

**FISCAL NOTE  
PUBLIC COST**

- I. Department Title: Department of Natural Resources  
Division Title: Clean Water Commission  
Chapter Title: Design Guides**

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

**II. SUMMARY OF FISCAL IMPACT**

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
<i>Department of Natural Resources</i>	Net loss of revenue of \$ 42,987.14

**III WORKSHEET**

The reduction in construction permitting will reduce the amount of fees collected by the Department. Based on historic data, the department estimates that as many as 8 construction permit applications were issued for agrichemical facilities each year. The fees associated with these projects (\$1,000) will not be collected resulting in an estimated fee loss of \$13,000. This loss in collected fees, however, is offset by the fact that the department no longer has to issue these permits or review these applications. Any loss of revenue to a state agency is considered a public cost.

Lost revenue to the department.

Reduced number of construction permits.

$$\text{\$1000 application fee} \times 13 \text{ applications/year} = \text{\$ 13,000}$$

Terminations of permits and resulting loss of \$100 annual fee

$$400 \text{ of terminated permits} \times \text{\$100/year fee} = \text{\$40,000}$$

Cost savings to the department.

No construction permit reviews by department staff.

20 hours/application \$35.01/hourly wage for EEII@ 13 applications/year = \$9,102.60

No as-built or Statement of Work Completed review by department staff.

2 hour/application \$35.01/hourly wage for EEII @ 13 applications/year = \$910.26

TOTAL LOST REVENUE	\$ 53,000.00
TOTAL COST SAVINGS	<u>\$ 10,012.86</u>
NET LOSS TO THE DEPARTMENT	\$ 42,987.14

**IV. 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. It is difficult to estimate the cost for the department to comply with this rulemaking as it is impossible to predict how many applications will be received in a year. Therefore, the number of applications is based on recent applications. The estimated average cost was determined on a per application basis. Operating permit applications for minor modifications such as facility name change and ownership transfer are not included in this estimate as these requirements have not changed.
3. The reduction of construction permit applications and the elimination of voluntary operating permit applications will result in a loss of revenue to the department. Construction and operating permit fees are based on the fee structure effective January 1, 2015.
4. Construction permit and as-constructed plans or a Statement of Work Completed is no longer required for agrichemical facilities that are not constructing an earthen basin. The reduction of construction permit applications will reduce the amount of time spent by engineering staff for review of applications. The hourly rate for an Environmental Engineer II (EEII) is based on the Office of Administration, Division of Personnel pay grid.
5. Facilities with 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 loss of revenue calculations for the department.