

**STATE OF MINNESOTA
POLLUTION CONTROL Agency**

**In the Matter of the Proposed
Amendments to Rules Governing
Hazardous Waste Facility and Generator
Fees, Minn. Rules Ch. 7046**

**STATEMENT OF NEED
AND REASONABLENESS**

I. INTRODUCTION

The subject of this proceeding is the amendment of the rules of the Minnesota Pollution Control Agency (hereinafter "Agency") governing the payment of fees by owners and operators of hazardous waste treatment, storage, and disposal facilities, and by generators of hazardous waste, Minn. Rules pts. 7046.0010 to 7046.0070. These rules, which became effective February 6, 1984, were amended effective April 22, 1985, May 5, 1987, January 30, 1989, March 26, 1990, and January 13, 1992.

The statutory authority for the rules is set forth in Minn. Stat. § 116.12. The statute, together with the Agency's appropriations bill, requires the Agency to establish fees to collect funds to cover the cost of the Hazardous Waste Program. The Agency is also required by Minn. Stat. § 16A.128, subd. 1a to review the fees each fiscal year. As a result of its most recent review of the fees the Agency has determined that fee revenues are estimated to be nearly equal to the fee revenue target set by the legislature.

In addition to the statutory directive to recover program costs, the legislature in 1993 made changes to Minn. Stat. § 116.12 requiring that fees be based on the quantity of hazardous waste generated with consideration given to reducing fees for generators using environmentally beneficial hazardous waste

management methods such as recycling. This statutory change requires structural changes in the fee rules, specifically the amendment of the management method factor provisions for reducing quantity fees.

Also, included in the 1993 statutory changes is a provision that enables the Agency to adopt a fee formula in rule allowing adjustments to facility and generator fees to be implemented annually, if necessary, without rulemaking. The Agency is proposing a fee formula in this rulemaking.

A Notice to Solicit Outside Opinion was published in the State Register on August 2, 1993. Two public informational meetings were held on August 11, 1993 and August 27, 1993 to discuss the hazardous waste fee rule amendments. In addition to the above general informational meetings, Agency staff conducted a separate meeting on September 20, 1993 for generators affected by the proposal to include sewerage waste in the hazardous waste quantity determinations for feeing purposes.

This statement of need and reasonableness can be made available in other formats, including Braille, large print and audio tape. TDD: (612) 297-5353 or 1-800-627-3529.

II. STATEMENT OF AGENCY'S STATUTORY AUTHORITY

The Agency's statutory authority to adopt the rules is set forth in Minn. Stat. § 116.12, which provides:

Subdivision 1. Fee Schedules.

The Agency shall establish the fees provided in subdivision 2 and 3 in the manner provided in section 16A.128 to cover the amount appropriated from the environmental fund to the Agency for permitting, monitoring, inspection, and enforcement expenses of the hazardous waste activities of the Agency.

The legislature may appropriate additional amounts from the general fund that need not be covered by fees, in order to

assure adequate funding for the regulatory and enforcement functions of the Agency related to hazardous waste. All fees collected by the Agency under this section shall be deposited in the environmental fund.

Subdivision 2. Hazardous waste generator fee.

(a) Each generator of hazardous waste shall pay a fee on the hazardous waste generated by that generator. The Agency shall adopt rules in accordance with chapter 14 establishing a system for charging fees to generators. The rules must include the basis for determining the amount of fees, and procedures and deadlines for payment of fees. The Agency shall base the amount of fees on the quantity of hazardous waste generated and may charge a minimum fee for each generator not exempted by the Agency. In adopting the fee rules, the Agency shall consider:

(1) reducing the fees for generators using environmentally beneficial hazardous waste management methods, including recycling;

(2) the Agency resources allocated to regulating the various sizes or types of generators;

(3) adjusting fees for sizes or types of generators that would bear a disproportionate share of the fees to be collected; and

(4) whether implementing clauses (1) to (3) would require excessive staff time compared to staff time available for providing technical assistance to generators or would make the fee system difficult for generators to understand.

(b) The Agency may exempt generators of very small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee.

(c) The Agency shall reduce fees charged to generators in counties which also charge generator fees to reflect a lesser level of activity by the Agency in those counties. The fees charged by the Agency in those counties shall be collected by the counties in the manner in which and at the same time as those counties collect their generator fees. Counties shall remit to the Agency the amount of the fees charged by the Agency by the last day of the month following the month in which they were collected. If a county does not collect or remit generator fees due to the Agency, the Agency may collect fees from generators in that county according to rules adopted under paragraph (a).

(d) The Agency may not impose a volume-based fee under this subdivision on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility. The Agency may impose a flat annual fee on a facility that generates the type of material described in the preceding sentence, provided that the fee reflects the reasonable and necessary costs of inspections of the facility.

Subpart 3. Facility fees. The Agency shall charge hazardous waste facility fees including, but not limited to, an original permit fee, a reissuance fee, a major modification fee, and an annual facility fee for any hazardous waste facility regulated by the Agency. The Agency shall adopt rules in accordance with chapter 14 establishing a system for charging hazardous waste facility fees. The Agency may exempt facilities otherwise subject to the fee if regulatory oversight of those facilities is minimal. The Agency may include reasonable and necessary costs of any environmental review required under chapter 116D in the original permit fee for any hazardous waste facility.

The Agency's obligation to review and, if necessary, to adjust the amount of fees is set forth in Minn. Stat. § 16A.128, subd. 1a which provides:

Subdivision 1a. Approval. Fees for accounts for which appropriations are made may not be established or adjusted without the approval of the commissioner. If the fee or fee adjustment is required by law to be fixed by rule, the commissioner's approval must be in the statement of need and reasonableness. These fees must be reviewed each fiscal year. Unless the commissioner determines that the fee must be lower, fees must be set or fee adjustments must be made so the total fees nearly equal the sum of the appropriation for the accounts plus the Agency's general support costs, statewide indirect costs, and attorney general costs attributable to the fee function.

Under these statutes the Agency has the necessary statutory authority to adopt the proposed rules.

III. STATEMENT OF NEED

Minn. Stat. ch. 14 requires the Agency to make an affirmative presentation of facts establishing the need for and reasonableness of the rules as proposed. In general terms, this means that the Agency must set forth the reasons for its proposal, and the reasons must not be arbitrary or capricious. However, to the extent that need and reasonableness are separate, need has come to mean that a problem exists which requires administrative attention, and reasonableness means that the solution proposed by the Agency is appropriate. The need for the rules is discussed below.

By statute, the legislature establishes the amount that the Agency shall collect through fees for each biennium. This amount is known as the "biennial target". The Agency is required by Minn. Stat. § 16A.128, subd. 1a to review its fees each fiscal year to determine whether revenues from fee collection will nearly equal the established biennial target. If the Agency determines that biennial fee revenues will either exceed or fall short of the biennial target, the Agency is required to amend the fees accordingly. The biennial target for fiscal year (FY) 1994 nearly equals the estimated fee revenues.

In 1993, the legislature made changes to Minn. Stat. § 116.12 requiring that fees be based on the quantity of hazardous waste generated with consideration given to reducing fees for generators using environmentally beneficial hazardous waste management methods such as recycling. This statutory change requires structural changes in the fee rules. Also, included in the 1993 statutory changes is a provisions that enables the Agency to adopt a fee formula in rule allowing adjustments to facility and generator fees to be implemented annually, if necessary, without rulemaking.

Need is a broad test that does not easily lend itself to evaluation of each proposed revision. In a broad sense, the need for the proposed amendments to the hazardous waste fee rules is based on the need to comply with the legislative mandate to provide for an equitable distribution of fees based on statutory criteria.

IV. STATEMENT OF REASONABLENESS

The Agency is required by Minn. Stat. ch. 14 to make an affirmative presentation of facts establishing the reasonableness of the proposed rules. Reasonableness is the opposite of arbitrariness or capriciousness. It means that there is a rational basis for the Agency's proposed action. The reasonableness of the proposed rules is discussed below.

The hazardous waste fee rule amendments are proposed in response to the 1994-1995 appropriations bill which requires the Agency to adjust fee revenues to meet program costs and to the 1993 changes in the fee statute (Minnesota Laws 1993, ch. 279). The fee revenue target established for FY 1994 is \$2,158,000. Revenues for FY 1994 are estimated to be nearly equal to the fee revenue target. Changes in the fee amounts are primarily attributable to changes in the structure of the fee rules based on the 1993 statutory changes. The proposed fee schedule equitably distributes program administrative costs among persons subject to the rules.

The 1993 revision to Minn. Stat. § 116.12 subp. 2, includes a requirement to base the fees on quantity and includes the following criteria for consideration when adopting fee rules:

- (1) reducing the fees for generators using environmentally beneficial hazardous waste management methods, including recycling;
- (2) the Agency resources allocated to regulating the various sizes or types of generators;

- (3) adjusting fees for sizes or types of generators that would bear a disproportionate share of the fees to be collected; and
- (4) whether implementing clauses (1) to (3) would require excessive staff time compared to staff time available for providing technical assistance to generators or would make the fee system difficult for generators to understand.

Changing the hazardous waste generator fees to be based on the management of the waste as well as the quantity of the waste represents a major change in the distribution of hazardous waste fees. With this change it is reasonable that fees for many businesses increase or decrease significantly. The Agency has taken this opportunity to simplify the fee rules by replacing the base fee with a minimum fee. The current fee system consists of a three part fee that includes a base fee, a volume fee, and a statewide program fee. Under the proposed changes, the generator fee consists of a quantity fee (adjusted by management methods factors) or a minimum fee, whichever is greater, and a statewide program fee.

Considering the above criteria, the Agency believes that the following changes are reasonable and would result in the collection of adequate funds to meet the FY 1994 target set by the legislature:

The following discussion addresses the reasonableness of the specific provisions of the amendments to Minn. Rules pts. 7046.0010 to 7046.0070.

A. Minn. Rules pt. 7046.0010 Definitions

Amendments to the definitions are to correct statutory references and to make minor modifications to reflect changes in the content of the rule.

Subpart 6 is amended to correct a statutory reference citation. Minn. Stat. § 116.06 has been renumbered. There is no change in the definition.

Subpart 18 is amended to delete the word "liquid" because it is unnecessary. The definition of "sewered waste" remains unchanged from "sewered liquid waste".

Subpart 24 is repealed. The term "unsewered liquid wastes" is not in chapter 7046 therefore the definition is not needed.

B. Minn. Rules pt. 7046.0020 Hazardous Waste Facility Fees

Subpart 1 is amended to included items C and D when determining a facility fee. Item C provides the formula for calculating permit reissuance fees which is 50 percent of the facility's permit application fee. Item D provides the formula for calculating major modification fees which is 33 percent of the facility's permit application fee. These percentages are not a change from the Agency's previous formulas for determining the rates detailed in the rate tables. With the new language and structure it is easier for the regulated community to understand the Agency's methods for determining facility permit reissuance and major modification fees.

Subpart 1 also is amended to increase all types of facility fees by 12.4 percent. Minn. Stat. § 116.12 requires the Agency to recover program costs in proportion to the program resources allocated to the regulated entities. In developing the proposed fee amendments, Agency staff reassessed the division of time to determine the amount of effort spent on hazardous waste facilities compared to metropolitan and nonmetropolitan area generators. The Agency staff determined that 75 percent of the Agency hazardous waste program efforts are attributable to hazardous waste generators and 25 percent to hazardous waste facilities. Based on the 25 percent of program resources allocated to facilities and the FY 1994 revenue target, the fees for facilities are increased by 10 percent. The increase is due primarily to the fact that there are fewer

facilities to share the facility proportion of the program costs. Currently there are 38 hazardous waste treatment, storage, or disposal facilities in the state of Minnesota. The FY 1994 target for facilities is \$539,500 or 25 percent of the total target of \$2,158,000.

Additionally, subpart 1 provides that facility fees will be adjusted by formula annually without requiring the Agency to go through the rulemaking process. See item H for discussion.

Subpart 5 changes the due date for facility fee payments from June 30 to June 15. It also provides that the date of receipt is the date of postmark if mailed or the date of Agency receipt if hand-delivered. The change in due date is reasonable because the end of the state fiscal year is June 30. In the past, the June 30 due date made it difficult to credit the payments in the appropriated fiscal year since the state's fiscal year ends on June 30. The additional 15 days will assist the Agency with their accounting procedures without imposing a significant burden on the facility owners.

Subpart 6 changes the method and amount assessed for late fees. A facility owner or operator will be assessed a late fee for each 30 day period that the fee remains unpaid. The late fee will be ten percent of the annual facility fee for each of the first two 30 day periods and 15 percent of the annual facility fee for each 30 day period. Previously, facilities had a 30 grace period and late fees were assessed beginning at a 20 percent of annual fee level. The change is made to be consistent with the late fee structure provided for generator fees. It is reasonable to make the late payment methods and amounts similar since many facilities are also generators.

C. Minn. Rules pt. 7046.0031 Nonmetropolitan Area Generator Fees

Subpart 1 is changed to reflect the new two-tiered fee structure. See subp. 4 for an explanation of the structure. The term "nonmetropolitan area" is deleted because part 7046.0031 is addressed exclusively to nonmetropolitan area generators. Therefore, the term does not need to be repeated in the context of this part.

Additionally, subpart 1 provides that nonmetropolitan area generator fees will be adjusted by formula annually without requiring the Agency to go through the rulemaking process. See item H for discussion.

Subpart 2, the exemption for nonmetropolitan area generators that generate less than 100 pounds of hazardous waste in a calendar year, has been moved to Minn. Rules pt. 7046.0050, subp. 1a. without change. This is done to create a logical flow of information.

Subpart 2a deletes the fee adjustment requirement for very small quantity generators who change size category. The Agency currently does not have the resources available to adjust the fees on a case-by-base basis. The Agency chooses to wait until the next fee cycle to assess the fee at the larger size category.

Subpart 4 is changed to read "quantity" instead of "volume" and "minimum" instead of "base". These changes more accurately reflect the proposed fee amendments.

Subpart 4. item A is changed to require a minimum fee of \$66 from all generators. This minimum fee helps to ensure that all generators pay a fair share of administrative costs and to ensure that the distribution of fees is gradual from one generator to the next. Under the current system a base fee is

added to each generator's fee. Currently the base fees are:

\$62 for very small quantity generators

\$130 for small quantity generators

\$350 for large quantity generators

The \$68 difference and the \$220 difference between base fees for these three generator size categories currently creates a significant disparity for those generators who are close to the cut off points for generator size. Under the proposed changes the base fee is eliminated. Those generators close to the cut off points will now pay similar fees.

Subpart 4. item B eliminates the base fee and sets forth the method for determining quantity fees for a generator's hazardous waste streams. In accordance with the 1993 statutory amendment to Minn. Stat. § 116.12, quantity fees must be paid by all generators of hazardous waste with consideration given to environmentally beneficial management methods where appropriate. Generators of hazardous waste who use sewerage as a management method will be assessed a hazardous waste fee. This waste stream has previously been exempt from fees. The removal of the exemption for hazardous waste that is sewerage is consistent with the legislative directive to assess fees based on quantities generated with consideration given to environmentally beneficial management methods where appropriate.

The quantity rate structure was established with five steps for several reasons. First, a single step rate would have required about 5 percent of the generators to pay 95 percent of the fees. This would have been unfair and contrary to Minn. Stat. § 116.12. Second, multiple steps enable the fee burden to be placed more equitably on various sizes and types of generators. Third,

placing a cap on fees for waste streams in excess of 500,000 pounds ensures that those few businesses having very large waste streams will not pay excessive fees.

Sewered waste in the past has been exempt because formerly the management factors were based on the administrative time of dealing with certain waste streams. Also, the Agency determined that sewered waste was not transported over the roads; therefore, there was less potential for environmental damage. Since then, the Agency has determined that enforcement staff have spent a significant amount of time dealing with improper sewerage of waste from businesses that have electroplating operations. In addition, many wastewater treatment plants accept wastes that they cannot effectively treat, such as wastes containing heavy metals.

The Agency contends that hazardous waste generators in the fee system have been assessed more than their share of fees and that those who sewer wastes have been assessed less than their share. It is reasonable to adjust fees in this area to attain a more equitable distribution.

Management method factors to reduce the fee will apply when the sewered waste is pretreated. For sewered hazardous waste that is pretreated to a nonhazardous state, the quantity fee will be reduced by 50 percent (this is the lowest category for any hazardous waste under this proposal). For sewered hazardous waste that is pretreated but remains hazardous, the quantity fee will be reduced by 30 percent.

Subpart 6 changes the due date on hazardous waste fees to 50 days for large and small quantity generators and 35 days for very small quantity generators after the date the Agency mails the fee statement. Formerly the language read 30 days after the date of receipt or the first day of the

calendar quarter, whichever is later. This change will eliminate much of the uncertainty surrounding the due date for the original fee and any delinquent fees that may be due at a later date. It will also help to increase the accuracy of the Agency's tracking of fee payments. A longer lead time was desired by businesses whose internal processes require more time to issue a check.

In addition, there are minor language modification. As in subp. 1, the term "nonmetropolitan area" is deleted because Minn. Rules pt. 7046.0031 is addressed exclusively to nonmetropolitan area generators.

Subpart 7 makes minor language modifications. As in subp. 1, the term "nonmetropolitan area" is deleted because Minn. Rules pt. 7046.0031 is addressed exclusively to nonmetropolitan area generators.

Subpart 8 adds a nonrefundable late penalty of \$25.00 to the fee for a late submittal of a license renewal. This applies to large and small quantity generators only. It is reasonable to use a penalty to ensure that license renewals are received by the due date so that fees can be calculated and sent on time and collected before the end of the fiscal year. In addition, the fee statements are based on information received in the license renewal application and not sent until the license renewal applications are received by the Agency. Therefore, a generator could delay the mailing of their fee statement without any financial penalty. This is not an equitable situation when compared with generators who submit their license renewals on time.

D. Minn. Rules pt. 7046.0040 Generator Statewide Program Fee

The statewide program fee is revised from 52 percent to 51 percent. The reduced percentage is calculated based on estimated fee revenues for FY 1994 and the legislative appropriation for the Hazardous Waste Program.

The method of calculation is detailed in the fee formula (Minn. Rules pt. 7046.0060). Financial data used for the FY 1994 calculations is provided in Exhibit No. 2. The proposed changes also provide that the statewide program fee will be adjusted by formula annually without requiring the Agency to go through the rulemaking process. See item H for discussion.

E. Minn. Rules pt. 7046.0045 Retroactive Fee

Subpart 1 limits retroactive fees to small and large quantity generators. The 1992 fee rule amendments had included very small quantity generators under the retroactive fee requirement. At that time the Agency anticipated doing extensive outreach to inform small businesses in Greater Minnesota of the hazardous waste regulatory requirements including licensing and fees. The Agency has determined that its outreach efforts are not sufficiently complete to justify a retroactive fee for very small quantity generators. At a later time the fee may be reinstated.

Subpart 2 is repealed. The information is included in subpart 1 without change.

Subpart 3 changes "volume" to "quantity" for consistency throughout the chapter. Revisions in methodology for computing retroactive fees are made because base fees under Minn. Rules pt. 7046.0031 are eliminated. Retroactive fees are now based on the two-tier system of quantity and statewide program fees.

F. Minn. Rules pt. 7046.0050 Generator Fee Exemptions

Subpart 1a exempts nonmetropolitan area generators that generate less than or equal to 100 pounds of hazardous waste in a calendar year. This provision is not new but relocated from Minn. Rules pt. 7046.0031, subp. 2. Its placement in this part is more logical.

Subpart 2a exempts special waste from hazardous waste generator fees.

The rule amendments propose that "special wastes" be exempted from generator fees. These include such wastes as fluorescent lamps, fluorescent light ballasts, batteries, electrical switches, thermostats, thermometers, antifreeze, circuit boards, photographic negatives, capacitors from appliances, and used oil that is recycled or burned for energy recovery. These wastes are widely dispersed and often generated in very small amounts on a sporadic basis. As such they are not amenable to full-scale hazardous waste regulation and the fees associated with such regulation. Agency staff is currently working on a pilot project to collect "special wastes" under streamlined management requirements. Imposing a fee on "special wastes" at this time would be detrimental to the Agency's developing approach to these materials.

Minn. Stat. § 116.12, subd. 2, item (b), allows the Agency to exempt generators of very small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The Agency finds that to be the case with "special wastes".

G. Minn. Rules pt. 7046.0060 Fee Formula

The Agency also proposes to incorporate into the rule a fee formula. New statutory language in Minn. Stat. § 116.12 enables the Agency to proceed with this new approach. The fee formula allows adjustments to facility and generator fees annually without the expense and the time delay required under the rulemaking process. Agency staff would be able to access annually whether a change in the fee rates was needed for projected revenues to nearly equal the legislative appropriation. If an increase or decrease in fee rates was needed, the process to make the change would likely take two to three months instead of

the six months needed for a rule amendment. Public participation would occur when the fee proposal was published in the State Register and presented to the Agency Board for formal approval. Any changes to the formula or the structure of the fee rule would still require a rule amendment under Minn. Stat. ch. 14.

H. Minn. Rules pt. 7046.0065 Adoption of Fee Adjustment

This part requires that the Agency approve and adopt fee adjustments under Minn. Rules pt. 7046.0060. If an adjustment to fees is required, the commissioner will prepare a fee modification proposal. The fee modification proposal will include the proposed new rates for facilities and generators and will be published in the State Register at least 20 days before the proposal is presented to the Agency board for approval.

A fee formula is included in the rules so that rulemaking will not have to occur each time the fee target set by the legislature changes. The formula language sets forth in detail the process the Agency uses to adjust fees. It is essentially a mathematical formula with variables. The primary variable is the legislative appropriation. The Agency contends that the formula provides a method that meets the statutory requirements and equitably distributes the program costs. Annual adjustments to the fees using the fee formula will be brought before the Agency Board for formal approval. This process will provide a forum for public comment.

I. Minn. Rules pt. 7046.0070 Appeal Procedure

The requirement that hazardous waste generator fees must not exceed the hazardous waste generator fees assessed by the metropolitan area county with the highest fee structure is deleted. Changes to Minn. Stat. § 116.12 in 1993 deleted the companion statutory requirement. It is therefore reasonable to repeal the comparable rule provision.

V. SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

Minn. Stat. § 14.115, subd. 2, requires the Agency, when proposing rules which may affect small businesses, to consider the following methods for reducing the impact on small businesses:

- (a) the establishment of less stringent compliance or reporting requirements for small businesses;
- (b) the establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
- (c) the consolidation or simplification of compliance or reporting requirements for small businesses;
- (d) the establishment of performance standards for small businesses to replace design or operational standards required in the rule; and
- (e) the exemption of small businesses from any or all requirements of the rule.

The proposed rules may affect small businesses as defined in Minn. Stat. § 14.115. As a result, the Agency has considered the above-listed methods for reducing the impact of the rule on small businesses. In drafting the amendments the Agency considered whether it could reduce the impact of the rules on small businesses and yet attain the statutory requirement to collect the legislatively mandated biennial target. The important consideration in the regulation of hazardous waste is the quantity of hazardous waste generated, stored, treated or disposed of, not the size of the business. Differentiations based on business size may or may not reflect the quantity of hazardous waste under regulation. Therefore, it is not reasonable to assess fees on the basis of business size as this may have little relation to the efforts the Agency expends regulating hazardous waste activities.

Many generators of hazardous waste may qualify for the small business status. It is reasonable to provide for some consideration for very small quantity generators, and in many cases these very small quantity generators will also be small businesses. The fee exemption provided in the existing rules for generators who generate less than 10 gallons or 100 pounds of hazardous waste in a year has been retained in the proposed amendments. In addition, generators producing less than 264 gallons or 2640 pounds of hazardous waste in a year will not be assess a quantity fee. Instead they will be charged a flat minimum fee. This greatly simplifies the annual reporting and the fee calculations for the businesses.

The amendments increase facility fees by 10 percent. It is unlikely that any of the disposal, treatment, or storage facilities qualify for small business status.

VI. CONSIDERATION OF ECONOMIC FACTORS

In exercising its powers, the Agency is required by Minn. Stat. § 116.07, subd. 6, to give due consideration to economic factors. The statute provides:

In exercising all its powers, the Pollution Control Agency shall give due consideration to the establishment, maintenance, operation and expansion of business, commerce, trade, industry, traffic, and other economic factors and other material matters affecting the feasibility and practicability of any proposed action, including, but not limited to, the burden on a municipality of any tax which may result therefrom, and shall take or provide for such action as may be reasonable, feasible, and practical under the circumstances.

In proposing these amendments, the Agency has given due consideration to available information as to any economic impacts of the proposed amendments and has determined that they will have an economic impact on the regulated community. However, due consideration was given to information provided to the

Agency since the hazardous waste fee rules were first enacted. The Agency assessed this information and has attempted in these rule amendments to proportionally distribute the hazardous waste fees among all business within the requirements established by Minn. Stat. § 116.12.

VII. COSTS TO LOCAL PUBLIC BODIES

Minn. Stat. § 14.11, subd. 1, requires the Agency to include a statement of the rule's estimated costs to local public bodies in the notice of intent to adopt rules if the rule would have a total cost of over \$100,000 to all local bodies in the state in either of the two years immediately following adoption of the rule. Increased fee collection for local public bodies will be less than \$100,000. Hazardous waste facility and generator fees are primarily collected from private businesses. Revenues for FY 1994 are estimated to nearly equal the fee revenue target.

VIII. COMMISSIONER OF FINANCE APPROVAL OF FEE

As required by Minn. Stat. § 16A.128, subd. 1, the Commissioner of Finance has approved the fees proposed in this rule. The Commissioner of Finance's approval is attached as exhibit 1.

X. LIST OF EXHIBITS

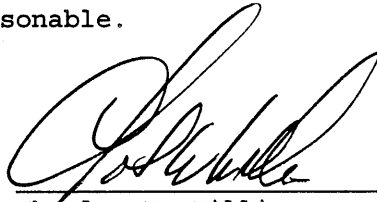
In support of the need for and reasonableness of the proposed rules, the following exhibits will be entered into the hearing record by the Agency:

Exhibit No.	Document
1.	Commissioner of Finance Approval
2.	Fiscal Year 1994 Financial Data
3.	Minnesota Laws 1993, ch. 279 (to be codified at Minn. Stat. § 116.12)
4.	Comment Letters

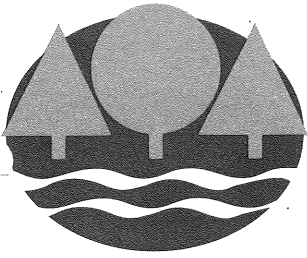
XI. CONCLUSION

Based on the foregoing, the proposed Minn. Rules pts. 7046.0010 to 7046.0070 are both needed and reasonable.

Dated: 9/28/93



Charles W. Williams
Commissioner



Minnesota Pollution Control Agency

October 6, 1993

Ms. Maryanne Hruby, Director
Legislative Commission to Review Administrative Rules
55 State Office Building
St. Paul, Minnesota 55155

Dear Ms. Hruby:

As required by Minn. Rules ch. 14, I am forwarding a copy of the Statement of Need and Reasonableness (SONAR) for the proposed rule amendments to Minn. Rules ch. 7046 governing hazardous waste facility and generator fees. The Notice of Hearing will be published in the October 11, 1993 State Register.

If you have any questions, please contact me at 612/297-8371.

Sincerely,

A handwritten signature in cursive script that reads "Jeanne Eggleston".

Jeanne Eggleston
Rules Unit
Program Development Section
Hazardous Waste Division

JE/jmp

Enclosure

