

**FISCAL NOTE
PRIVATE COST**

**I. Department Title: Department of Natural Resources
Division Title: Clean Water Commission
Chapter Title: Permits**

Rule Number and Title:	10 CSR 20-8.500, Secondary Containment Design Requirements for Agrichemical Facilities
Type of Rulemaking:	Amendment

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
8 facility owners per year	<u>SIC</u> <u>NAICS</u> 5191 farm retail 2873 2874 2875 fertilizer mixing and storage 2879	\$51,026 savings

III. WORKSHEET

Cost Savings (to applicant)

No construction permit required.

\$1000 application fee x 8 applications = \$8,000

No construction permit application preparation and associated engineering fees incurred

2 hours/application X \$120/ hourly engineering fee* x 8 applications = \$1,920

No as-built or Statement of Work Completed required

2 hours/application X \$120.00/hourly engineering fee* x 8 application = \$1,920

Terminations of permits and resulting in a savings of \$100 annual fee

400 terminated permits** x \$100/year fee = \$40,000

Additional Costs (to applicant)

Additional costs will be incurred by dry fertilizer storage facilities for the construction of a loading pad.

3.7 cy. X \$110/cubic yard concrete*** X 2 facilities per year = \$814

TOTAL COST SAVINGS	\$ 51,840
TOTAL COST INCREASES	\$ 814
TOTAL NET SAVINGS	\$51,026

ASSUMPTIONS

1. An annualized aggregate cost of this rulemaking is used for the purposes of providing the aggregate cost for the life of the rule. The annualized aggregate cost is the agency estimate of the average costs that will be incurred in any future year, no matter how far distant. For convenience of calculating this fiscal note over a reasonable time period, the life of the rule is assumed to be indefinite. If the life of the rule extends beyond 1 year, the annual costs for additional years will be consistent with the assumptions used to calculate annual costs as identified in this fiscal note.
2. The number of agrichemical facility applications submitted to the department varies from year to year. For cost estimates of this fiscal note, the number of applications is based on recent submittals and each application is submitted by a different owner. The estimated cost was determined on a per application basis.
3. Construction permit fees are based on the fee structure effective January 1, 2015.
4. It is impossible to determine cost savings for each classification of business because there is no way of knowing which ones will submit operating permit applications. For new or expanding agrichemical facilities that do not construct an earthen storage basin, the cost savings would be the same per application regardless of the classification. Based on current issued permits, that majority of cost savings would be in the NAICS Classifications of 5191 and 2875.
5. This fiscal note accounts for costs associated with permit application. It does not account for costs associated with the engineering design of the agrichemical facility as design requirements in this rule have not changed.

Only facilities that store and mix agrichemicals will be required to be permitted. Facilities with a primary SIC code 5191 will no longer need to obtain or maintain an operating permit. A search of the database show there are 456 permitted agrichemical facilities with their primary SIC code of 5191. This number was used in the calculations for savings to the facility owner.

* Basis of hourly fee is from information provided by 2 consulting engineers

**Assumption made that 90% of existing permitted facilities will terminate their permit.

***Based on delivered rate of \$110 per yard of concrete to site 10 miles from concrete plant for Sandridge Concrete in Jefferson City, MO.