



Oregon Department of Environmental Quality

# **DRAFT Fiscal Impact Statement**

Waste Tire 2022 Rulemaking

## **Introduction**

This is a draft fiscal impact statement developed by DEQ for the Waste Tire 2022 Rulemaking. This document is being presented to the Rules Advisory Committee for their input before being finalized for inclusion in the public notice.

DEQ is proposing updates to the waste tire rules so that they are more consistent with DEQ practices for similar permitting programs, eliminate sections that are redundant and obsolete, and update them to be consistent with Oregon Fire Code. Several permit types and several fees will be eliminated to be consistent with DEQ solid waste permitting practices. Other fees will be adjusted to provide a streamlined approach.

## **Fee Analysis**

The Department of Environmental Quality is proposing eliminating or adjusting several of the fees associated with waste tire management including Waste Tire Storage Site Permits and Waste Tire Carrier Permits and eliminated several permit types that are no longer consistent with other DEQ solid waste permitting practices such as Combined Storage Site/Carrier Permits. DEQ is proposing a new fee structure for the remaining permit types that will either remain the same or provide a decrease in the amount of fees paid by most fee payers. DEQ's Environmental Quality Commission has authority to act on the proposed fees under Oregon Revised Statute 459.730 and 750.

## **Brief description of proposed fees**

The Waste Tire 2022 draft rules propose changes to several permit types and fees including those for Waste Tire Storage Sites, Beneficial Use Waste Tire Storage Sites, Waste Tire Carriers and Combined Storage Site/Carrier Permits. In coordination with updating permitting rules, DEQ is proposing to simplify and streamline the fee structure and update it so that it is consistent with similar solid waste permitting programs and the types of fees required such as eliminating permit renewal, permit modification fees and fees for reinstating revoked permits.

## **Waste Tire Storage Site Permit**

Some of the fees for Waste Tire Storage Site Permits will be eliminated, with most of the fees remaining the same. Application and annual compliance fees and financial assurance will remain the same. Fees for permit renewal, permit modifications and permit reinstating are proposed to be eliminated to be consistent with similar solid waste permit fees.

## **Beneficial Use Waste Tire Storage Site Permit**

The Beneficial Use Waste Tire Storage Site Permit is proposed to be eliminated to be consistent with current DEQ permitting practices. DEQ does not issue new Beneficial Use Waste Tire Storage Site Permits currently. Sites that would like to apply for beneficial use of solid waste could apply for a Beneficial Use Determination.

The single site that still has a Beneficial Use Waste Tire Storage Site Permit Users was issued prior to 1988. Currently this site pays a \$50 annual compliance fee until the tires are removed. This site could apply for a standard Waste Tire Storage Site Permit, which would result in a net annual increase, or a Tier Two Beneficial Use Determination since the waste tires are buried, which would be a one-time fee of \$2,000.

## **Waste Tire Carrier Permit**

The Waste Tire Carrier Permit application fee will remain the same. The annual compliance fee will essentially be the same or reduced, depending on how many vehicles a carrier is using. For Waste Tire Carrier Permits using one vehicle, there is no net change in fees. For Waste Tire Carrier Permits using more than one vehicle, there will be a net decrease in fees. Other fee types will be eliminated to be consistent with other solid waste permitting program fees. These include fees for permit renewal, per vehicle fees, replacing carrier decals, permit modification, permit reinstatement, and large truck compliance.

## **Combined Storage Site/Carrier Permit**

The Combined Storage Site/Carrier Permit option is proposed to be eliminated for consistency with DEQ permitting practices. DEQ permits other solid waste operations with multiple different types of operations by using separate permits for the different types of activities. Current Combined Storage Site/Carrier Permit holders will need to apply for Waste Tire Storage Site Permit and Waste Tire Carrier Permit individually, resulting in a net annual increase. Operations would still only fill out one application and indicate both types of permits and pay fees for each individually.

## **Reasons**

The proposed changes would streamline regulatory requirements of permitted waste tire storage sites and waste tire carriers and associated administration by DEQ. This would also align waste tire permitting with other types of solid waste permitting schemes in OAR 340, Divisions 93, 96 and 97.

## **Fee proposal alternatives considered**

DEQ considered not changing the existing fee structure as an alternative.

## **Fee payer**

Fee payers include waste tire storage sites operators, a beneficial use waste tire storage site and waste tire carriers.

## **Affected party involvement in fee-setting process**

DEQ will convene a Rules Advisory Committee including appointees representing a variety of industries directly and indirectly affected by the proposed fee change. The RAC will meet on May 31, 2022, to discuss the fee changes.

The Rules Advisory Committee will also provide comments to the following questions:

- Will the proposed rules have a fiscal impact?
- What is the extent of the impact?
- Will the proposed rules have a significant adverse impact on small businesses? If so, how can DEQ reduce the impact?
- How will adoption of this fee increase affect racial equity in the state?

## **Summary of impacts**

The impacts of the proposed waste tire rules vary by the type of permit.

### **Waste Tire Storage Site Permit**

Some of the Waste Tire Storage Site Permit fees would not change in the proposed rules. Some of the fees would be eliminated. The overall result is a net decreased impact.

### **Beneficial Use Waste Tire Storage Site Permit**

DEQ's proposal eliminates Beneficial Use Waste Tire Storage Site Permits. Users could apply for a standard Waste Tire Storage Site Permit or a Beneficial Use Determination. The Beneficial Use Determination would result in a net decreased impact after 20 years.

### **Waste Tire Carrier Permit**

Under the proposal, the amount paid in application fees and annual compliance fees for Waste Tire Carrier Permits would be the same or would decrease, depending on the number of vehicles used. Some of the fees would be eliminated. Overall, there will be a neutral or reduced impact.

## Combined Storage Site/Carrier Permit

The Combined Storage Site/Carrier Permit would be eliminated. Permittees conducting both types of operations will need to apply for a Waste Tire Storage Site Permit and a Waste Tire Carrier Permit and pay fees individually, resulting in a net increased impact.

## Fee payer agreement with fee proposal

DEQ will consider advisory committee input and comments received during the public comment period in developing final rule revisions.

## Links to supporting documents for proposed fees

- [Proposed Approach to Waste Tire Rules](#)
- Oregon Administrative Rules Chapter 340, Division 64, Waste Tire Program: [Waste Tire Storage Site and Waste Tire Carrier Permits](#)
- [Oregon Revised Statutes 459](#), Sections 705 to 790

## Program funding

2019-2021 Biennium Waste Tire Administration Fees	
Previous waste tire permitting revenue	\$7,223
Total 19-21 waste tire permitting revenue	\$12,030
Total 19-21 waste tire permitting expenditures	\$16,383
Waste tire permitting costs covered by General Fund	\$0
Waste tire permitting fees last changed	1988

Currently, waste tires are administered alongside other solid waste permitting programs such as compost facility permits. Waste tire permit administration has been funded by revenue from waste tire permit and compliance fees or from previous waste tire program fees collected. Solid Waste Disposal Fees also partially fund solid waste permitting programs such as waste tire permitting. The Solid Waste Disposal Fee was increased in 2016 and 2019 to ensure all permit programs were adequately funded.

## Proposed fee schedule

DEQ is proposing changes to the types and amounts of fees charged by permittees based on current practices for similar DEQ solid waste permitting programs. The proposal would eliminate several permit types, including Beneficial Use Waste Tire Storage Site Permits

and Combined Storage Site/Carrier Permits, and several fee types, include permit renewal fees.

The table on page 7 shows the current fees by type of permit as well as other fees. The current fees are in the second column from the left with the proposed fees in the third column and the net change in the final column. Negative numbers are shown in parenthesis.

### **Waste Tire Storage Site Permit**

Waste Tire Storage Site Permit application and annual compliance fees and the financial assurance requirements would not change.

DEQ is proposing eliminating several fees including:

- Permit renewal (\$125).
- Permit modification (\$25).
- Revoked permit reinstating (\$150).

The changes to the Waste Tire Storage Site Permit fees would result in a net decreased impact.

### **Beneficial Use Waste Tire Storage Site Permit**

Under the proposed rules, Beneficial Use Waste Tire Storage Site Permit would be eliminated. There is currently only one approved user who buried waste tires in a berm prior to 1988. This user could apply for a standard Waste Tire Storage Site Permit or a Tier Two Beneficial Use Determination for a one-time fee of \$2,000. Currently, they are paying a \$50 annual compliance fee into the foreseeable future unless the tires are removed. Over time, a Tier Two BUD would be less impactful than paying the annual Beneficial Use Waste Storage Site compliance fee forever.

### **Waste Tire Carrier Permit**

For Waste Tire Carrier Permits, the standard application fee and financial assurance requirements would not change. The per additional vehicle application for waste tire carriers would be eliminated, resulting in no change or a net decreased impact for waste tire carriers using more than one vehicle.

Current Waste Tire Carrier Permittees pay \$175 each year for compliance plus \$25 annual compliance per vehicle (including short-term leased vehicles) or a total of \$200 or more each year. Although the proposed annual compliance fee would increase to \$200, the per vehicle and short-term vehicle compliance fees would be eliminated. This would either result in no net change for waste tire carriers with one vehicle listed on the permit, or a reduced impact for those with more than one vehicle listed on the permit.

Additionally, several other fees would be eliminated and result in a net decrease in impact including:

- Permit renewal.
- Replacing decals.
- Modifying permits.
- Reinstating revoked permits.
- Annual compliance fees for large trucks.

### Combined Storage Site/Carrier Permit

The Combined Storage Site/Carrier Permit and all associated fees would be eliminated. Permittees conducting both types of operations will need to apply for a Waste Tire Storage Site Permit and Waste Tire Carrier Permit individually. Application fees would increase by \$25. Annual compliance fees will increase by \$200. For operations using three or fewer vehicles, the impact will increase. For operations using four vehicles, the impact will be the same. For operations with more than four vehicles, the impact will decrease.

<b>Fee Changes</b>			
	<b>Current fees</b>	<b>Proposed fees</b>	<b>Net change</b>
<b>Waste Tire Storage Site Permit</b>			
Application	\$250	\$250	\$ -
Permit renewal	\$125	Eliminated	<i>\$(125)</i>
Annual compliance	\$250	\$250	\$ -
Financial assurance	Based on cost to cleanup	Based on cost to cleanup	\$ -
<b>Beneficial Use Waste Tire Storage Site Permit</b>			
Application	\$100	Eliminated	
Permit renewal	\$50	Eliminated	
Annual compliance	\$50	Eliminated	
Financial assurance	Based on the cost to cleanup	Eliminated	
<b>Waste Tire Carrier Permit</b>			
Application	\$25	\$25	\$ -
Annual compliance	\$175	\$200	<b>\$25</b>
Per vehicle compliance	\$25	Eliminated	<i>\$(25)</i>
Permit renewal	\$25	Eliminated	<i>\$(25)</i>
Financial assurance	\$5,000	\$5,000	\$ -

Per additional vehicle application	\$25	Eliminated	<b><i>\$(25)</i></b>
Annual compliance for short-term/leased vehicles	\$25	Eliminated	<b><i>\$(25)</i></b>
<b>Combined Storage Site/Carrier Permit</b>			
Application	\$250	Eliminated	
Annual compliance	\$250	Eliminated	
Renewal	\$125	Eliminated	
Per vehicle compliance	\$25	Eliminated	
<b>Other</b>			
Replace WTC decal	\$10	Eliminated	<b><i>\$(10)</i></b>
WTC permit modification	\$15	Eliminated	<b><i>\$(15)</i></b>
Reinstate revoked WTC permit	\$100	Eliminated	<b><i>\$(100)</i></b>
Large truck WTC annual	\$375	Eliminated	<b><i>\$(375)</i></b>
WTSS permit modification	\$25	Eliminated	<b><i>\$(25)</i></b>
Reinstate revoked WTSS permit	\$150	Eliminated	<b><i>\$(150)</i></b>
Combo block passes	\$5	Eliminated	<b><i>\$(5)</i></b>

## Statement of fiscal and economic impact

### Fiscal and Economic Impact

DEQ estimates there will be a(an):

- Reduced fiscal and economic impact for the three permitted waste tire storage sites.
- Reduced fiscal and economic impact over time for the one beneficial use storage site in existence for converting to a Tier Two Beneficial Use Determination.
- Neutral or decreased fiscal and economic impact for the 10 waste tire carriers, depending on how many vehicles they use.
- Increased, neutral or decreased fiscal and economic impact for four permitted combined storage site/carrier operations, depending on how many vehicles they use.

# **Statement of Cost of Compliance**

## **State agencies**

State agencies will not be affected by changes to fees.

## **Local governments**

Local government will not be affected by changes to fees.

## **Public**

The public should not be directly affected by changes to fees.

## **Large businesses - businesses with more than 50 employees**

DEQ is unable to quantify the impact at this time for large businesses because it does not have records on the number of employees at individual waste tire storage sites or for waste tire carriers.

## **Small businesses – businesses with 50 or fewer employees**

DEQ is unable to quantify the impact at this time for small businesses because it does not have individual records on the number of employees at waste tire storage sites or for waste tire carriers.

### **ORS 183.336 Cost of Compliance Effect on Small Businesses**

#### **1. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.**

Based on existing permits, DEQ estimates there are currently:

- Three waste tire storage site permittees of varying, unknown size.
- Two beneficial use storage sites.
- 10 waste tire carriers of varying unknown size.
- Four combined storage sites/carriers of varying, unknown size.

Some of these businesses may be small businesses, but DEQ does not keep records on the sizes of individual permittees.

#### **2. 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 should not require any additional administrative activities. All affected parties already have systems in place to comply with the proposed fee increase.

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

The proposed rules will not require any additional resources. There should be no changes to administration requirements to comply with the proposed fee changes.

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

The Fiscal Advisory Committee included representatives from a variety of the waste tire industry including waste tire storage sites and waste tire carriers.

## 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 they are not applicable to housing.

## Documents relied on for fiscal and economic impact

Document title	Document location
List of permitted waste tire storage site, waste tire carriers, beneficial use storage sites and combined storage site/carriers	DEQ Headquarters Office 700 NE Multnomah St. Suite 600 Portland, OR 97232

## Alternative formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email [deqinfo@deq.state.or.us](mailto:deqinfo@deq.state.or.us).