

## BUDGET:

### Oil and Gas Conservation Commission – BRB Technical Correction

During the previous legislative session, ADEQ acquired the administrative responsibilities of the Oil and Gas Conservation Commission. The current permit fee of \$25 was placed into statute in 1951 and is grossly insufficient to sustain the program and provide customers the high quality and timely permit reviews and field inspections necessary to ensure environmentally responsible economic growth throughout the state. When administrative responsibilities were transferred, a correction in the fee authority was inadvertently omitted. ADEQ proposes to remove the existing \$25 fee in statute, replace with fee rule authority and clarify that revenues collected can be used for all necessary administrative functions. This correction will appear in the ADEQ Budget Reconciliation Bill.

*Impacted statutes: ARS §27-513 and 515; ARS §49-104*

## SUNSET EXTENSIONS:

### Waste Tire Disposal Fees and Administration of Waste Tire Program by Counties

Improper storage and illegal disposal of waste tires pose a risk to public health and the environment by creating a habitat for mosquitoes, rodents and other disease-causing organisms and by creating a fire hazard. The Waste Tire Program was established to create a regulatory framework and funding source to ensure proper storage and disposal of waste tires. The program is funded through a fee collected when new tires are purchased. The fee is 2 percent of the purchase price of each tire (not to

exceed \$2). ADEQ receives approximately \$300,000 annually to enforce program requirements, and the remainder of the revenue (approximately \$8.8 million) is distributed to counties to manage waste tire collection, processing and disposal programs. Many counties contract these services, providing economic benefit to local businesses. ADEQ proposes to extend the sunset date from 2017 to 2027 and will partner with the County Supervisors Association to pursue this extension (extension duration TBD).

*Impacted Statutes: ARS §44-1302 and 1305*

### VEI Testing Requirements

Amendments to the ADEQ Vehicle Emissions Inspections Program were enacted in 2014 (HB2226). Several of these amendments will expire on July 1, 2017, unless approved by the Environmental Protection Agency as part of Arizona's State Implementation Plan or an extension is enacted.

The 2014 amendments were designed, in part, to clarify ARS §49-542 (F), but also included the following substantive changes:

- Allows the use of On-Board Diagnostics (OBD), rather than tailpipe testing, to test diesel vehicles equipped with OBD (OBD testing is more stringent than the current tailpipe test method and takes less time)
- Allows dealer fleets to perform OBD testing on vehicles in "Area A" and "Area B"
- Exempts cranes and oversized vehicles from emissions testing
- Exempts vehicles not in use and owned by out-of-state military personnel from emissions testing
- Removal of the catalytic efficiency test in "Area A" [ARS §49-542 (R)] (Testing equipment is antiquated and expensive to maintain. OBD system performs the check done by the catalytic efficiency test.)

Due to staffing limitations and the complexity of obtaining approval from the Environmental Protection Agency for modifications to the existing State Implementation Plan, ADEQ is unlikely to meet the July 1, 2017, deadline. ADEQ proposes to extend the deadline to July 1, 2020.

Under the existing version of the statute, the VEI program has the option of performing a tailpipe test on an OBD-equipped vehicle. In the absence of this option, drivers of OBD vehicles with systems that are not yet ready would be forced to leave and return for testing when their systems are ready. The conditionally enacted amendments in HB 2226 inadvertently removed this option. ADEQ supports reinstating it, so that it is available when EPA approves the amendments.

*Statute and Session Law Impacted: ARS §49-542 and Laws 2014, 2nd Regular Session, Chapter 89, Paragraph 6*

### Technical Assistance for Small Business Compliance Advisory Panel

This panel is mandated by the Clean Air Act (42 USC § 7661f) for the purpose of providing compliance methods, pollution prevention techniques and alternative methods of operation to prevent air pollution. The panel is set to sunset July 1, 2017. ADEQ proposes to extend this panel until July 1, 2020, consistent with most other programs within ADEQ regulatory jurisdiction.

## SIMPLIFYING REGULATION – OMNIBUS BILL:

In response to Executive Order 2015-01 issued by Governor Ducey, ADEQ conducted a comprehensive review of existing statute and rule to identify regulations that can be simplified or eliminated to reduce regulatory burden while continuing to promote environmentally responsible economic growth. The following proposed changes will ameliorate duplicative, contradictory or unnecessary statutes.

### Septage Hauler

The current regulatory framework requires both the state and some counties to inspect and issue licenses to septage haulers. Both ADEQ and some counties also levy fees for septage hauler inspections. This redundant regulatory structure has no environmental benefit and places redundant regulatory and fiscal burdens on regulated haulers. ADEQ proposes to modify the statute to allow ADEQ flexibility when regulating septage haulers. If ADEQ successfully enacts this provision, a robust and collaborative stakeholder process would be initiated to determine which counties are impacted by redundant requirements and eliminate those redundancies by rule.

*Statute Impacted: ARS § 49-104*

### Dry Well Driller Licensing

Both ADEQ and the Arizona Registrar of Contractors have authority to register individual dry well drillers. Because the ROC already has a robust registration program, ADEQ has not utilized existing rule writing authority to create a registration program. The proposed amendment would eliminate the requirement for ADEQ to adopt rules regulating dry well drillers, thus eliminating the possibility of redundant regulatory oversight.

*Impacted Statute: ARS §49-333*

### ADEQ Recycling Emblem

Existing statute mandates the establishment of an official state recycling emblem and prescribes certain aspects of its availability and use. The requirement provides no value to ADEQ and eliminates the agency's ability to modernize and fully utilize the recycling logo. ADEQ proposes to eliminate statutory requirements for rules regarding a state recycling emblem.

*Impacted Statute: ARS §49-833, R18-13-2501*

### State-owned Hazardous Waste Facilities

This provision was originally enacted in response to a proposal to construct a highly controversial hazardous waste disposal facility on state-owned land south of Phoenix. That facility was never constructed. If a hazardous waste disposal facility is constructed in the future, issues related to transportation to and from the facility would be regulated under the jurisdiction of the Department of Transportation, not ADEQ. ADEQ proposes to eliminate this duplicative transportation requirement for hazardous waste shipments.

*Impacted Statute: ARS §49-905*

### Toxic Substances List

The toxic substances list (required in rule by A.R.S. §49-968) is outdated and contradictory to ARS §§ 49-961(9) and 49-962(C) because these provisions require the use of the most current federal Toxic Substances List. ADEQ proposes to eliminate the outdated and contradictory provision.

*Impacted Statute: ARS § 49-968*

## UNDER CONSIDERATION:

### Public and Semi-Public Swimming Pool Design Specifications

ADEQ is required by statute to enact public and semi-public swimming pool design specification rules. ADHS and many county health departments also regulate the design of public and semi-public swimming pools. ADEQ proposes to eliminate the requirement that ADEQ maintain design rules.

### ADEQ Contact:

Amanda E. Stone  
Chief Policy and Legislative Affairs  
Officer  
Arizona Department of Environmental  
Quality  
[Stone.Amanda@azdeq.gov](mailto:Stone.Amanda@azdeq.gov)  
(Phoenix Office) 602-771-2248  
(Tucson Office) 520-628-6883  
(cell) 602-540-7657