory committee (committee has not yet met as of this draft)

DEQ appointed an advisory committee.

As ORS 183.33 requires, DEQ will ask 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 impact on small businesses and, if so, how DEQ would comply with ORS 183.540.

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 effect on the development costs because the Environmental Protection Agency's analysis determined the costs of the new regulation remain modest at the facility level and, even when coupled with DEQ's increased tank fees, would not significantly increase the cost of fuel.