



Solid Waste Fee Rule

*Third Informal Stakeholder Meeting
Rule Updates*

July 18, 2024



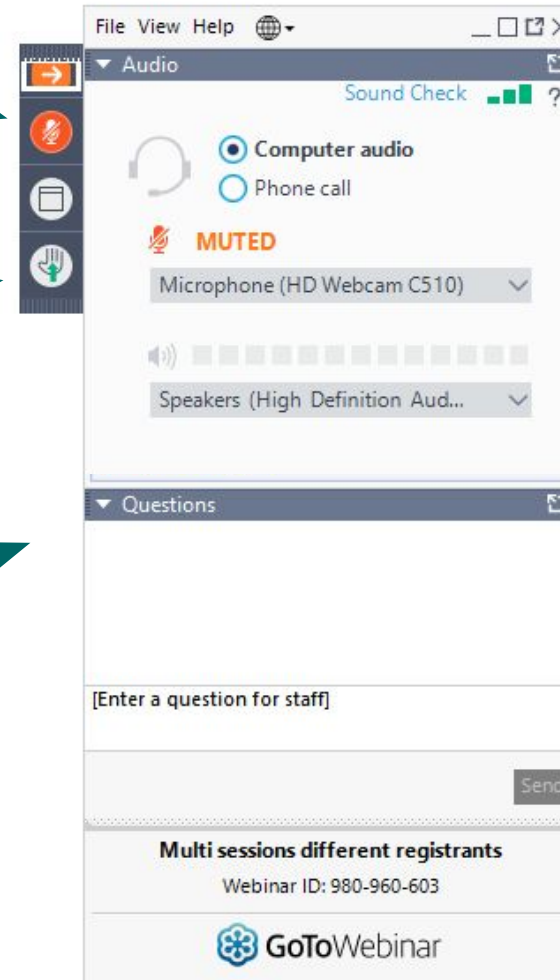
Clean Air, Safe Water,
Healthy Land for Everyone



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WELCOME!

Executive Sponsor: Julie Riemenschneider, Director, Waste Programs Division
Section Manager: Samantha Roberts, R.G., Solid & Hazardous Waste Section
Unit Manager: Brandi Hall, JD MA, Solid Waste Unit
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Agenda

1. Rule Updates
2. CPI Discussion
3. Post-closure Care Discussion
4. New Tire Sale Fee Explanation
5. Fees Methodology Explanation



Formatting Explanation & Disclaimer

- Underlined text represents new proposed rule language;
- ~~Struck through text~~ represents existing rule language to be deleted; and
- Unmodified text represents unchanged existing rule language.

The following rules text slides contain the relevant and substantive portions of those rule provision that have been updated (shown in **highlight**) since the 6/27/2024 draft rule on the ADEQ website, but do not necessarily represent all language of the rule text.

For changes to existing fees: **CPI** indicates an increase based on a CPI adjustment; and **CPI+** indicates an increase beyond a CPI adjustment.

In addition to non-substantive and technical changes, substantive changes to the 6/27/2024 draft rule on the ADEQ website include:

- R18-13-702, Plan Review Fees:
 - Initial plan review fees remain unchanged and will not be subject to an annual CPI adjustment;
 - “Solid Waste Landfills – Type IV – RD&D” category of fee for plan modification now deleted; and
- R18-13-1410(D): establishes separate annual registration fee for BMW transfer facilities of \$3,000.

Rule Text Update: Plan Review

Updated Fees

CPI

R18-13-702. Solid Waste Facility Plan Review Fees

	Current Fees		New Fees	
	Initial	Maximum	Initial	Maximum
Fees for Plan Review of New Solid Waste Facilities				
Solid Waste Landfills	\$20,000	\$200,000	same	\$297,047
Non-APP requirements for Non-MSWLFs operating under an APP	\$2,000	\$50,000	same	\$74,262
Other Solid Waste Facilities Subject to Plan Approval	\$10,000	\$100,000	same	\$148,524
	Current Fees		New Fees	
	Initial	Maximum	Initial	Maximum
Fees for Modifications to Solid Waste Facility Plans				
Solid Waste Landfills - Type IV	\$1,500	\$150,000	same	\$222,786
Solid Waste Landfills - Type IV - RD&D	\$15,000	\$150,000		
Solid Waste Landfills - Type III	\$750	\$75,000	same	\$111,393
Other Solid Waste Facilities Subject to Plan Approval - Type IV	\$750	\$75,000	same	\$111,393
Other Solid Waste Facilities Subject to Plan Approval - Type III	\$500	\$50,000	same	\$74,262
	Current Fees		New Fees	
	Initial	Maximum	Initial	Maximum
Fees for Review of Financial Responsibility Plans for Facilities				
Annual Review for Solid Waste Landfills	\$600 flat fee		\$891 flat fee	
Other Solid Waste Facilities	\$200	\$5,000	same	\$7,426
	Current Fees		New Fees	
Hourly Rate	\$122	Per Hr	\$181	Per Hr

- Initial fees unchanged and no longer subject to annual CPI adjustment.

Rule Text Update: BMW – Facilities

New Fees

R18-13-1410. Storage, Transfer, Treatment, and Disposal Facilities; Facility Plan Approval; Fees

- A.** A person shall obtain solid waste facility plan approval from the Department as prescribed in A.R.S. § 49-762.04 and pursuant to R18-13-702 to construct any facility that will be used to store, transfer, treat, or dispose of biohazardous medical waste that was generated off site. Plan approval shall be obtained before starting construction of the medical waste treatment or disposal facility. This requirement also applies to solid waste facilities for which an operator self-certifies under A.R.S. § 49-762.05, if the facility also will receive biohazardous medical waste.
- D.** Annual registration fee. The Department shall bill an annual registration fee to a biohazardous medical waste facility described in subsection (A) as follows:
1. For a disposal or treatment facility, \$12,500;
 2. For a storage facility, \$7,500; and
 3. For a transfer facility, \$3,000.
- E.** A facility subject to more than one fee under subsection (D) shall only pay the highest fee amount.
- F.** The biohazardous medical waste facility shall pay the annual registration fee within 30 days of invoice receipt.

Updated Fees

CPI

ARTICLE 16. BEST MANAGEMENT PRACTICES FOR PETROLEUM CONTAMINATED SOIL

R18-13-1606. Fees

- A. In accordance with A.R.S. §§ 49-855(C)(2) and 49-863, the treatment, storage, or disposal facility in this state that first receives a shipment of PCS shall remit to the Department a fee of ~~\$4.50~~ **\$6.68** per ton but not more than ~~\$45,000~~ **\$66,835.67** per generator site per year for PCS that is transported to the facility.

PCS Generators & Facilities

New Fees

R18-13-1606. Fees [cont'd]

- B.** Initial registration fee. Upon making a request for a special waste identification number on a form as provided by the Director pursuant to Article 13, A generator of PCS shall submit to the Department an initial registration fee of \$900.
- C.** Annual registration fee. The Department shall bill an annual registration fee to a generator of PCS or special waste receiving facility that has received facility approval under R18-13-1607 that has not filed a notice of termination of registration with the Department as follows:
1. For a generator of PCS, \$750; and
 2. For a special waste receiving facility, \$5,000.
- D.** The generator of PCS or special waste receiving facility shall pay the annual registration fee within 30 days of invoice receipt.
- E.** In accordance with A.R.S. § 49-855(G), a solid waste landfill that pays registration fees under A.R.S. § 49-747 is exempt from the annual registration fee under subsection (B) of this Section.

Rule Text: Universal CPI Adjustment

All fees will be subject to a CPI adjustment based upon this methodology.

Beginning January 1, 2026, the Director shall adjust the fee amounts in **the relevant section** annually by the following method:

1. Multiply the amount by the October CPI for the most recent year and then divide by the October CPI for the year 2024. The October CPI for any year is the Consumer Price Index for All Urban Consumers, Phoenix-Mesa-Scottsdale, AZ, all items published by the United States Department of Labor at www.bls.gov/cpi/regional-resources.htm, for October of that year.
2. Round the result from paragraph (1) to the nearest cent. ADEQ shall post the new amounts on its webpage as soon as practicable.

CPI Adjustment Calculation & Example

Consumer Price Index for All Urban Consumers, Phoenix-Mesa-Scottsdale, AZ, all items (regional CPI)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2014													127.823	127.490	128.157
2015													128.019	127.288	128.749
2016													130.107	129.103	131.112
2017												134.361	133.324	132.653	133.995
2018		136.774		138.406		139.861		139.554		140.517		140.083	138.875	137.828	139.922
2019		139.660		141.642		142.997		143.760		145.833		144.910	142.920	141.214	144.626
2020		145.746		143.734		145.849		146.395		146.830		145.660	145.724	145.122	146.326
2021		147.186		150.787		153.672		153.931		157.254		159.850	153.032	149.750	156.315
2022		163.261		167.396		172.643		173.952		176.337		175.019	170.652	166.584	174.720
2023		177.118		179.824		180.251		180.387		181.391		179.733	179.497	178.778	180.216
2024		181.010		184.462											

adjusted fee = $\frac{\text{rule fee} \times \text{CY}}{\text{BY}}$

CY = current year; Oct CPI of year fee adjusted
 BY = base year; Oct 2024 CPI

[Bureau of Labor Statistics Data](#)

Example using Oct 2021 as **BY** and Oct 2022/2023 as **CY** for waste tire collection site annual fee:

adjusted fee = $\frac{\text{rule fee} \times \text{CY}}{\text{BY}}$ $\frac{(\$3,000 \times 176.337)}{157.254}$

FY2022 adjusted fee = \$3,364.14

$\frac{(\$3,000 \times 181.391)}{157.254}$

FY2023 adjusted fee = \$3,460.12

Example CPI Notification

< RETURN TO HAZARDOUS WASTE SECTION



WPD | HAZARDOUS WASTE

2024 Fees Update

Posted on: Feb. 9, 2024 - 3:30 p.m.

The following table includes annual fee changes for generation reporting (per ton and max) and permitting hourly fees. Changes will go into effect for the reporting year 2024. The first due date for these new fees is Q1 generation reporting on April 1.

Rule	Type	Previous Fee	New Fee
R18-8-260(M)(1)	Per Ton	\$87.00	\$89.92
	Max	\$256,000.00	\$266,648.00
R18-8-260(M)(2)	Per Ton	\$348.00	\$359.67
	Max	\$6,245,000.00	\$6,545,340.00
R18-8-260(M)(3)	Per Ton	\$34.83	\$36.00
	Max	\$206,000.00	\$212,905.00
R18-8-270(G)(6)	Hourly	\$175.00	\$180.87



Memorandum

azdeq.gov

Date: Feb 13, 2024
To: Hazardous Waste Generators subject to fees under A.A.C. Title 18 Chapter 8
From: ADEQ Waste Programs Division
Subject: Waste Programs Fee Rule - Consumer Price Index Adjustments

Pursuant to Arizona Administrative Code (A.A.C.) R18-8-260(M)(4), the amounts in subsections R18-8-260(M)(1), (2) and (3), and R18-8-270(G)(6) shall be updated annually before each April 1. This memorandum has been created in order to document the methodology for adjusting the applicable Waste Programs Division's fees.

A.A.C. R18-8-260(M)(4)(a):

"a. On or about January 15 after the calendar year to be updated, ADEQ shall use the United States Bureau of Labor Statistics CPI Inflation Calculator at bls.gov/data/inflation_calculator.htm, as follows unless updated:

- i. Insert the current maximum fee, per ton rate, or hourly rate in the first box.
- ii. Insert December of the calendar year 13 months previous in the before-inflation box. Insert the previous December in the after-inflation box.
- iii. Select "Calculate". The new maximum, per ton rate, or hourly rate for the billing period beginning January 1 will be shown."

Rule	Type	Previous Fee	New Fee
R18-8-260(M)(1)	Per ton	\$87.00	\$89.92
	Max	\$258,000.00	\$266,648.00
R18-8-260(M)(2)	Per ton	\$348.00	\$359.67
	Max	\$6,245,000.00	\$6,454,340.00
R18-8-260(M)(3)	Per ton	\$34.83	\$36.00
	Max	\$206,000.00	\$212,905.00
R18-8-270(G)(6)	Hourly	\$175.00	\$180.87

Landfill Post-Closure Care Fee

R18-13-2103(B) extends the existing annual fee for landfills during closure to apply during the full post-closure care period.

- **What is post-closure care?**

Following the completion of closure, the landfill is still subject to monitoring requirements for a period of at least 30 years. This period of continued monitoring is known as post-closure care. During this time, the landfill must be monitored for groundwater and methane generation, as well as maintenance conducted on the landfill cap, storm water control system, and leachate system.

- **Why is there an annual fee for landfills in post-closure care?**

ADEQ still has responsibility for regulatory oversight of landfills in post-closure care. This oversight includes inspections and records management. The annual fee is necessary for ADEQ costs to conduct this oversight. The post-closure care period and annual fee ends when the landfill is released from post-closure care obligations by the Director.

Updated Fees

CPI+

R18-13-2103. ~~Annual Landfill Registration: Due Date and Fees~~ Landfill Closure and Post-Closure Care Obligations; Fees

- C. B.** From the time a solid waste landfill stops accepting waste as specified in subsection ~~(B)~~ (A), until the owner or operator of the solid waste landfill ~~is released from its obligation to provide financial assurance for closure~~ has completed closure and is released from its obligation for post-closure care as required by A.R.S. §§ 49-761 or 49-770, the annual registration fee is ~~\$1,250~~ **\$3,500**.

Rule Explanation: New Tire Sellers Fee

Incorporated
Fees

CPI

New Title 22 of this rule, titled “New Tire Sellers”, incorporates the existing fee on the sale of new tires first established in 1991 currently codified at A.R.S. § 44-1302. This rule incorporates the fee as is, subject to a CPI adjustment and continuing annual CPI adjustment in the future.

- Fee: 2% of purchase price of each new tire sold, capped at \$4.66 per tire (cap subject to annual adjustment).

Rule Explanation: New Tire Sellers Fee cont'd

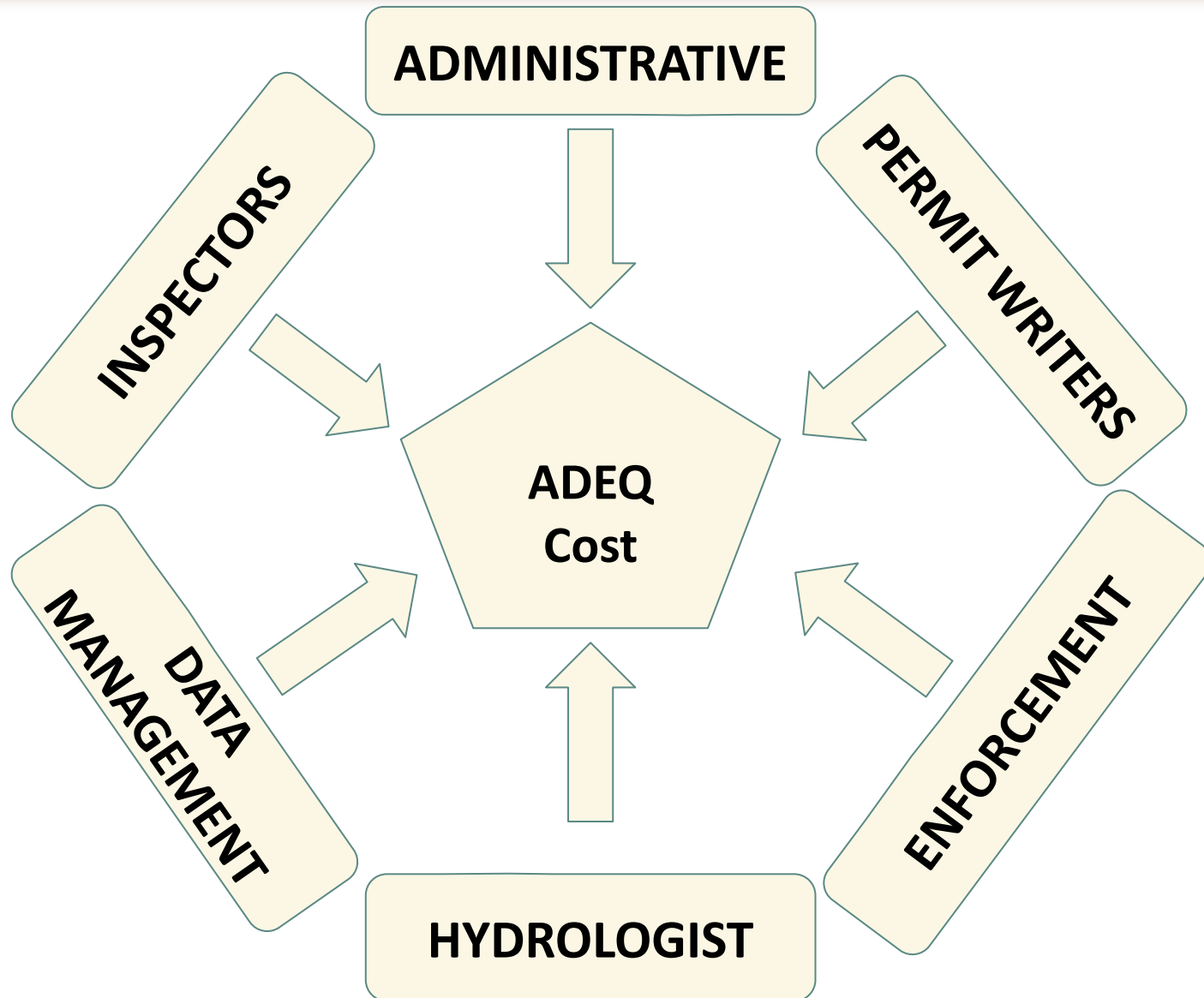
Incorporated
Fees

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Fee continues to be deposited into the Waste Tire Fund under A.R.S. § 44-1305. Distribution and prescribed uses of moneys from Waste Tire Fund unchanged:

- 3.5% of moneys from Waste Tire Fund deposited into Solid Waste Fee Fund for ADEQ monitoring and enforcing of waste tire disposal statutes (Title 44, Ch. 9, Art. 8). *See* A.R.S. § 44-1305(B)(1).
- Lesser of 5% or \$250,000 may be used by ADEQ for tire fire cleanup expenses if no other funds are available. *See* A.R.S. § 44-1305(B)(2).
- Remainder of moneys in Waste Tire Fund distributed among counties in proportion to the number of vehicles registered in the county. *See* A.R.S. § 44-1305(B)(3).
 - County to use funds for implementing a Waste Tire Program. *See* A.R.S. § 44-1305(C).

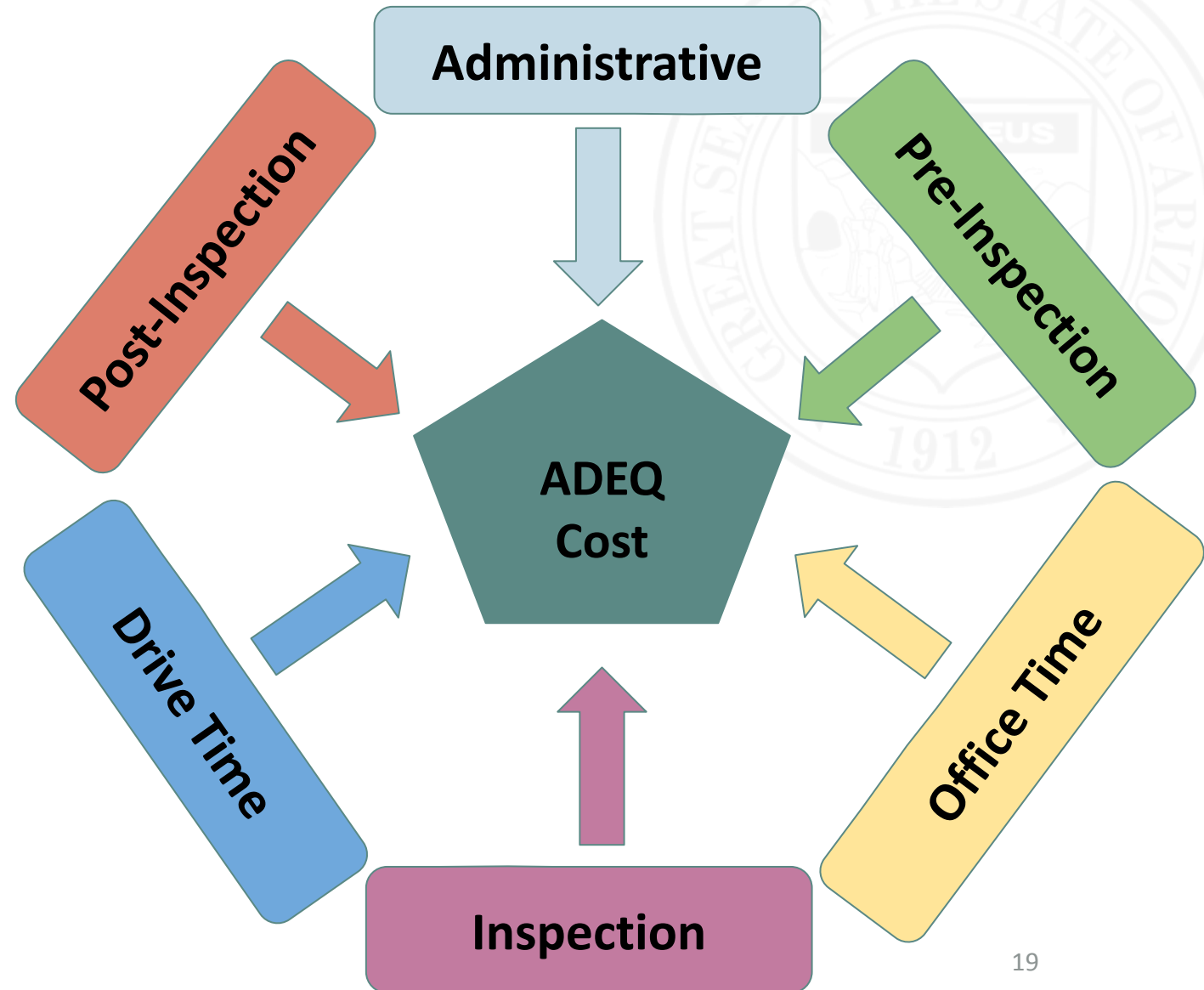
Methodology for Proposed Fees



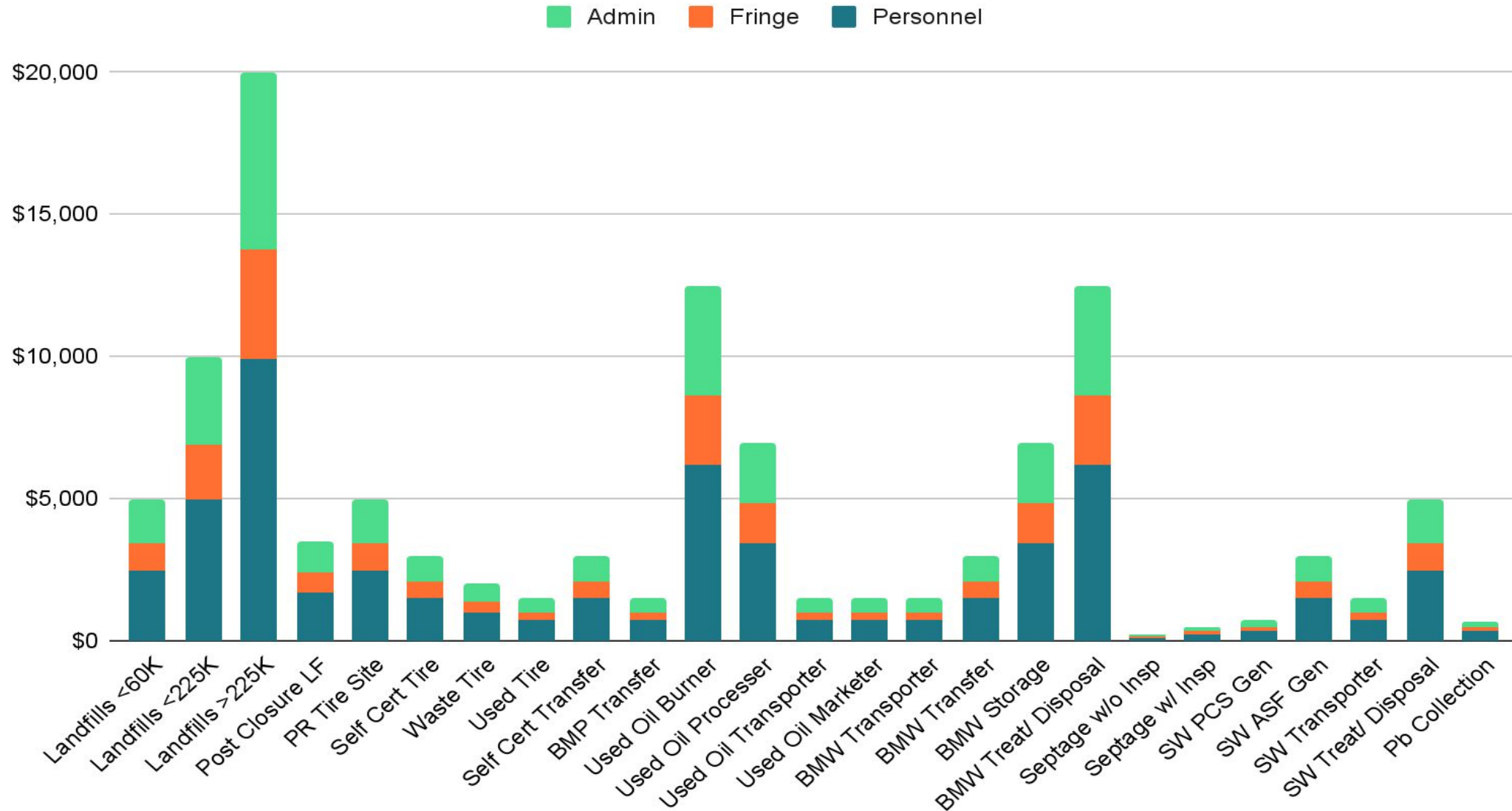
- Department Functions + Regulated Activity = ADEQ cost
- Evaluated those cost against current fees
- Evaluated if they impose the least burden

What goes into ADEQ cost?

- **Administrative:** Leadership, IT, payroll, billing, human resources, legal, rules/policy development, fleet services, employee related expenses
- **Pre-Inspection:** Historical data review, registrations, waste generation, review of applicable permits
- **Office Time:** Notification, distribution of resources
- **Inspection:** Staff time, medical monitoring, Personal Protective Equipment (PPE), documentation of the inspection
- **Post-Inspection:** Enforcement if necessary, case closure, filing, public records retention

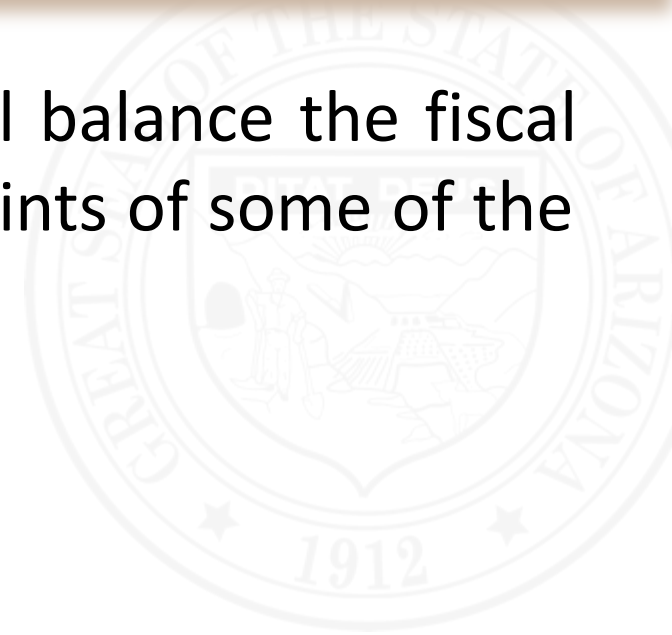


Fee Calculation



Implementation Schedule of Fees

ADEQ is evaluating an implementation schedule which will balance the fiscal health of Solid Waste Management and the budget constraints of some of the regulated community.



Solid Waste Fee Rule Timeline

Rule Effective

January 2025

**Final Rule and Governor's
Regulatory Review Council
(GRRC) Approval**

October 2024

**Today's (Final) Stakeholder
Meeting**

July 18, 2024

**Notice of Proposed
Rulemaking (NPRM)**

July 26, 2024

Anticipated Public Comment Period:
mid-August to mid-September

Previous Stakeholder Meetings on
May 30th, 2024 and June 20, 2024

Q & A

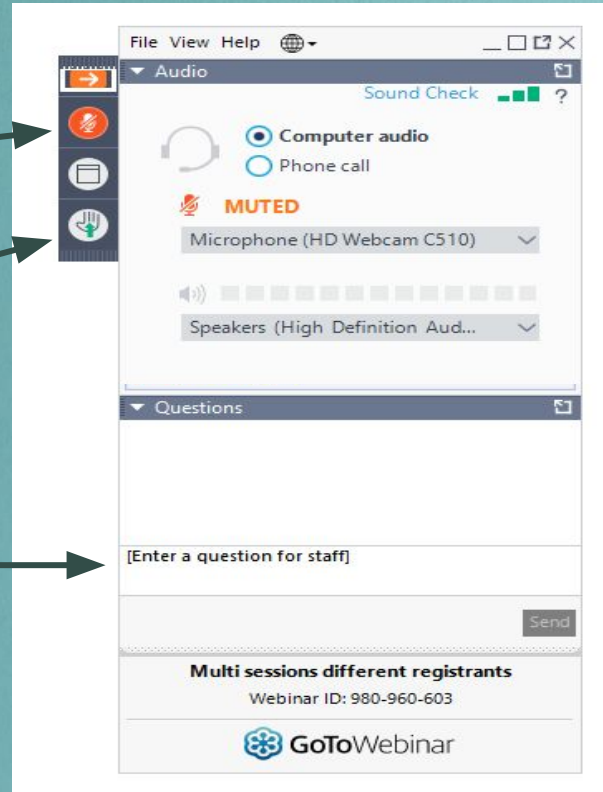
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How to Contact Us

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For questions & general information please email us at:

wasterulemaking@azdeq.gov



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