

NOTICE OF FINAL RULEMAKING
TITLE 18. ENVIRONMENTAL QUALITY
CHAPTER 13. DEPARTMENT OF ENVIRONMENTAL QUALITY
SOLID WASTE MANAGEMENT

PREAMBLE

1. Permission to proceed with this final rulemaking was granted under A.R.S. § 41-1039(B) by the governor on:

October 21, 2024

<u>2. Article, Part, or Section Affected (as applicable)</u>	<u>Rulemaking Action</u>
Article 4	New Article
R18-13-401	New Section
R18-13-402	New Section
R18-13-501	Amend
R18-13-702	Amend
Fee Tables	Amend
R18-13-801	Amend
Table	Amend
R18-13-1103	Amend
R18-13-1117	Amend
Article 12	Amend
R18-13-1201	Amend
R18-13-1211	Amend
R18-13-1212	Amend
R18-13-1212.01	New Section
R18-13-1213	Amend
Article 13	Amend
R18-13-1306	New Section
R18-13-1307	Amend
R18-13-1409	Amend
Table 1	Amend
Table 2	Amend
R18-13-1410	Amend
R18-13-1606	Amend
Article 19	New Article
R18-13-1901	New Section
Article 20	New Article
R18-13-2001	New Section
R18-13-2002	New Section
R18-13-2003	New Section
Article 21	Amend
R18-13-2101	Amend
R18-13-2102	Amend
R18-13-2103	Amend

R18-13-2104	New Section
Article 22	New Article
R18-13-2201	New Section
R18-13-2202	New Section

3. Citations to the agency’s statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: Laws 2024, 2nd Regular Session, Ch. 121

Implementing statute: A.R.S. §§ 44-1302, 44-1303, 44-1304.01, 44-1322, 49-104(B)(14)(b), 49-706, 49-747, 49-761, 49-762.03, 49-762.05, 49-802, 49-836, 49-855, and 49-857

4. The effective date of the rule:

This rule shall become effective immediately after a certified original and preamble are filed in the Office of the Secretary of State pursuant to A.R.S. § 41-1032(A). The effective date is (to be filled in by Register editor).

a. If the agency selected a date earlier than the 60-day effective date as specified in A.R.S. § 41-1032(A), include the earlier date and state the reason the agency selected the earlier effective date as provided in A.R.S. § 41-1032(A)(1) through (5):

The effective date of this rule is [redacted]. Pursuant to A.R.S. § 41-1032(A)(1), the reason for the immediate effective date is to preserve public safety and protect human health and the environment by ensuring necessary funding for Solid Waste Programs (SWP) regulatory activities. This immediate effective date reflects the urgency recognized by the Legislature with the passage of HB2367 pursuant to an emergency clause for immediate enactment. Delaying the effective date would mean that the rule would not be able to take effect until January 2025 or later, seriously jeopardizing the financial viability of the program and putting SWP inspection, enforcement, and services at risk.

b. If the agency selected a date later than the 60-day effective date as specified in A.R.S. § 41-1032(A), include the later date and state the reason the agency selected the later effective date as provided in A.R.S. § 41-1032(B):

Not applicable.

5. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the current record of the final rule:

Notice of Rulemaking Docket Opening: 30 A.A.R. 1047, Issue Date: May 17, 2024, Issue Number: 20, File number: R24-84

Notice of Proposed Rulemaking: 30 A.A.R. 2575, Issue Date: August 16, 2024, Issue Number: 33, File number: R24-152

6. The agency’s contact person who can answer questions about the rulemaking:

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7. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:

Summary: This rule adjusts existing fees and establishes new fees throughout 18 A.A.C. 13, Solid Waste Management, as authorized and required by Laws 2024, 2nd Regular Session, Ch. 121 (HB2367). This includes the incorporation of fees currently established under statute. These fee changes are necessary to address direct and administrative costs of the Arizona Department of Environmental Quality's (ADEQ) relevant duties and regulatory activities for solid waste management. ADEQ last set solid waste fees in 2012. While fees set in 2012 were a critical step towards the ultimate goal of implementing a fee-based funding model for the Solid Waste Program (SWP), more work is now necessary to fully realize this goal. Fees set in 2012 were based upon a one-time rulemaking authority from the Legislature pursuant to Laws 2011, 1st regular session, Ch. 220 (HB2705). Any subsequent adjustment, even adjustments for inflation, would have required specific statutory authority from the Legislature. Thus, with the passage of HB2367, it was necessary to re-evaluate fees set in 2012. This rule sets fees to levels that accurately reflect current economic conditions, provides for annual adjustments based upon the Consumer Price Index to ensure fees remain current, and establishes fees more completely throughout all of A.A.C. Title 18, Chapter 13, Solid Waste Management, to ensure overall program health and fairer cost-sharing among regulated facilities and entities. The purpose of this rule is to achieve self-sufficiency of the SWP.

Description of Solid Waste Management Programs: Solid waste management is a key responsibility of the state. Solid waste management mitigates adverse health and environmental impacts and improves the viability of Arizona. Having a robust and sustainable SWP ensures the proper storage, transportation, and disposal of solid waste to prevent negative impacts to the state in forms of uncontrolled dumping and pollution of our water, land, and air. SWP regulates the management of solid waste from homes and businesses from the point of generation through transportation, and ultimately how it is recycled or disposed of.

There are approximately 2,000 solid waste facilities with different media types subject to ADEQ regulatory compliance and oversight under SWP. The scope and type of these facilities is diverse, with different waste streams, locations, sizes, communities served, facility capacity, and both regulatory and support activities required of ADEQ. These facilities include but are not limited to solid waste transfer facilities of varying size and sophistication, from rural drop-site locations to city facilities, septage hauler licensees, waste tire sites, off-site facilities registered for the treatment, storage, or disposal of Arizona special waste, special waste transporters and generators, biohazardous medical waste management entities, used oil handlers and collectors subject to the federal used oil program, facilities accepting lead acid batteries for collection or recycling, and both municipal and non-municipal landfills. These facilities are located throughout the state, requiring SWP to engage in inspection, management, and oversight in every county.

Regulatory activities for which ADEQ is responsible includes inspections, permitting and licensing programs, public records management, fielding and investigating complaints, and providing compliance assistance. Effective implementation of these regulatory activities for all solid waste facilities is the foundation for furthering the Waste Program Division's mission to protect and enhance public health and the environment by reducing the risk associated with waste management, contaminated sites, and regulated substances.

Background: SWP has long faced budget shortfalls, which have sharply increased in the last five years. Since FY2019, overall SWP's costs have increased by approximately \$1,500,000, from \$2,000,000 to \$3,500,000. In addition to other factors such as the state's rapid population growth, a major contributor to

this increasingly steep budget shortfall has been inflation. Since 2012, the Phoenix metro area has experienced inflation of 48.52%. Further, for the last 12 years since fees were last set in 2012, ADEQ has not had the ability to adjust fees to account for a shifting economic landscape due to one-time rulemaking authorities, while experiencing expanded Program responsibility and greater costs related to regulatory and oversight activities. For example, since 2012, the number of regulated solid waste facilities has increased by 333% from approximately 460 facilities to 2,000 facilities.

Following the steep economic downturn in the late 2000s and resulting severe state budget shortfalls, many state programs lost funding from the Arizona General Fund. SWP is one such program. In response, and pursuant to HB2705, in 2012 ADEQ implemented a fee-based program model for the first time for SWP. While fees set in 2012 were an important step towards the goal of a fully self-funded program, HB2705 granted a one-time authority only for establishing fee levels, inhibiting the ability of ADEQ to make future adjustments as necessary. Further, fees set in 2012 covered only half of SWP statutory mandates, resulting in a large portion of mandated regulatory activities of SWP not having a source of revenue under the fee-based program. As such, SWP was unable to fully cover program costs with the fee levels established in 2012. This has resulted in continued program strain and the need to expend moneys from the Recycling Fund to cover management of solid waste regulatory programs. For the last several fiscal years, approximately half of SWP's costs have been covered by fees, while expenditure from the Recycling Fund was necessary to cover the other half. As fees remain unchanged and costs continue to rise, increasing expenditures from the Recycling Fund have become necessary in recent fiscal years.

Ultimately, while the 2012 fees represent a critical step towards full program stability, more work is necessary to realize the goal of establishing a fully self-funded and sustainable SWP. To this end, the Arizona Legislature passed and the Governor signed HB2367 on April 9, 2024, with an emergency clause for an immediate effective date. HB2367 makes amendments throughout Titles 44 and 49 of the Arizona Revised Statutes to eliminate one-time rulemaking authorities relating to fees, authorized the incorporation into rule of the existing statutory new tire sale and landfill disposal fees, and authorized rulemaking to establish new fees for regulatory services and legislative mandates currently being performed. Establishing new fees for currently regulated facilities and entities is a critical component in establishing a fully sustained fee-based program that is fairly assessed against all regulated parties. While SWP has experienced budget shortfalls for several years, it is only with HB2367 that ADEQ now has the authority and mandate to establish these new fees for currently regulated parties.

This rulemaking is critical to make SWP whole, sustainable, and secure. Further, these fees allow expenditures from the Recycling Fund to be refocused on its important mission. ADEQ intends for revenue in the Recycling Fund be used for the stated purpose of grants and contracts for “research, demonstration projects, new technologies, market development and source reduction studies and implementation of the recommendations or reports prepared.” *See* A.R.S. § 49-837(B)(1). As SWP becomes sustainable through a more robust fee-based program, ADEQ is committed to apportioning the greatest portion feasible of the Recycling Fund towards grants and contracts and other stated uses under A.R.S. § 49-837 to further the mission of the Arizona Recycling Program.

Explanation of Fee Methodology: There are two broad groups into which fees under this rulemaking may be categorized. This first group is new fees being established by this rulemaking. These include initial registration and annual fees for transfer facilities subject to best management practices, used oil handlers, medical waste facilities that are permitted for storage or treatment, facilities generating, treating, or transporting special waste, collection and recycling facilities accepting lead acid batteries, and annual fees for landfills that enter into post-closure care and waste tire facilities subject to plan approval. To note, those

facilities subject to plan approval fees will not be subject to an initial registration fee, instead only to annual registration fees.

The second group is current fees that are subject to an adjustment under this rulemaking. This group may further be distinguished between those fees being increased by a Consumer Price Index (CPI) adjustment and those fees being increased beyond a CPI adjustment. Those fees subject to a CPI adjustment include disposal fees for petroleum contaminated soil (PCS) and auto-shredder residue, fees for plan review of solid waste facilities subject to plan review under R18-13-702, including modifications to solid waste facility plans and review of financial responsibility plans, solid waste general permit fees, annual registration fees for landfills that accept 225,000 tons or more of waste annually, and two current statutory fees being established in rule: solid waste landfill disposal fees and the fee on the sale of new tires.

Those fees subject to an adjustment beyond CPI are registration fees for solid waste landfills accepting less than 60,000 tons of waste annually, waste tire sites, including waste tire sites subject to self-certification, used tire sites, transfer stations subject to self-certification, biohazardous medical waste transporters, and septage haulers.

In determining new fees throughout Solid Waste Management, ADEQ was guided by its statutory mandates that all fees be based upon the Department's direct and indirect costs associated with regulatory activities for the facility or entity subject to the fee and that all fees be fairly assessed and impose the least burden and cost. *See* A.R.S. § 49-104(B)(17). To this end, ADEQ began by reviewing the actual costs of regulatory activities to the Department for facilities under Solid Waste Management. Relevant costs are based on necessary Agency functions corresponding to regulated activities and include but are not limited to administrative operations, inspections, permitting and licensing, fielding complaints, compliance assistance, data management, and public records management. This review included calculating time and resources expended on these Agency functions to carry out regulated activities for each class of facility. After having a more complete understanding of the actual costs in oversight and enforcement for Solid Waste Management programs, ADEQ was able to develop a comprehensive fee schedule that fairly assessed fees against each class of facility or entity that is representative of the actual costs to ADEQ for carrying out regulatory activities for such facility or entity.

The development of this fee schedule began with CPI adjustments used for all existing fees. With all existing fees being over a decade old, and with those statutory fees dating back to the early 1990s, this initial CPI adjustment was a critical step as current fee levels were no longer representative of current economic conditions or costs to ADEQ. The CPI adjustment methodology for those fees dating back to 2012 utilizes the Consumer Price Index for All Urban Consumers (CPI-U) for the Phoenix-Mesa-Scottsdale, AZ Area (regional CPI). This regional CPI was selected as most representative to the costs of ADEQ, which largely operates out of Phoenix metro area. To note, this regional CPI began being calculated in 2002. For the two fees dating to the early 1990s, the landfill disposal fee and new tire sale fee, the national CPI was used. This adjustment for these fees based on the national CPI was necessary to bring these two fees to current levels as the regional CPI is not available for the full duration of these fees.

By employing these CPI adjustments to make existing fees current and reflective of subsequent inflation following establishment of the fees, ADEQ had a contemporary fee baseline from which new fees and further adjustments could be fairly assessed that would impose the least burden and cost.

Following these CPI adjustments, ADEQ evaluated Agency functions and regulatory costs for each class of facility or entity. Based on these actual costs for each class of facility or entity, ADEQ established new fees and made further adjustments to existing fees. These fees were established to both be reflective of the

actual cost to ADEQ associated with carrying out the Department’s regulatory responsibilities for each class of facility or entity as well as take into consideration the relative burden these fees posed.

Each of these fees is presented in the fee tables and discussed in further detail in the section-by-section explanation to follow.

Annual CPI adjustments: This rule implements an annual regional CPI adjustment to ensure fees remain current and adequate to cover rising costs against inflation. The methodology involves multiplying the fee amount within the rule by the regional CPI as of the close of the 12-month period ending on October 30 for the most recent year, and then dividing by the regional CPI as of the close of the 12-month period ending on October 30 for the year 2024 (base year) except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year to ensure predictability and stability for those subject to the fees. The 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 available at: https://data.bls.gov/pdq/SurveyOutputServlet?data_tool=dropmap&series_id=CUURS48ASA0,CUUSS48ASA0. The first adjustment will occur in July 2026 following the publication of the October regional CPI in 2025.

Fee Tables: below are a series of fee tables for all the fees being established, adjusted, or incorporated under this rule.

Facility Category	Current Fees	New Fees	Initial
Landfills under 60,000 tons annually	\$2,500	\$5,000	Plan Review
Landfills 60,000 tons to under 225,000 tons annually	\$7,500	\$10,000	Plan Review
Landfills 225,000 tons or more annually	\$12,500	\$18,565	Plan Review
Tire Site Subject to Plan Review	N/A	\$5,000	Plan Review
Self-certification Tire Site	\$250	\$3,000	\$3,600
Used Tire Site	\$75	\$1,500	\$1,800
Waste Tire Site	\$75	\$2,000	\$2,400
Self-certification Transfer Station	\$500	\$3,000	\$3,600
Best Management Practice Transfer Stations	N/A	\$1,500	\$1,800
Used Oil Processor	N/A	\$7,500	\$9,000
Used Oil Burner	N/A	\$12,500	\$15,000
Used Oil Transporter	N/A	\$1,500	\$1,800
Used Oil Marketer	N/A	\$1,500	\$1,800
BMW Transporter	\$750	\$1,500	\$1,800
BMW Treatment & Disposal	N/A	\$12,500	Plan Review
BMW Storage	N/A	\$7,500	Plan Review
BMW Transfer	N/A	\$3,000	Plan Review
Septage Hauler - county inspection	\$75	\$225	\$270
Septage Hauler - ADEQ inspection	\$75	\$550	\$660
Special Waste Generator of Petroleum Contaminated Soil (PCS)	N/A	\$750	\$900
Special Waste Generator of Auto Shredder Fluff (ASF)	N/A	\$3,000	\$3,600
Special Waste Shipper	N/A	\$1,500	\$1,800
Special Waste Disposal, Treatment, or Storage	N/A	\$5,000	Plan Review
Landfills in post-closure care	N/A	\$3,500	Plan Review

Lead Acid Battery Collection Site	N/A	\$675	\$810
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Fees for Plan Review of New Solid Waste Facilities	Current Fees		New Fees	
	Initial	Maximum	Initial	Maximum
Solid Waste Landfills	\$20,000	\$200,000	\$20,000	\$297,047
Non-APP requirements for Non-MSWLFs operating under an APP	\$2,000	\$50,000	\$2,000	\$74,262
Other Solid Waste Facilities Subject to Plan Approval	\$10,000	\$100,000	\$10,000	\$148,524
Fees for Modifications to Solid Waste Facility Plans	Current Fees		New Fees	
	Initial	Maximum	Initial	Maximum
Solid Waste Landfills - Type IV	\$1,500	\$150,000	\$1,500	\$222,786
Solid Waste Landfills - Type III	\$750	\$75,000	\$750	\$111,393
Other Solid Waste Facilities Subject to Plan Approval - Type IV	\$750	\$75,000	\$750	\$111,393
Other Solid Waste Facilities Subject to Plan Approval - Type III	\$500	\$50,000	\$500	\$74,262
Fees for Review of Financial Responsibility Plans for Facilities	Current Fees		New Fees	
	Initial	Maximum	Initial	Maximum
Annual Review for Solid Waste Landfills	\$600	Flat Fee	\$891	Flat Fee
Other Solid Waste Facilities	\$200	\$5,000	\$200	\$7,426
Hourly Rate	Current Fees		New Fees	
	\$122	Per Hr	\$181	Per Hr

Solid Waste General Permits	Current Fees		New Fees	
Category	Initial Fee	Annual Fee	Initial Fee	Annual Fee
Collection, Storage and Transfer-Standard	\$750	\$100	\$1,114	\$149
Collection, Storage and Transfer-Complex	\$7,500	\$1,000	\$11,139	\$1,485
Treatment-Standard	\$1,000	\$100	\$1,485	\$149
Treatment-Complex	\$10,000	\$1,000	\$14,852	\$1,485
Disposal	\$15,000	N/A	\$22,279	N/A

Solid Waste Disposal Fees	Current Fees		New Fees	
	Fee	Unit of Measure	Fee	Unit of Measure
For Each Ton of Solid Waste	\$0.25	Per Ton	\$0.58	Per Ton
Six Cubic Yards (CY) of Uncompacted Solid Waste	\$0.25	Per CY	\$0.58	Per CY
Three Cubic Yards (CY) of Compacted Solid Waste	\$0.25	Per CY	\$0.58	Per CY
Facilities Recycling Solid Waste from Secondary Waste Water	\$0.13	Per Ton	\$0.29	Per Ton
Waste Disposed in a Solid Waste Landfill not regulated by ADEQ	\$0.25	Per Ton	\$0.58	Per Ton

Local Public Facility - Population of Political Subdivisions	\$0.07	x Population Served	\$0.16	x Population Served
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Special Waste Disposal	Current Fees		New Fees	
	Fee	Unit of Measure	Initial Fee	Unit of Measure
Petroleum Contaminated Soils Disposal Fee	\$4.50	Per Ton	\$6.68	Per Ton
Auto Shredder Fluff Disposal Fee	\$4.50	Per Ton	\$6.68	Per Ton
Annual Maximum Disposal Fee per Generator Site	\$45,000	Annual Maximum	\$68,835.67	Annual Maximum

New Tire Sale	Current Fees		New Fees	
	Fee	Maximum	Fee	Maximum
	2% of retail	\$2.00/tire	2% of retail	\$4.66/tire

Implementation Schedule: In furtherance of ADEQ’s goal to ensure the fees impose the least burden and cost, ADEQ evaluated the feasibility of an implementation schedule that balances the fiscal health of SWP and the budget practices of the regulated community subject to the fees. Currently, ADEQ sends out invoices for registration fees to correspond with the calendar year. However, a recurring point of discussion throughout the rulemaking was the concern of implementing a new fee or fee increase in the middle of the fiscal year for many counties, municipalities, and other political subdivisions. In response to these concerns and comments, while the rule and fees would become effective as of January 2025, fees will be implemented pursuant to a schedule for CY2025 to accommodate the fiscal needs of counties, municipalities, and other political subdivisions.

To this end, the annual registration fee for CY2025 for increased existing fees will be divided between two separate invoices. The first invoice for this first annual registration fee will reflect current billing, with the invoice at the current fee level to be sent out in January 2025. The second invoice will be delayed until July 2025, to coincide with the fiscal year, and will be for the remaining amount of the annual registration fee, reflecting the amount already paid on the first invoice.

As an example, under R18-13-501(E), the annual registration fee for a self-certification transfer facility is increased from \$500 to \$3,000 on the effective date of the rule. ADEQ will send the facility an invoice for \$500 in January 2025 per the existing billing rate prior to the rule. Subsequently, ADEQ will send a second invoice in July 2025 for \$2,500. Thereafter, beginning in 2026, the facility will be invoiced once for \$3,000, as adjusted by regional CPI, each January to coincide with the calendar year billing cycle.

For new annual registration fees, the first annual registration fee as established under the rule will be delayed until July 2025 to coincide with the fiscal year. As an example, if a political subdivision operated a lead acid battery collection facility, a new fee of \$675 would be due “within 30 days of invoice receipt”, under R18-13-1901(B), so that the invoice will be sent on or after July 1. Following this initial billing to coincide with the fiscal year for the first year of implementation, billing will align to the calendar year billing cycle in January 2026.

In addition to adjusted and new annual registration fees, this implementation schedule includes quarterly landfill disposal and special waste tonnage fees, resulting in the disposal and tonnage fees for the first

calendar quarter of 2025 at the new fee rates to coincide with the coming fiscal year, and will be invoiced on or after July 1, 2025. Following this initial billing to coincide with the fiscal year for the first quarter of 2025, quarterly billing for landfill disposal and special waste tonnage fees will return to the calendar year billing cycle.

Below are a series of tables that describe the implementation for each facility type and fee in detail:

Facility Category	Reporting Cycle	Fee	Invoice Timing
All Landfills Tonnage for Solid Waste	Q4 2024	\$0.25 per ton	March 2025
Special Waste Receiving Facilities	Q4 2024	\$4.50 per ton	March 2025
All Landfills Tonnage for Solid Waste	Q1 2025	\$0.58 per ton	July 2025
Special Waste Receiving Facilities	Q1 2025	\$6.68 per ton	July 2025
All Landfills Tonnage for Solid Waste	Q2 2025	\$0.58 per ton	September 2025
Special Waste Receiving Facilities	Q2 2025	\$6.68 per ton	September 2025
Landfills under 60,000 tons annual registration	Cal. Year 2025 Pt. 1	\$2,500	January 2025
Landfills under 60,000 tons annual registration	Cal. Year 2025 Pt. 2	\$2,500	July 2025
Landfills \geq 60,000 and < 225,000 tons annual registration	Cal. Year 2025 Pt. 1	\$7,500	January 2025
Landfills \geq 60,000 and < 225,000 tons annual registration	Cal. Year 2025 Pt. 2	\$2,500	July 2025
Landfills \geq 225,000 tons or more annual registration	Cal. Year 2025 Pt. 1	\$12,500	January 2025
Landfills \geq 225,000 tons or more annual registration	Cal. Year 2025 Pt. 2	\$6,065	July 2025
Landfills in post-closure care (New)	Calendar Year 2025	\$3,500	July 2025
Tire Site Subject to Plan Review (New)	Calendar Year 2025	\$5,000	July 2025
Self-certification Tire Site	Cal. Year 2025 Pt. 1	\$250	January 2025
Self-certification Tire Site	Cal. Year 2025 Pt. 2	\$2,750	July 2025
Used Tire Site	Cal. Year 2025 Pt. 1	\$75	January 2025
Used Tire Site	Cal. Year 2025 Pt. 2	\$1,425	July 2025
Waste Tire Site	Cal. Year 2025 Pt. 1	\$75	January 2025
Waste Tire Site	Cal. Year 2025 Pt. 2	\$1,925	July 2025
Self-certification Transfer Station	Cal. Year 2025 Pt. 1	\$500	January 2025
Self-certification Transfer Station	Cal. Year 2025 Pt. 2	\$2,500	July 2025
Best Management Practice Transfer Stations (New)	Calendar Year 2025	\$1,500	July 2025
Used Oil Processor (New)	Calendar Year 2025	\$7,500	July 2025
Used Oil Burner (New)	Calendar Year 2025	\$12,500	July 2025
Used Oil Transporter (New)	Calendar Year 2025	\$1,500	July 2025
Used Oil Marketer (New)	Calendar Year 2025	\$1,500	July 2025
Biohazardous Medical Waste (BMW) Transporter	Cal. Year 2025 Pt. 1	\$750	January 2025
BMW Transporter	Cal. Year 2025 Pt. 2	\$750	July 2025
BMW Treatment & Disposal (New)	Calendar Year 2025	\$12,500	July 2025
BMW Storage (New)	Calendar Year 2025	\$7,500	July 2025
BMW Transfer (New)	Calendar Year 2025	\$3,000	July 2025
Septage Hauler - county inspection	Cal. Year 2025 Pt. 1	\$75	January 2025

Septage Hauler - county inspection	Cal. Year 2025 Pt. 2	\$150	July 2025
Septage Hauler - ADEQ inspection (New)	Calendar Year 2025	\$550	July 2025
Special Waste Generator of Petroleum Contaminated Soil (PCS) (New)	Calendar Year 2025	\$750	July 2025
Special Waste Generator of Auto Shredder Fluff (ASF) (New)	Calendar Year 2025	\$3,000	July 2025
Special Waste Shipper (New)	Calendar Year 2025	\$1,500	July 2025
Special Waste Disposal, Treatment, or Storage Facility (New)	Calendar Year 2025	\$5,000	July 2025
Lead Acid Battery Collection Site (New)	Calendar Year 2025	\$675	July 2025

Fees for Plan Review of New Solid Waste Facilities	New Fees		Invoice Timing	
	Initial	Maximum	Reporting Cycle	Invoice Date
Solid Waste Landfills	\$20,000	\$297,047	Jan 2025 - June 2025	At time of issuance
Non-APP requirements for Non-MSWLFs operating under an APP	\$2,000	\$74,262	Jan 2025 - June 2025	At time of issuance
Other Solid Waste Facilities Subject to Plan Approval	\$10,000	\$148,524	Jan 2025 - June 2025	At time of issuance
Fees for Modifications to Solid Waste Facility Plans	New Fees		Invoice Timing	
	Initial	Maximum	Reporting Cycle	Invoice Date
Solid Waste Landfills - Type IV	\$1,500	\$222,786	Jan 2025 - June 2025	At time of issuance
Solid Waste Landfills - Type III	\$750	\$111,393	Jan 2025 - June 2025	At time of issuance
Other Solid Waste Facilities Subject to Plan Approval - Type IV	\$750	\$111,393	Jan 2025 - June 2025	At time of issuance
Other Solid Waste Facilities Subject to Plan Approval - Type III	\$500	\$74,262	Jan 2025 - June 2025	At time of issuance
Fees for Review of Financial Responsibility Plans for Facilities	New Fees		Invoice Timing	
	Initial	Maximum	Reporting Cycle	Invoice Date
Annual Review for Solid Waste Landfills	\$891	Flat Fee	Jan 2025 - June 2025	At time of submittal
Other Solid Waste Facilities	\$200	\$7,426	Jan 2025 - June 2025	At time of submittal
All Plan Reviews	New Fees		Invoice Timing	
	Initial	Maximum	Reporting Cycle	Invoice Date
Hourly Rate	\$181	Per Hour	Jan 2025 - June 2025	At time of submittal

Solid Waste Disposal Fees	New Fees		Invoice Timing	
	Fee	Unit of Measure	Reporting Cycle	Invoice Date
For Each Ton of Solid Waste	\$0.58	Per Ton	Q1 2025	July 2025

Six Cubic Yards (CY) of Uncompacted Solid Waste	\$0.58	Per CY	Q1 2025	July 2025
Three Cubic Yards (CY) of Compacted Solid Waste	\$0.58	Per CY	Q1 2025	July 2025
Facilities Recycling Solid Waste from Secondary Waste Water	\$0.29	Per Ton	Q1 2025	July 2025
Waste Disposed in a Solid Waste Landfill not regulated by ADEQ	\$0.58	Per Ton	Q1 2025	July 2025
Local Public Facility - Population of Political Subdivisions	\$0.16	x Population Served	Q1 2025	July 2025

Solid Waste General Permits Category	New Fees		Invoice Timing	
	Initial Fee	Annual Fee	Reporting Cycle	Invoice Date
Collection, Storage and Transfer-Standard	\$1,114	\$149	Calendar Year 2025	At time of submittal
Collection, Storage and Transfer-Complex	\$11,139	\$1,485	Calendar Year 2025	At time of submittal
Treatment-Standard	\$1,485	\$149	Calendar Year 2025	At time of submittal
Treatment-Complex	\$14,852	\$1,485	Calendar Year 2025	At time of submittal
Disposal	\$22,279	N/A	Calendar Year 2025	At time of submittal

	New Fees		Invoice Timing	
	Fee	Unit of Measure	Reporting Cycle	Invoice Date
Petroleum Contaminated Soils Disposal Fee	\$6.68	Per Ton	Q1 2025	July 2025
Auto Shredder Fluff Disposal Fee	\$6.68	Per Ton	Q1 2025	July 2025
Annual Maximum Special Waste Disposal Fee per Generator Site	\$68,835.67	Annual Maximum	Q1 2025	July 2025

	New Fees		Reporting Date	
	Fee	Maximum	Reporting Cycle	Reporting Date
New Tire Sales	2% of retail	\$4.66/tire	Q2 2025	July 2025

Submission of Fee Increases Exceeding CPI to Joint Legislative Budget Committee: A.R.S. § 41-1008(A)(3) provides that “an agency may increase a fee in an amount that exceeds the percentage of change in the average consumer price index” if the “agency submits the fee increase to the joint legislative budget committee for review before the fee is increased.” Under this rule, seven fees are increased beyond CPI. These fees include registration fees for solid waste landfills accepting less than 60,000 tons of waste annually, waste tire sites, including waste tire sites subject to self-certification, used tire sites, transfer stations subject to self-certification, biohazardous medical waste transporters, and septage haulers.

Pursuant to this statutory requirement, ADEQ submitted these seven fees increased beyond CPI to the Joint Legislative Budget Committee for the Committee’s review.

Informal Comment: ADEQ actively facilitated informal comments and feedback from the public and stakeholders, including three stakeholder meetings held on May 30, 2024, June 20, 2024, and July 18, 2024. In these meetings ADEQ presented all new and adjusted fee amounts proposed, presented and explained draft rule text, explained the need and methodology for the annual regional CPI adjustment, and addressed and answered questions and concerns raised throughout the stakeholder engagement process, including:

- The purpose and need for post-closure care landfill fees. ADEQ explained that after a landfill closes it still requires monitoring for a period of 30 years after closure, commonly referred to as the post closure care period. During this time, the landfill must be monitored for ground water and methane levels as well as maintenance of the cap. ADEQ still has a responsibility of oversight of these activities to ensure those are being conducted. This oversight includes inspections and record management conducted by ADEQ. The annual fee during this duration is necessary for cost-recovery to ADEQ for regulatory activities conducted during this period.
- Whether used oil collection centers will be subject to fees. ADEQ responded that used oil collection centers will not be subject to fees under this rule. This rule incorporates registration requirements as they currently exist in statute into rule. Only handlers of used oil that are classified as transporters, marketers, processors, and burners are subject to these new fees.
- With the incorporation of the landfill disposal fee into rule, impact to the Recycling Fund and recycling grant program. ADEQ stated the per ton disposal fee will continue to be deposited into the Recycling Fund as it currently is. This rulemaking does not change or eliminate the Recycling Fund or recycling grant program.
- Reasoning for municipal and non-municipal landfills now being subject to the same annual registration fee under the proposed rule. ADEQ explained the fees are based on the cost to ADEQ for performing inspections, issuing permits, administrative costs, costs associated with data management, as well rule development and implementation. While the regulations can vary between operations, the costs are based on the time it takes to inspect and perform activities required of ADEQ for these sites which compare equally in Department cost.

This engagement with the public and stakeholders was a critical element in developing a fee program that is fairly assessed and presents the least burden and cost to the regulated community. For example, from discussion with stakeholders, ADEQ made the determination that lowering the annual fee for biohazardous medical waste transfer facilities from \$7,500 to \$3,000 was appropriate to mirror the fee for other types of transfer facilities engaged in activity subject to similar regulatory oversight to ensure this facility type is not subject to an unduly burdensome or disproportional fee. Another example was the decision to not adjust the initial registration fee for plan review or subject it to an annual CPI adjustment to improve clarity and ease of initial application for facilities subject to plan review. A final example is the decision to remove registration fees, both initial and annual, for composting facilities. After discussions and feedback from the regulated community, it was determined that fees at this time for composting facilities are premature and more work to develop and facilitate composting in the state is needed prior to implementing related facility fees.

A recurring point of discussion during the informal comment period was the concern of implementing a fee increase in the middle of the fiscal year for many counties, municipalities, and other political subdivisions. In response, ADEQ created an implementation schedule more compatible with the fiscal year, as discussed above.

Section by Section Explanation of Proposed Rule: Below is an explanation of the substantive provisions of each section of the rule. Underlined text in the article or section title indicates new rule language. Struck through text indicates deletion of existing rule language. Italicized Article or Section titles indicates a new article or section.

ARTICLE 4. SOLID WASTE FACILITIES SUBJECT TO BEST MANAGEMENT PRACTICES

R18-13-401. Definitions. Adds definition clarifying “Department” means the Arizona Department of Environmental Quality and definitions for “material recovery facility” and “recyclable solid waste” as those terms are used in the exemption for transfer facilities subject to best management practices in new R18-13-402.

R18-13-402. Solid Waste Facilities Subject to Best Management Practices; Fees. Establishes a new initial registration fee of \$1,800 and annual renewal fee of \$1,500 for transfer facilities with a daily throughput of 180 cubic yards or less, but not including material recovery facilities, as defined, that are currently exempted from self-certification transfer facilities under Article 5, and for waste tire sites that are subject to best management practices pursuant to A.R.S. § 49-762.02. Includes a provision that registration under R18-13-1211 as a waste tire collection site satisfies registration and fee requirements under this section for waste tire sites. Inclusion of waste tire sites under this section reflects the dual regulation of these tire sites under both Title 44 and Title 49 of the Arizona Revised Statutes.

Includes language for an annual adjustment to these fees based on the regional CPI.

ARTICLE 5. REQUIREMENTS FOR SOLID WASTE FACILITIES SUBJECT TO SELF-CERTIFICATION

R18-13-501. Solid Waste Facilities Requiring Self-Certification; Registration Fees. Removes outdated language referencing previous 2012 fee provisions. Standardizes and increases the existing initial registration and annual registration fees for transfer facilities, waste tire sites, and waste tire shredding and processing facilities subject to self-certification pursuant to A.R.S. § 49-762.01 to \$3,600 and \$3,000, respectively. Includes language for an annual adjustment to these fees based on the regional CPI.

ARTICLE 7. SOLID WASTE FACILITY PLAN REVIEW FEES

R18-13-702. Solid Waste Facility Plan Review Fees. Removes outdated language referencing previous 2012 fee provisions. Increases the maximum fee amounts in the Fee Tables for maximum fees relating to plan review, but excluding the initial fee, by the regional CPI adjustment. Increases the hourly billing rate for plan review and the annual review for solid waste landfills flat fee by the regional CPI adjustment. Eliminates the fee for modifications to solid waste facility plans for the Solid Waste Landfills – Type IV – RD&D category as ADEQ does not currently have authority to facilitate this type of plan modification.

Includes language for an annual adjustment to the maximum fees and hourly rate based on the regional CPI. The annual adjustment applies to the maximum fee amounts in the Fee Tables, the annual review for solid waste landfills flat fee, and the hourly billing rate, but does not apply to the initial plan review fees.

ARTICLE 8. GENERAL PERMITS

R18-13-801. General Permit Fees. Increases the fees for all existing general permit fees, including initial and annual, by the regional CPI adjustment. Includes language for an annual adjustment to these fees based on the regional CPI.

ARTICLE 11. COLLECTION, TRANSPORTATION, AND DISPOSAL OF HUMAN EXCRETA

R18-13-1103. General Requirements; License Fees. Removes outdated language referencing previous 2012 fee provisions. Establishes a new tiered fee structure for septage hauler license fees. New initial license fee of \$660 and annual license fee of \$550 for septage haulers whose vehicles are subject to an inspection conducted by ADEQ. Increased initial license fee of \$270 and annual license fee of \$225 for septage haulers whose vehicles are subject to an inspection conducted by a county pursuant to a delegation agreement with ADEQ. This new fee structure shall be applicable to those licensees who renew their license after the effective date of the rule. To coincide with the implementation schedule, for CY2025 the first payment of the increased fee for those septage haulers whose vehicles are inspected by the counties shall be for the current fee amount of \$75 payable through the myDEQ online portal. The second payment of this increased fee for CY2025 shall be made pursuant to an invoice sent in July 2025 to coincide with the fiscal year. The payment of the new fee for those septage haulers whose vehicles are inspected by ADEQ shall be invoiced in July 2025 in accordance with the implementation schedule for new fees.

A fee for those inspected by the county and a separate fee for those inspected by ADEQ is a two-tier system that reflects that fees be fairly assessed as there is a higher cost to ADEQ associated with conducting inspections throughout the state. This higher tier of fees is needed for proper cost-recovery to ADEQ.

Further adds new language clarifying inspections may be required for vehicle license renewal. Includes language for an annual adjustment to these fees based on the regional CPI.

R18-13-1107. Reinstatement. New subsection (B) stating that an expired or lapsed septage hauler license may be renewed by payment of the appropriate lower annual license fee instead of the higher initial license fee.

ARTICLE 12. WASTE TIRES; USED TIRES

R18-13-1201. Definitions. Adds a new definition of “waste tire collection site” as that term is defined in A.R.S. § 44-1301.

R18-13-1211. Registration of New Waste Tire Collection Sites; Fee. Removes outdated language referencing previous 2012 fee provisions. Increases the existing initial registration fee and annual registration fee for waste tire collection sites to \$2,400 and \$2,000, respectively. Includes language for an annual adjustment to these fees based on the regional CPI.

R18-13-1212. Registration of Outdoor Used Tire Sites; Fee. Removes outdated language referencing previous 2012 fee provisions. Increases the existing initial registration fee and annual registration fee for outdoor used tire sites to \$1,800 and \$1,500, respectively. Includes language for an annual adjustment to these fees based on the regional CPI.

R18-13-1212.01 Waste Tire Collection Site Subject to Plan Approval; Fees. Establishes a new annual registration fee of \$5,000 for waste tire collection sites that are required to obtain plan approval pursuant to A.R.S. § 49-762(A)(7). Includes language for an annual adjustment to these fees based on the regional CPI.

R18-13-1213. Facilities Subject to More Than One Tire Site Registration; Single Fee. This section provides that a tire facility subject to registration under more than one section is only required to pay the registration fees for the section with the highest registration fees. This rule adds to this single-fee provision waste tire collection sites subject to plan approval under new R18-13-1212.01.

ARTICLE 13. SPECIAL WASTE AND BEST MANAGEMENT PRACTICES FOR SHREDDER RESIDUE

R18-13-1306. Reserved Fees. New applicants for special waste identification numbers shall submit a new initial registration fee for each special waste operation, excluding special waste receiving facilities subject to plan approval: \$3,600 for a generator of shredder residue and \$1,800 for a special waste shipper. There shall be billed an annual registration fee for each class of operation: \$3,000 for a generator of shredder residue, \$5,000 for a special waste receiving facility, defined in rule as an off-site location to which special waste is sent to be treated, recycled, stored, or disposed, and \$1,500 for a special waste shipper. Solid waste landfills are exempt from these fees. Includes language for an annual adjustment to these fees based on the regional CPI.

R18-13-1307. Best Management Practices for Waste from Shredding Motor Vehicles; Fees. Increases the existing tonnage fee for shredder residue that is transported to a facility regulated by the ADEQ for treatment, storage, or disposal by the regional CPI adjustment to \$6.68. Deletes unnecessary language referring to a calculation of shredder residue received based on compacted or uncompacted cubic yard amounts as this is not a receiving calculation that is used. Instead, preserves the tonnage calculation. Increases the existing fee cap by the regional CPI adjustment to \$66,835.67. Includes language for an annual adjustment to these fees based on the regional CPI.

ARTICLE 14. BIOHAZARDOUS MEDICAL WASTE AND DISCARDED DRUGS

R18-13-1409. Transporter License; Fees; Transportation. Eliminates the current biohazardous medical waste (BMW) transporter license fee structure of hourly billing and replaces with new flat fees. Further eliminates now-obsolete provisions relating to an appeal process concerning billing amounts. The new fee structure includes an increased initial application fee of \$1,800, an increased annual fee of \$1,500, an amendment fee of \$350, and a reduced quinquennial renewal fee from \$2,000 to now match the annual fee of \$1,500. Includes language for an annual adjustment to these fees based on the regional CPI.

R18-13-1410. Storage, Transfer, Treatment, and Disposal Facilities; Facility Plan Approval; Fees. Establishes new annual registration fees for BMW storage, disposal, treatment, and transfer facilities. The annual registration fee for disposal and treatment facilities is \$12,500, for storage facilities is \$7,500, and for transfer facilities is \$3,000. Includes language for an annual adjustment to these fees based on the regional CPI.

ARTICLE 16. BEST MANAGEMENT PRACTICES FOR PETROLEUM CONTAMINATED SOIL

R18-13-1606. Fees. Increases the existing tonnage fee for the treatment, storage, or disposal facility that first receives a shipment of PCS by the regional CPI adjustment from \$4.50 to \$6.68. Increases the existing fee cap by the regional CPI adjustment to \$66,835.67. Establishes a new registration fee of \$900 and annual registration fee of \$750 for a generator of PCS. Establishes a new annual registration fee of \$5,000 for special waste receiving facilities, defined for Article 16 as a treatment, storage, or disposal waste facility that has an approved special waste management plan pursuant to A.R.S. § 49-857. Solid waste landfills are exempt from this fee. Includes language for an annual adjustment to these fees based on the regional CPI.

ARTICLE 19. LEAD ACID BATTERY RECYCLING

R18-13-1901. Collection or Recycling Facility of Lead Acid Batteries; Registration; Fees. Establishes a new registration fee of \$810 and new annual fee of \$675 for collection or recycling facilities that accept lead acid batteries. Currently existing collection or recycling facilities that accept lead acid batteries have until March 1, 2025 to register with the Department. For purposes of this section, “lead acid battery” is

defined as a battery with a core of elemental lead and a capacity of six or more volts that is suitable for use in a vehicle or a boat. Includes language for an annual adjustment to these fees based on the regional CPI.

ARTICLE 20. USED OIL

The federal used oil program, 40 CFR 279, as amended on January 1, 1997, is adopted by reference for the state of Arizona pursuant to A.R.S. 49-801, *et al.* For this purpose, this rule proposes new Article 20 to reflect this incorporation. While full incorporation of the federal program as currently administered by ADEQ pursuant to statute into rule is outside the scope of this rulemaking at this time, this rule proposes new Article 20 to reflect this incorporation as appropriate for the purpose of establishing necessary fees.

R18-13-2001. Definitions. Adds definitions based on incorporation of the federal program and 40 CFR 279. Includes defining “40 CFR 279” to refer to 40 CFR part 279, as amended on January 1, 1997, and no future editions or later amendments. Incorporates federal used oil program definitions for used oil handlers and the federal used oil program definition for used oil as modified by A.R.S. § 49-801.

R18-13-2002. Used Oil Handler Registration; Fee. Establishes a new registration fee for used oil handlers, as defined, required to obtain an EPA identification number as follows: for a used oil processor, \$9,000, for a used oil burner, \$15,000, for a used oil transporter, \$1,800, and for a used oil fuel marketer, \$1,800. Establishes new annual registration fees for used oil handlers as follows: for a used oil processor, \$7,500, for a used oil burner, \$12,500, for a used oil transporter, \$1,500, and for a used oil fuel marketer, \$1,500. Includes language for an annual adjustment to these fees based on the regional CPI.

R18-13-2003. Used Oil Collection Center Identification Number; Requirements. Codifies in rule current registration requirements for used oil collection centers, as defined. This involves requesting a used oil collection center identification number pursuant to A.R.S. § 49-802(C). To note, there are no fees for used oil collection centers contemplated in this rulemaking.

ARTICLE 21. SOLID WASTE LANDFILL REGISTRATION AND DISPOSAL FEES

R18-13-2101. Definitions. Deletes the definition of “full quarter” as now obsolete given new fee structure discussed in R18-13-2102 below. Adds new definitions of “local public facility” and “recycling residue” as used within the solid waste landfill disposal fee that is incorporated from statute in R18-13-2104.

R18-13-2102. Solid Waste Landfill Registration; Annual Registration Fee for an Existing Solid Waste Landfill. Eliminates the current units of reported waste calculation methodology for municipal solid waste landfills that accept waste for only a portion of the “defined time period”, as defined. Now the amount of waste received shall be determined solely by the reported tons of solid waste received on the disposal invoice over the defined time period. Eliminates the one-time initial registration fee.

Currently there are four different tiers of fees for municipal solid waste landfills based on size as follows: for a municipal solid waste landfill receiving less than 12,000 tons during the defined time period, an annual fee of \$1,250; for the same receiving at least 12,000 tons but less than 60,000 tons, an annual fee of \$2,500; for the same receiving at least 60,000 tons but less than 225,000 tons, an annual fee of \$7,500; and for the same receiving at least 225,000 tons, an annual fee of \$12,500. Non-municipal solid waste landfills pay an annual flat fee of \$3,750 regardless of size. This rule proposes to eliminate the distinction between municipal and non-municipal for purposes of the annual registration fee under this Section and consolidate to three different tiers of fees based on size as follows: for a solid waste landfill receiving less than 60,000 tons, an annual fee of \$5,000; for the same receiving at least 60,000 tons but less than 225,000 tons, an annual fee of \$10,000; and for the same receiving at least 225,000 tons, an annual fee of \$18,565.

Currently a solid waste landfill is subject to an annual fee of \$1,250 from the time the landfill stops accepting waste until released from its obligation to provide financial assurance for closure. This rule proposes to increase this fee to \$3,500 and extend this fee period from the time the landfill stops accepting waste now until the landfill has completed closure and is released from its obligation for post-closure care. The fees during post-closure care are necessary as there are ongoing obligations and oversight that occurs during this post-closure period. This includes inspections and record management conducted by ADEQ. The annual fee is necessary for cost-recovery to ADEQ for regulatory activities conducted during this period.

Includes language for an annual adjustment to these fees based on the regional CPI.

R18-13-2104. Solid Waste Landfill Disposal Fee; Exemptions. This is the first of two fees incorporated from statute. The landfill disposal fee is currently under A.R.S. § 49-836. This proposed rule incorporates the landfill disposal fee as currently implemented under statute into rule, including reporting, calculation, and exemptions, with each component of the fee adjusted based on a national CPI adjustment. This adjustment includes increasing the solid waste landfill tonnage disposal fee from \$0.25 to \$0.58; the waste from recycling residue from \$0.13 to \$0.29 and associated maximum from \$15,000 to \$34,942.20; and the population-based disposal fee for local public facilities, as defined, from \$0.07 to \$0.16. To note: the solid waste landfill disposal fee will not be subject to an annual adjustment based on the regional CPI.

ARTICLE 22. NEW TIRE SELLERS

This is the second fee incorporated from statute. The new tire seller fee is currently under A.R.S. § 44-1302. In the same way as the landfill disposal fee, this proposed rule is intended to incorporate the new tire seller fee as currently implemented into rule, subject to a specific CPI adjustment.

R18-13-2201. Definitions. Adds definitions for “motor vehicle” and “tire seller” to define those terms as they are used and applied under the new tire seller fee in statute.

R18-13-2202. New Tire Sellers; Fee. This proposed rule incorporates the 2% fee on the sale of new tires as currently implemented under statute into rule, with fee components adjusted based on a national CPI adjustment. This fee has an implementation date of April 1, 2025 to ensure the Department of Revenue has the necessary time to prepare for the increase. This adjustment results in the increase of maximum fee per tire from \$2 to \$4.66, and from \$1 to \$2.33 for the sale by a manufacturer to a wholesaler or retailer of motor vehicles with a gross weight of under 10,000 pounds. This proposed rule preserves the \$0.10 credit per tire a seller may claim for accounting and reporting related to the fee. Further maintains as currently provided in statute that the fee shall be remitted to the Department of Revenue. Includes language for an annual adjustment to these fees based on the regional CPI.

Fees are Fairly Assessed and Impose the Least Burden and Cost: Pursuant to A.R.S. § 49-104(B)(17), ADEQ is charged with ensuring all fees “be fairly assessed and impose the least burden and cost to the parties subject to the fees” based upon an evaluation of “the direct and indirect costs of the Department’s relevant duties, including employee salaries and benefits, professional and outside services, equipment, in-state travel and other necessary operational expenses directly related to issuing licenses.” This statutory mandate is reinforced by HB2367, which states in Section 17, Legislative Intent, that fees established pursuant to the bill be based upon “direct and indirect costs associated with the type of activity or facility that is assessed a fee.”

To fulfill this statutory mandate, ADEQ reviewed actual costs to the Agency in conducting inspections and regulatory oversight for each class of facility and established fee amounts to ensure fees are reflective of

those costs relating to the Department’s relevant duties, including employee salaries and benefits, professional and outside services, equipment, in-state travel and other necessary operational expenses associated with the type of activity or facility that is assessed a fee. This review and analysis were strengthened by engagement with and feedback from the regulated community and stakeholders. ADEQ’s assessment and examples are discussed further below in Part 10, “Economic, Small Business, and Consumer Impact”.

Immediate Effective Date: Pursuant to A.R.S. § 41-1032(A)(1), and as stated in Part 4 of the Preamble, “Effective Date of the Rule”, ADEQ seeks an immediate effective date for these rules in order to preserve public safety and protect human health and the environment by ensuring necessary funding for SWP regulatory activities. This immediate effective date reflects the urgency recognized by the Legislature with the passage of HB2367 pursuant to an emergency clause for immediate enactment. Delaying the effective date would mean that the rule would not be able to take effect in calendar year 2024, seriously jeopardizing the financial viability of the program and putting SWP inspection, enforcement, and services at risk.

8. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

ADEQ did not reference any study for this proposed rule.

9. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

10. A summary of the economic, small business, and consumer impact:

The following discussion addresses each of the elements required for an economic, small business and consumer impact statement under A.R.S. § 41-1055.

Identification of the rulemaking: This rulemaking makes a number of changes to 18 A.A.C. 13, Solid Waste Management, including amendments to Articles 5, 7, 8, 11, 12, 13, 14, 16, and 21; amending Sections R18-13-501, R18-13-702, R18-13-801, R18-13-1103, R18-13-1211, R18-13-1212, R18-13-1307, R18-13-1409, R18-13-1410, R18-13-1606, R18-13-2102, and R18-13-2103, and their respective tables. Additionally, this rulemaking establishes new articles and sections, including Articles 4, 19, 20, and 22 and their respective sections, and new sections in existing Articles, including R18-13-1212.01, R18-13-1306, and R18-13-2104. The purpose of these changes is to both adjust existing fees and establish new fees throughout Solid Waste Management. This rulemaking also establishes in rule fees that currently only exist in statute.

Fees under this rulemaking can be categorized into two broad groups. One group being current fees paid by waste facilities and licensees that would be subject to an adjustment under this rulemaking. These facilities and licensees include publicly and privately-owned landfills, used and waste tire facilities, self-certification transfer facilities, biohazardous medical waste transporters, septage haulers, and special waste facilities that receive shredder residue and petroleum contaminated soil (PCS). The second group of fees are those established under this rulemaking for the first time. Facilities and entities subject to a new fee include transfer facilities subject to best management practices, used oil handlers, medical waste facilities that are permitted for storage or treatment, facilities generating or transporting special waste, landfills that enter into post-closure care, and collection and recycling facilities accepting lead acid batteries.

These rule changes are intended to collect fees to ensure the financial stability of Solid Waste Management

programs, not to change the conduct of any regulated facilities or entities. The last time ADEQ undertook any substantive review and adjustments of fees within Solid Waste Management was in 2012. While fees established in 2012 represented a critical step towards the goal of full program sufficiency and stability, further work is necessary to realize this goal. Indeed, to date only half of all regulated facilities under Solid Waste Management are subject to fees for registration, inspection, and oversight notwithstanding ongoing statutory mandates.

Experience over the last several years has demonstrated the need for a comprehensive approach to fees throughout Solid Waste Management, one that promotes equal cost distribution amongst all regulated facilities and entities and ensures the financial health of Solid Waste Management as a whole for the effective and efficient carrying out of the Program's mission.

ADEQ's goal in this rulemaking is to adjust and establish fees throughout Solid Waste Management that will sustain critical programs while avoiding disproportionate impact on any one group of stakeholders or regulated entities. Currently, ADEQ's annual costs to administer all solid waste programs are estimated to total \$3.5 million per year. However, current annual registration fee revenue is estimated at roughly \$500,000. Other revenue sources include the 3.5% of the Waste Tire Fund allocated to the Solid Waste Fee Fund based upon the number of tires sold and the special waste tonnage tipping fee based upon the amount of special waste disposed within the state. While variable, these other revenue sources are critical, representing approximately half of revenues into the Solid Waste Fee Fund. ADEQ continues to operate with total revenues that are insufficient to cover costs. The increases in existing fees and newly established fees in this rulemaking are now projected to contribute and ultimately result in approximately \$2.1 million in additional fee revenue for the Solid Waste Fee Fund.

Regulatory Objective: The Waste Program Division within ADEQ preserves and protects public health and the environment by reducing the risk associated with waste management, contaminated sites, and regulated substances. To fulfill this objective, ADEQ carries out a number of Agency functions corresponding to regulatory and oversight activities for the approximately 2,000 different facilities and entities that fall under Solid Waste Program (SWP) regulation, including: administrative operations; inspections, including pre- and post-inspection activity encompassing historic data and permit review, case closure, and necessary filing; permitting and licensing; public records management; complaint response; and compliance assistance. It is critical that ADEQ has the ability to fully perform all necessary Agency functions to continue to carry out its mission to ensure the continued health of our solid waste ecosystem to preserve and promote public health and the environment.

Least Burden and Cost: A.R.S. § 41-1052(D)(3) requires ADEQ to demonstrate it has selected the alternative with the least burden and cost necessary to achieve the underlying regulatory objective. Similarly, pursuant to A.R.S. § 49-104(B)(17), ADEQ is charged with ensuring all fees "be fairly assessed and impose the least burden and cost to the parties subject to the fees" based upon an evaluation of "the direct and indirect costs of the department's relevant duties, including employee salaries and benefits, professional and outside services, equipment, in-state travel and other necessary operational expenses directly related to issuing licenses." This statutory mandate is reinforced by HB2367, which states in Section 17, Legislative Intent, that fees established pursuant to the bill be based upon "direct and indirect costs associated with the type of activity or facility that is assessed a fee."

In the context of this solid waste fees rule, ADEQ has interpreted this requirement to mean collecting fee amounts necessary to ensure a self-funded and sustainable SWP to satisfy ADEQ's detailed requirements to protect and enhance public health and the environment as specified in A.R.S. Title 49, Chapter 4, Solid Waste Management.

Based on ADEQ's interpretation of the statutory mandate that the rule impose the least burden and cost, ADEQ evaluated costs for regulating each type of facility and entity and set fees accordingly. ADEQ continued throughout the rulemaking process to adjust the fee proposal to impose the least burden and cost while still ensuring overall fee levels necessary to ensure a self-funded and sustainable SWP. Examples include:

- Establishing separate registration fee amounts in R18-13-1103 for septage haulers based on whether ADEQ is tasked with conducting annual inspections or such inspections are handled by counties to be reflective of actual costs to ADEQ.
- Setting an annual registration fee in R18-13-1410 specifically for biohazardous medical waste transfer facilities to ensure fees are commensurate with ADEQ's related regulatory costs and corresponds to other transfer facility fees.
- Leaving initial fees for solid waste plan review at their current levels in R18-13-702 to improve clarity and ease of initial application for facilities subject to plan review while still ensuring necessary cash flow to ADEQ to facilitate commencing facility plan reviews.
- Adjusting the annual registration fee for the largest class of landfills, those that annually receive 225,000 or more tons of waste, by the regional CPI instead of the initial, higher annual registration fee proposed in the NPRM.
- Changing the first annual registration fee of increased fees so that payment of the fee will occur over two invoices as well as delaying payment of new annual registration fees and first quarter landfill disposal and special waste tonnage until July 2025 to correspond with the fiscal year. Following any initial invoicing or other change for the first year of implementation, billing for facilities and entities will return to a single invoice for all new and adjusted annual registration fees for the calendar year billing cycle in January 2026.
- Setting back the annual CPI adjustment to July instead of January, coinciding with the fiscal year. This affords stakeholders more time in preparing budgets aligned with the fiscal year.
- Setting an annual cap of 4% on the CPI adjustment of the fee amount of the preceding year. This CPI cap will promote stability and predictability year-on-year for stakeholders during budgeting and cost forecasting.

Fairly Assessed: To ensure the fees adjusted and established under this rulemaking be fairly assessed against each member of the regulated community subject to them, ADEQ conducted extensive stakeholder engagement, including three rounds of stakeholder meetings to present all proposed fee levels, explain the basis for the fees, provide detail on the need for and methodology of the annual CPI adjustments, and present rule language. ADEQ was able to solicit productive feedback from the regulated community. This feedback guided ADEQ in assessing and adjusting proposed fee levels and implementation to impose the least burden on members of the regulated community to the fullest extent possible.

In addition to engagement with and feedback from the regulated community, ADEQ reviewed costs associated with Agency functions in carrying out regulated activities, with costs identified and distinguished by facility type. Based upon these costs, ADEQ employed the fee methodology discussed in Part 7 of the Preamble, "Explanation of Fee Methodology", that set fees for each class of facility or entity.

Implementation Schedule: In furtherance of ADEQ’s goal to ensure the proposed fees impose the least burden and cost, ADEQ evaluated the feasibility of an implementation schedule that balances the fiscal health of SWP and the budget constraints of the regulated community subject to the fees. Currently, ADEQ sends out invoices for registration fees to correspond with the calendar year. However, a recurring point of discussion throughout the rulemaking process was the concern of implementing a new fee or fee increase in the middle of the fiscal year for many counties, municipalities, and other political subdivisions. As such, while the rule and fees would become effective as of January 2025, fees will be implemented pursuant to a schedule for CY2025 to accommodate the fiscal needs of counties, municipalities, and other political subdivisions.

This implementation schedule is discussed in greater detail and presented in a series of tables in Part 7 of the Preamble, “Implementation Schedule”.

Identification of the persons who will be directly affected by, bear the costs of, or directly benefit from the proposed rulemaking: Stakeholders directly affected by this rulemaking include all 15 counties within the state, local municipalities, and the approximately 2,000 solid waste facilities and entities with different media types subject to ADEQ regulatory compliance and oversight under Solid Waste Management, as well as the general public. These facilities may be categorized as government and privately owned. Approximately 13% of all solid waste facilities and entities are owned by a political subdivision of the state, with the remaining being privately owned and operated, ranging from individual licensees to large, multistate businesses. These facilities and entities include solid waste transfer facilities of varying size and sophistication, from rural drop-site locations to city facilities, septage hauler licensees, waste tire sites, off-site facilities registered for the treatment, storage, or disposal of auto-shredder residue, special waste transporters and generators, biohazardous medical waste transport companies, used oil handlers and collectors, facilities accepting lead acid batteries for collection or recycling, and both public and privately-owned landfills.

These facilities and entities are discussed in greater detail in the “Cost/Benefit Analysis” to follow.

Cost/Benefit Analysis: The estimated total impact for this rule is \$12 million, which is the approximate total amount of increased fees across all programs. This estimated impact is subject to annual adjustment pursuant to the regional CPI adjustment. Approximately \$1.8 million in increased fees will be collected pursuant to the proposed new and adjusted fees, including the special waste tonnage tipping fee, for regulated facilities and entities to be deposited into the Solid Waste Fee Fund. \$6.7 million of increased fees will be collected through the fee on the sale of new tires as incorporated, with this cost borne by sellers and purchasers of new tires throughout the state. Of this \$6.7 million, 3.5% or approximately \$237,000 will be deposited to the Solid Waste Fee Fund pursuant to A.R.S. § 44-1305(B)(1), resulting in the total increased revenues to the Solid Waste Fee Fund of approximately \$2.1 million. The remaining revenues from the fee on the sale of new tires are apportioned to the counties as provided in law. Finally, approximately \$3.5 million in increased fees will be collected pursuant to the landfill disposal fee as incorporated to be deposited into the Recycling Fund pursuant to A.R.S. § 49-836.

ADEQ finds that the benefits associated with this rule change outweigh any foreseen or anticipated costs, as discussed in further detail below.

Probable benefits include:

- Allow the Recycling Fund to be more fully utilized for its intended purpose. Since the loss of General Fund revenues and the establishment of the fee-based program model in 2012, it has been necessary

to expend from the Recycling Fund to cover management of solid waste regulatory programs. By ensuring full cost-recovery and program funding through this proposed rulemaking, expenditures from the Recycling Fund to cover solid waste management may be addressed, allowing appropriations under the Recycling Fund to be used for the stated purpose of that fund. ADEQ is committed to expenditures from the Recycling Fund being used for the stated purpose of grants and contracts for “research, demonstration projects, new technologies, market development and source reduction studies and implementation of the recommendations or reports prepared.” *See* A.R.S. § 49-837(B)(1).

- Minimize public health risks from solid waste activities. Fee levels ensuring full cost-recovery to ADEQ for regulatory activities and program stability are critical to allow ADEQ to adequately perform all its duties relating to its mission to enhance public health and the environment, including inspections, monitoring, public education, compliance, and permitting.
- Ability to address the obligations cited in the 2021 Auditor General’s Report. The Auditor General’s September 2021 Performance Audit and Sunset Review Report noted ADEQ has not yet adopted all statutorily required rules. Specifically, the Report notes A.R.S. § 49-761 requires the Department to adopt various rules for solid waste facilities, such as requirements for storing, processing, treating, and disposing of solid waste; best management practices for these facilities; and financial assurance requirements for facility closure. The Report ultimately recommends such rules should be adopted as required by statute. By ensuring appropriate funding levels and future programs security, ADEQ will be better positioned to undertake further rulemakings to address this recommendation of the Auditor General.
- Ability to address regulatory vacuum to protect public health and the environment as well as promote business development. With adequate and sustainable funding, SWP may increase inspection and enforcement activities to address and mitigate any regulatory vacuum within the solid waste universe. A greater ability to engage in regulatory activities provides a stronger deterrence to behavior that is harmful to the environment and public health, mitigates any unlevel playing field between competing facilities, and provides certainty for current and prospective businesses in estimating and planning for standards and operation requirements that must be adhered to.
- Ensure fee revenues continue to match increasing costs to ADEQ through annual regional CPI adjustments. The annual adjustments in the proposed rule will allow SWP to maintain fee levels commensurate with rising costs due to inflation to facilitate cost-recovery year over year and continued program stability.

This cost/benefit analysis includes an analysis of the following elements pursuant to A.R.S. § 41-1055(B)(3):

- Probable costs and benefits to the implementing agency and other agencies directly affected by the implementation and enforcement of the proposed rulemaking: probable benefits to ADEQ by the implementation of this rule include ensuring that SWP becomes sustainable, secure, and self-sufficient as a fully fee-based program. Additionally, benefits include allowing the Recycling Fund to be more fully utilized for its intended purpose, minimizing public health risks from solid waste activities, allowing ADEQ to address obligations cited in the 2021 Auditor General’s Report, and to maintain fee levels commensurate with rising costs due to inflation to facilitate cost-recovery year on year and continued

program stability. Probable benefits to ADEQ are discussed in greater detail in Part 7 of the Preamble. A probable cost to ADEQ in the implementation of this rulemaking is the administrative costs associated with administering these fees, including in accordance with the proposed implementation schedule and updating the fees annually pursuant to the regional CPI adjustment. No new full-time employees are necessary to implement or enforce this rule.

The Arizona Department of Revenue is charged with the collection of the new tire sales fee, 2% of the sale price of a new tire capped at \$2.00, pursuant to A.R.S. § 44-1302. This rulemaking incorporates this existing fee into rule at R18-13-2202, with an adjustment to the fee cap based upon CPI as well as a continuing annual regional CPI adjustment to the cap. As such, it will be necessary for the Department of Revenue to update each year the quarterly Motor Vehicle Waste Tire Fee return form to reflect the new fee cap. This will present a new administrative cost to the Department of Revenue in the timely updating and dissemination of the return form.

- Probable costs and benefits to a political subdivision of this state directly affected by the implementation and enforcement of the proposed rulemaking: probable benefits to political subdivisions by the implementation of this rule include the increased fee revenues of approximately \$6.5 million apportioned to the counties based on registered motor vehicles for the administration of each county's waste tire program pursuant to the incorporation and adjustment of the new tire sales fee. ADEQ has heard that costs for running these waste tire programs have increased, creating additional strains on counties attempting to fully administer their respective programs as required by A.R.S. § 44-1305. Increased fee revenues to be apportioned to the county waste tire programs will provide more money for each county to administer its required waste tire program. Additionally, increased fee revenues ensuring overall program health and self-sufficiency for SWP will strengthen the capacity for ADEQ to partner with counties and other political subdivisions to address key waste issues, such as wildcat, or illegal, dumping of waste, including increased enforcement activity and clean-up efforts.

Probable costs to political subdivisions from the implementation of this rule are the increased and new fees each political subdivision will be subject to for their county and municipal solid waste facilities and entities, as well as the increased landfill tonnage fees. Of the total approximately 2,000 solid waste facilities and entities regulated by ADEQ, the Agency estimates 13% are owned and operated by political subdivisions. This total includes approximately 26 active municipal landfills as well as 19 landfills currently in post-closure care.

Other facilities owned and operated by political subdivisions include:

- Used and waste tire sites. These include sites storing 100 or more used tires outdoors, as well as waste tire sites subject to self-certification and best management practices. Used and waste tire sites are often operated by and for counties under county waste tire collection programs. There are approximately 30 publicly operated used and waste tire sites.
- Transfer facilities subject to both self-certification and best management practices. To note, exempted from the definition of transfer facilities for purposes of registration fees are material recovery facilities where the incoming materials are primarily source separated recyclables and community or neighborhood recycling bins including drop boxes, roll off containers, plastic containers used to collect residential, business, or governmental recyclable solid waste. There are

approximately 80 publicly operated transfer facilities maintained by counties and municipalities throughout the state.

- Septage haulers. While the majority of licensed septage hauler vehicles are privately owned and operated, some political subdivisions maintain licensed septage vehicles for purposes of sanitation and public departments. There are approximately 40 septage hauler licensed vehicles maintained by political subdivisions.
- Collection or recycling facility that accepts lead-acid batteries. Counties and municipalities often maintain registered household hazardous waste sites that accept lead-acid batteries. There are approximately 30 such registered facilities throughout the state.
- Probable costs and benefits to businesses directly affected by the proposed rulemaking, including any anticipated effect on the revenues or payroll expenditures of employers who are subject to the proposed rulemaking: With fees resulting in a fully-funded SWP, ADEQ may engage in greater compliance assistance for regulated facilities and entities. Further, ADEQ will have more resources to facilitate more expeditious permit review, both for new permits and renewals. This will allow permit applicants to begin facility operations sooner, mitigating administrative burdens associated with permit review time and allowing for faster business development, while still maintaining high regulatory standards for facilities and solid waste operations to ensure the protection of human health and the environment.

Further, a fully-funded SWP will provide ADEQ with the resources needed to engage in greater oversight and compliance, ensuring a more level playing field between regulated businesses and entities. With greater enforcement and oversight, ADEQ may better identify and address pollution, spills, and failures to meet regulatory requirements. This further promotes adherence to regulation amongst all facilities, mitigating the harm to those facilities and entities that must compete with and operate in the same regulatory space as those facilities and entities that may fail to adhere to minimum standards. Additionally, SWP may engage in more robust partnership with the regulated community through activities and programs designed to promote compliance and assistance. Increased program funding and stability can result in greater collaboration with the regulated community, including greater engagement by SWP sections in outreach that help facilities understand and comply with applicable regulations.

Probable costs to businesses directly affected by the rulemaking include the new or increased fees privately-owned solid waste facilities and entities will be subject to, as well as increased landfill tonnage and special waste tonnage fees.

There are approximately 27 active landfills and 7 landfills in post-closure care that are privately owned and operated subject to regulation by ADEQ.

Privately-owned regulated facilities and entities also include those described below:

- Transfer facilities subject to self-certification or best management practices. These facilities are located throughout the state and range in size and sophistication. Self-certification transfer facilities are those that handle a daily throughput of more than 180 cubic yards of solid waste, while transfer facilities subject to best management practices are those that handle a daily throughput of 180 cubic yards or less of solid waste. To note, mirroring public transfer facilities, exempted from the definition of transfer facilities for purposes of registration fees are material recovery facilities where the incoming materials are primarily source separated recyclables and community or neighborhood

recycling bins including drop boxes, roll off containers, plastic containers used to collect residential, business, or governmental recyclable solid waste. There are approximately 80 privately-owned transfer facilities throughout the state.

- Used oil handlers. Used oil handlers are defined as used oil processors, burners, transporters, and marketers required to obtain an EPA identification number pursuant to 40 CFR 279. The majority of the used oil handlers are transporters and marketers, representing 85% of registered used oil handlers. Used oil transporters are anyone that collects or accepts used oil from regulated handlers and transports that used oil to another facility while used oil marketers are anyone who markets used oil or first claims that used oil meets the used oil fuel specifications. There are approximately 230 used oil handlers throughout the state.
- Biohazardous medical waste (BMW) facilities and entities. BMW facilities and entities include BMW transporters, BMW treatment facilities, and BMW storage facilities. There are approximately 50 BMW transporters engaged in moving biohazardous medical waste, as defined in R18-13-1401(4), to an approved disposal facility. There are approximately 20 BMW treatment and storage facilities accepting biohazardous medical waste for proper treatment, storage, and disposal pursuant to regulation.
- Septage haulers. There are over 500 registered privately owned and operated septage hauler licenses throughout the state engaged in the transportation of sewage or human waste that is removed from septic tanks or other onsite wastewater treatment facilities.
- Special waste facilities. Special waste facilities include generators, transporters, and receiving facilities of special waste, defined as solid waste other than hazardous waste requiring special handling and management. Currently petroleum contaminated soils and auto-shredder fluff from shredding motor vehicles are designated special wastes in Arizona. There are approximately 80 special waste transporters, 70 special waste generators, and 16 special waste receiving facilities throughout the state engaged in the transportation, treatment, storage and disposal of special waste.
- Collection or recycling facility that accepts lead-acid batteries. There are approximately 200 registered facilities with ADEQ authorized for the collection and recycling of lead-acid batteries throughout the state.

For the reasons discussed above, ADEQ finds that the benefits associated with this rule change outweigh any foreseen or anticipated costs.

General description of the probable impact on private and public employment in businesses, agencies, and political subdivisions of this state directly affected by the proposed rulemaking: ADEQ estimates this rule-making will not have an impact on public or private employment.

Probable impact of the proposed rulemaking on small businesses: Arizona law defines “small business” for the purpose of this analysis as a “concern, including its affiliates, which is independently owned and operated, which is not dominant in its field and which employs fewer than one hundred full-time employees or which had gross annual receipts of less than four million dollars in its last fiscal year.” *See* A.R.S. § 41-1001(23). The probable impact on small businesses includes an analysis of the following elements pursuant to A.R.S. § 41-1055(B)(5):

Identification of the small businesses subject to the rulemaking: ADEQ has reviewed its records of solid waste facilities subject to new or adjusted fees affected by this rule to determine which ones are small

businesses. An important criterion is that the business must be independently owned and operated. Based on this review and applicable definition, it appears likely that many septage haulers are independently owned and operated and not likely to exceed the revenue and employee limits in the statutory definition of small business. Additionally, it appears likely that a number of used outdoor tire sites storing more than 100 used tires, biohazardous medical waste transporters, certain transfer facilities subject to best management practices, as well as certain used oil handlers would qualify as small businesses for purposes of this rulemaking and collection and recycling facilities accepting lead acid batteries.

Administrative and other costs required for compliance with the proposed rulemaking: ADEQ does not anticipate appreciable administrative or other costs associated with compliance with the rulemaking. While this rule imposes a financial obligation corresponding with registration of certain facility types, compliance with the requirements of registration has long been a component of SWP. Registration under this rulemaking is administrative, with no additional substantive licensing or approval procedures or requirements compared to those that may already exist for regulated facilities.

Reduction of Impact on Small Businesses: A.R.S. § 41-1035 requires state agencies to reduce the impact of a rulemaking on small businesses, if any of the following methods are legal and feasible in meeting the statutory objectives which are the basis of the rule making:

1. Establish less stringent compliance or reporting requirements in the rule for small businesses.
2. Establish less stringent schedules or deadlines in the rule for compliance or reporting requirements for small businesses.
3. Consolidate or simplify the rule's compliance or reporting requirements for small businesses.
4. Establish performance standards for small businesses to replace design or operational standards in the rule.
5. Exempt small businesses from any or all requirements of the rule.

The listed methods are not generally relevant to a rule establishing fees. *See* A.R.S. § 49-104(B)(17). However, in developing fee amounts for different categories of facilities and entities, ADEQ was guided by its statutory mandate that all fees be fairly assessed and impose the least burden and cost to the parties subject to the fees. Further, the implementation schedule discussed in greater detail in Part 7 of the Preamble was designed to impose the least burden possible on all facilities and entities subject to fees under this rule, including small businesses.

Probable cost and benefit to private persons and consumers who are directly affected by the proposed rulemaking: Adequate and sustainable funding for SWP further enables ADEQ to more fully perform its duties relating to its mission to enhance public health and the environment. Benefits to private persons and consumers includes greater enforcement and compliance activities that can be carried out by ADEQ. With adequate funding levels, SWP may conduct more regular inspections of regulated facilities and entities, leading to greater oversight, identification of violations, and corrective actions, resulting in greater minimization of public health risks from solid waste activities. Additionally, adequate funding for SWP will result in sustained and improved Agency response to citizen complaints. Robust engagement with the public is a critical component of ADEQ's mission. SWP receives approximately 80 solid waste complaints from the public annually. The ability to ensure that each complaint is efficiently and effectively fielded, managed, and resolved will be strengthened through adequate funding for SWP.

Further benefits include greater public outreach and education efforts. For example, the Recycling Program educates and encourages Arizonans to reduce, reuse, recycle, and buy recycled products as an alternative to solid waste disposal in landfills. The program assists communities and organizations in developing recycling programs, accessing markets for recycled materials, and educating people about the benefits of recycling. Providing information to the public regarding proper residential and commercial disposal of solid waste is another important component of ADEQ's mission.

Probable costs to private persons and consumers include the increase in the fee cap on the sale of new tires. This rulemaking incorporates into rule the statutory new tire sale fee under A.R.S. § 44-1302 of 2% on the purchase price of each tire sold and raises the per tire cap from \$2.00 to \$4.66. This is anticipated to result in increased revenues of \$6.7 million. This fee is to be collected by the seller of tires and vehicles and often operates as a passthrough fee to be borne by the consumer. The maximum increased cost an individual consumer may be subject to is \$10.64 per vehicle purchase or \$2.66 per tire replacement, assuming the purchase is of a four-wheel vehicle.

An additional probable cost to private persons and consumers is the potential for increased solid waste disposal costs due to the increase to the landfill disposal fee. The landfill disposal tonnage fee is often a passthrough to residential customers. With the landfill disposal fee being increased based on a CPI adjustment, landfills, both public and privately-owned, may elect to raise rates for residents and customers to offset this increase.

Probable effect on state revenues: ADEQ estimates that fees from this rulemaking will directly affect state revenues by increasing overall annual fee revenue generated across programs and funds by approximately \$12 million.

Description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed rulemaking: This rulemaking is the least intrusive and costly means possible to achieve the same objectives. ADEQ engaged with stakeholders to explore methods to reduce the impact of new or increased fees, including among other outreach efforts three stakeholder meetings, and established an implementation schedule for the first calendar year of the fees to impose the least burden and cost, as discussed in detail in Part 7 of the Preamble.

Description of any data on which a rule is based with a detailed explanation of how the data was obtained and why the data is acceptable data: Any data or reasoning which this rulemaking is based on is identified in the "Rule Scope and Explanation" portion of the Notice of Final Rulemaking located in Part 7. Generally, no new data was introduced or reviewed to make these rule changes.

Based on the foregoing, ADEQ finds that the benefits associated with this rule change outweigh any foreseen or anticipated costs.

11. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:

Changes were made to the rule to reduce the regulatory burden and impact to stakeholders. These changes include:

1. Place a cap of 4% on the annual CPI adjustment for all fees. This involves inserting language stating "except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year" at: R18-13-402(E), R18-13-501(F), R18-13-702(G), R18-13-801(A), R18-13-1103(E), R18-13-1211(C), R18-13-1212(D), R18-13-1212.01(C), R18-13-1306(E), R18-13-1307(H), R18-13-1409(J),

R18-13-1410(G), R18-13-1606(F), R18-13-1901(C), R18-13-2002(D), R18-13-2102(D), R18-13-2103(C), and R18-13-2202(D).

2. Set back the time of implementation of the adjustment from January to July of each year. This involves striking the word “January” and replacing with “July” at: R18-13-402(E), R18-13-501(F), R18-13-702(G), R18-13-801(A), R18-13-1103(E), R18-13-1211(C), R18-13-1212(D), R18-13-1212.01(C), R18-13-1306(E), R18-13-1307(H), R18-13-1409(J), R18-13-1410(G), R18-13-1606(F), R18-13-1901(C), R18-13-2002(D), R18-13-2102(D), R18-13-2103(C), and R18-13-2202(D).
3. Remove the annual CPI adjustment for the solid waste landfill disposal fee. This involves removing in whole subsection (H) of R18-13-2104.
4. Set back the implementation of the new tire sales fee until April 1, 2025. This involves inserting the language “Beginning April 1, 2025” at the beginning of R18-13-2202(A).

Additional non-substantive changes were made to improve clarity of the rule and better conform with official style and form guidance. These changes include:

5. R18-13-501(C). Reformat the numerical list to conform with current rule language.
6. R18-13-1103(C)(3). Replace the semicolon at the end of a list with a comma.
7. R18-13-1201. Reorder the new definition of “waste tire collection site” to now be in alphabetical order.
8. R18-13-1307(F). Reformat the subsection to conform with official Arizona rulemaking publishing style and form. This includes re-lettering current subsection (G) to subsection (F) and establishing subsection (F)(2) as new subsection (H).
9. R18-13-1409(I)(4). Correct the subsection reference from subsection (K) to subsection (I).
10. R18-13-1606(E). Correct the subsection reference from subsection (B) to subsection (C).
11. R18-13-2002(D). Correct the subsection references from subsection (B) and (C) to subsections (A) and (B).
12. R18-13-2104(C). Clarify the maximum fee amount is an annual maximum.
13. R18-13-2104(F). Delete redundant reference to “other information deemed necessary by the Department.”
14. R18-13-2202(C). Add the word “Arizona” before “Department of Revenue” to improve clarity and consistency.
15. R18-13-2201(B). Insert the words “to a” before “political subdivision” to improve clarity.
16. R18-13-2202(A). Strike the words “sales tax” and replace with “transaction privilege tax” to more accurately use the applicable Arizona state tax terminology. Insert the word “tire” before the word “seller” to improve consistency.

17. R18-13-2202(D)(2). Add language stating ADEQ shall both notify the Arizona Department of Revenue of the annual CPI adjustment to the new tire sale fee and post such amount on its website as soon as practicable.

12. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:

ADEQ received 15 comment letters throughout the formal comment period that ran from August 16, 2024 to September 20, 2024. Nine of these comment letters came from cities and towns, including the cities of Glendale, Goodyear, Mesa, Phoenix, Tempe, Tucson, Casa Grande, Scottsdale, and the Town of Gilbert, with the remaining comment letters coming from the League of Arizona Cities and Towns, Graham County, Gila County, the National Waste & Recycling Association's (NWRA-AZ) Arizona Chapter, the County Supervisors Association, and a member of the business community. ADEQ also received several formal oral comments during a public hearing held on September 19, 2024.

Throughout the comment letters and formal comments during the public hearing certain comments were consistently raised. Each of these comments is addressed and responded to below:

Impact of substantial fee increases. Comment letters state proposed fee increases are substantial. Commenters including the City of Phoenix and Graham County notes several fees are increased by 100% or more, with three fees increased more than 1,000% compared to current levels. This impact will not only be felt by solid waste facilities such as landfills and transfer facility operators but also residents and local businesses that will experience direct and pass-through costs. The City of Phoenix notes this can present a challenge for cities and towns as service fee increases are politically sensitive, requiring advanced notification to residents and City Council approval.

Agency Response: ADEQ responds that SWP has been mandated to operating under a fee-based model since 2012. ADEQ recognizes that some fee increases are significant; however, for the last 12 years SWP has performed unfunded regulatory mandates for approximately half of its solid waste universe. Further, fees established in 2012 were established at levels far below actual cost to the Agency. Accordingly, this rulemaking establishes fees more universally throughout the solid waste universe with each fee established at a level reflective of actual costs to the Agency in carrying out relevant regulatory activities.

Fee implementation timing. Several comment letters note budget constraints faced by political subdivisions and the anticipated strain of having fee implementation coincide with the calendar year. Counties and municipalities have expressed that this situation creates challenges in budgeting and forecasting, particularly in preparing their budgets to accommodate fee payments and increases that become effective in January. Commenters request that fee implementation be delayed until July 1, 2025 and that future billing by the agency coincide with the fiscal year, with all future billing coming due pursuant to invoices sent in July.

Agency Response: ADEQ recognizes budget constraints faced by political subdivisions. Accordingly, ADEQ split the implementation of fees for calendar year 2025 between two invoice periods, as described in greater detail in Part 7 of the Preamble, "Implementation Schedule". Following the initial implementation, ADEQ has determined it is necessary for SWP to maintain the calendar year billing cycle to ensure continued program stability.

Continuing CPI Adjustments. Commenters raise concern that CPI adjustments under the rule are perpetual. Commenters note this may result in under or over cost recovery. Commenters request ADEQ make the

following changes to the CPI adjustment methodology.

- ADEQ makes the CPI adjustments sunset after a period of five years.
- Each annual CPI adjustment is capped, such as at a maximum of a 5% increase per year.
- CPI adjustments should be implemented in July based on the CPI as published in January of each year.

Agency Response: ADEQ appreciates concerns raised by stakeholders concerning implementation of the CPI adjustment methodology, including the request for a sunset, cap to annual maximum adjustment, and aligning the adjustment with the fiscal year. ADEQ believes CPI is a reasonable tool to approximate year-to-year increased costs to the Agency. The annual CPI adjustment is representative of the cost of living for ADEQ employees, which ADEQ must hire and retain. CPI is a proven method for budgeting stability both in the public and private sectors. Within ADEQ, CPI has been utilized within the Air Quality Division for over a decade, and has been implemented in recent rulemakings for hazardous waste and water quality fees. Placing a cap on the maximum annual adjustment could result in a misalignment between program revenues and true costs to the program. ADEQ established fees at levels to cover program costs while imposing the least cost and burden to those subject to the fees. As CPI adjustments are based on costs to the Agency, to cap these adjustments below changes to Agency costs would result in under-recovery by ADEQ.

ADEQ is committed to continued oversight and accountability for its programs. Program leadership analyzes the effectiveness of programs annually and reports to the Director on all aspects of the programs, including costs and revenues. Through this, ADEQ programs are regularly reviewed to ensure the Agency is able to meet its statutory mandates, including that all fees be fairly assessed and impose the least burden and cost. *See* A.R.S. § 49-104(B)(17). Accordingly, future adjustments to programs are considered to ensure continued alignment with those statutory mandates. As such, ADEQ does not believe a sunset on annual CPI adjustments is necessary.

However, while ADEQ determined that it is necessary for SWP to maintain the calendar year billing cycle to ensure continued program stability, to allow for adequate time to budget for annual adjustments based upon CPI, the rules have been changed so that adjustments will now align with the fiscal year. Further, to promote stability and predictability year-on-year, adjustments are capped at 4% of the fee amount of the preceding year.

Financial strain on political subdivisions due to legislative reduction of the flat tax and repeal of the rental tax. In comment letters political subdivisions consistently state the strain towns and cities are currently facing due to the recent implementation of the state reduced flat tax as well as the elimination of the rental tax. Towns and cities are concerned with the additional impact posed by fees under this rulemaking.

Agency Response: ADEQ recognizes that political subdivisions including cities and towns face certain economic constraints from recent legislative changes. In accordance with ADEQ's mandate for a fee-based program and pursuant to A.R.S. § 49-104(B)(17), ADEQ established fees to be "fairly assessed and impose the least burden and cost to the parties subject to the fees" based upon an evaluation of "the direct and indirect costs of the department's relevant duties, including employee salaries and benefits, professional and outside services, equipment, in-state travel and other necessary operational expenses directly related to issuing licenses."

In response to current and projected economic constraints felt by cities and towns and the residents who ultimately pay for solid waste services, these rules have been changed to eliminate the annual CPI adjustment for the solid waste landfill disposal fee. This will allow for political subdivisions that operate landfills to better project anticipated costs.

Assurance that the fees will support the solid waste fund and recycling grants and not be swept to cover other state budget shortfalls. Commenters raise concern that revenues to the Recycling Fund from landfill disposal fees will be used to support other state budget needs.

Agency Response: ADEQ appreciates these concerns. ADEQ is committed to using the greatest portion feasible of the Recycling Fund towards grants and contracts and other stated uses under A.R.S. § 49-837 to further the mission of the Arizona Recycling Program. Appropriation authority rests solely with the state legislature.

Additional comments specific to each commenter are addressed below:

City of Glendale. The City of Glendale states the City has Intergovernmental Agreements (IGAs) with the cities of Peoria, Goodyear, and Avondale for use of its landfill. These IGAs do not reflect the increase in fees and this cost will be absorbed by the City of Glendale. The City of Glendale requests the rulemaking be paused and ADEQ adjust its approach to reduce the impact on cities.

Agency Response: ADEQ responds that, as demonstrated through a series of stakeholder meetings and presented materials, to carry out the Agency's legislative mandates, the Agency has borne costs far exceeding revenues due to inflation and from insufficient fees under a fee-for-service program since 2012. These fee increases are necessary to ensure program stability for the Agency to fulfill its statutory mandates to protect human health and the environment.

The Legislature passed HB2367 pursuant to an emergency clause for immediate enactment. Delaying the rulemaking and final implementation of the fees would jeopardize the financial stability of SWP.

National Waste & Recycling Association's – Arizona Chapter. The NWRA-AZ comment letter includes the following: (1) requests ADEQ update an Agency calendar reflecting the adoption of the new rule, (2) formalize rules for the Recycling Grant Program, (3) asks if there exists a proforma report projecting total revenues in this program and as a result of these increases and how they relate to program costs ensuring that the program is not over funded, (4) questions the application of fees, if any, to closed landfills to ensure that post-closure plans are accurate and if none are applied, written statement in the Rules regarding absence of fee assessment to closed landfills and (5) NWRA-AZ requests feedback on if submitted comments are available for review and if they will be available through the ADEQ website.

Agency Response: ADEQ responds to the request for an Agency calendar by stating ADEQ intends to update the regulated community annually following implementation of the fees and for subsequent CPI adjustments. In the third stakeholder meeting held July 18, 2024, ADEQ explained how the Agency plans to publish on the ADEQ website the fee table and fee updates for all fees affected by the rulemaking. Further, ADEQ intends to send out notice to regulated facilities subject to the fees announcing fee adjustment and updates. This is based upon current practice for hazardous waste fees that are similarly subject to annual CPI adjustments.

The Agency recognizes and appreciates the importance of recycling grant funding and the Recycling Grant

Program for stakeholders and the public. However, it is outside the authority or mandate of this rulemaking for ADEQ to implement any rules for the Recycling Program.

Post-closure plans are reviewed as part of the approval process. Further, ADEQ has responsibility for regulatory oversight of landfills for the full duration of post-closure care. This oversight includes inspections, data review, and records management. The annual fee for post-closure care will cover costs to the Agency for this regulatory oversight.

Concerning the question if submitted comments are available for review, ADEQ responds that the agency acts in accordance with its statutory mandate to summarize comments and publish responses in this Notice of Final Rulemaking. Public comments are available through the ADEQ Records Management Center via a public records request under A.R.S. §§ 39-101 through 39-161.

City of Phoenix. The City of Phoenix requests additional clarification on proposed fee increases. City of Phoenix notes in the Notice of Proposed Rulemaking (NPRM) that ADEQ states “currently regulatory costs across all solid waste programs for ADEQ are estimated to total \$3.5M per year; however, current fees generated are estimated at roughly \$500,000.” The City of Phoenix requests clarity on how much of the current generated fee revenue is in the recycling fund versus the solid waste fund and please provide the estimated revenue by fund with the proposed fee increases and how the total contribution of the fee on the sale of new tires into the solid waste fee fund of \$665,000 was derived. The City of Phoenix also believes that the NPRM statement the post-closure care fee is new is inconsistent with the strike-through language in R18-13-2103 on page 2598 that states the annual landfill registration is \$1,250. The City of Phoenix requests clarity if the closed landfill fees are new or increases on existing fees.

The City of Phoenix recommends ADEQ limit the subsequent CPI increases and provide ongoing and thorough transparency and justification for the fee increases.

Agency Response: ADEQ clarifies that the stated approximately \$500,000 of fee revenue deposited into the Solid Waste Fees Fund comes from annual registration fees for facilities and entities. As noted by the commenter, all revenues generated from the landfill disposal fee are deposited into the Recycling Fund pursuant to A.R.S. 49-836.

Following this rulemaking, revenues to the Solid Waste Fee Fund, which include annual registration fees, special waste tonnage fees, and the 3.5% apportioned from the new tire sale fee, are estimated to be approximately \$3.4 million (an increase of \$2.1 million) depending on total tonnage disposed of, active amount of facility registrations, and the sale amount of new tires; revenues to the Recycling Fund, which include the landfill tonnage disposal fee, are estimated to be approximately \$6.2 million (an increase of \$3.5 million), with future expenditure levels contingent on legislative appropriation; and revenues generated from the new tire sales fee, contingent on the number of tires sold, are estimated to be approximately \$19 million (an increase of \$6.7 million). The determination of total contribution of the new tire sales fee estimated at approximately \$665,000 is based upon 3.5% of the total approximate revenue from the new tire sales fee.

ADEQ clarifies that the current annual registration fee of \$1,250 is only applicable through completion of landfill closure. However, it does not apply to landfills still regulated in post-closure care. This has been the historic application of this fee provision based upon interpretation of prior statutory authority. Subsequent clarity to this statutory authority through amendment to the definition of a “closed solid waste facility” made during the 2024 legislative session pursuant to HB2628 provided the directive for the collection

of the fee during the full period of post-closure care as established in the rule. The Amendment to R18-13-2103 establishes that this fee, increased to \$3,500, is for the full duration of post-closure care, approximately 30 years, for the reasons stated in the Preamble. As this fee will now be applicable for a different duration of time and obligations, ADEQ characterizes this as a new fee.

Concerning City of Phoenix's request to limit the subsequent CPI increases and provide ongoing and thorough transparency and justification for the fee increases, ADEQ believes CPI is a reasonable tool to approximate year-to-year increased costs to the Agency. The annual CPI adjustment is representative of the cost of living for ADEQ employees, which ADEQ must hire and retain. CPI is a proven method for budgeting stability both in the public and private sectors. At ADEQ, CPI has been utilized within the Air Quality Division for over a decade, and has been implemented in recent rulemakings for hazardous waste and water quality fees. Further, ADEQ is committed to continual program oversight and accountability. Program leadership analyzes the effectiveness of programs annually and reports to the Director on program revenues and costs as necessary to meet ADEQ's statutory mandates.

While ADEQ recognizes CPI as a reasonable tool to approximate year-to-year increased costs to the Agency, ADEQ acknowledges concerns raised by the regulated community. As such, to promote stability and predictability year-on-year, the rules have been changed so that all CPI adjustments are capped at 4% of the fee amount of the preceding year.

City of Tucson. The City of Tucson recommends that ADEQ consider the implementation of these proposed fees in phases pursuant to an implementation schedule over a period of three-to-five years.

Agency Response: ADEQ responds that SWP has been experiencing budget shortfalls for years that continues to be compounded by growing costs without corresponding revenue increases. It is due to the urgency with which SWP needs increased fee revenues to ensure proper cost-recovery and a self-funded program that the Legislature passed HB2367 pursuant to an emergency clause for immediate enactment. Delaying implementation of the fees pursuant to a delayed implementation schedule over the course of several years would jeopardize the financial stability of SWP.

County Supervisors Association of Arizona. The County Supervisors Association expresses support received from counties for the adjustment by CPI for the cap on the new tire sales fee from \$2.00 to \$4.66 as proposed in the rule that will further fund county obligations to collect and contract for the disposal of waste tires.

The Association expresses concern increased costs may incentivize illegal dumping. The Association requests that notice of fee increases be sufficient to allow stakeholders to address costs in future budgets, that fee increases align with existing budget timelines, and that proposed fee increases are justified with annual cost estimates by ADEQ.

Agency Response: ADEQ recognizes that illegal dumping is an ongoing challenge throughout the state. However, ADEQ finds that increased fee revenues ensuring overall program health and self-sufficiency for SWP will strengthen the capacity for ADEQ to partner with counties and other political subdivisions to address key waste issues, such as wildcat, or illegal, dumping of waste.

In response to the Association's request that notice of fee increases be sufficient, ADEQ intends to update the regulated community annually following implementation of the fees and for subsequent CPI adjustments. As stated above, the Agency plans to publish on the ADEQ website the fee table and fee updates for

all fees affected by the rulemaking. Further, ADEQ intends to send out notice to regulated facilities subject to the fees announcing any fee adjustment and updates. This is based upon current practice for hazardous waste fees that are similarly subject to annual CPI adjustments.

ADEQ selected CPI as the adjustment methodology because ADEQ believes CPI is a reasonable tool to approximate year-to-year increased costs to the Agency. The annual CPI adjustment is representative of the cost of living for ADEQ employees, which ADEQ must hire and retain. CPI is a proven method for budgeting stability both in the public and private sectors. At ADEQ, CPI has been utilized within the Air Quality Division for over a decade, and has been implemented in recent rulemakings for hazardous waste and water quality fees. Program leadership analyzes the effectiveness of programs annually and reports to the Director on program revenues and costs as necessary to meet ADEQ's statutory mandates.

ADEQ recognizes budget constraints faced by stakeholders. Accordingly, ADEQ split the implementation of fees for calendar year 2025 between two invoice periods, as described in greater detail in Part 7 of the Preamble, "Implementation Schedule". After continued review, following the initial implementation, ADEQ determined it is necessary for SWP to maintain the calendar year billing cycle to ensure continued program stability.

However, to ensure adequate time to budget for annual adjustments based upon CPI, these adjustments will now align with the fiscal year. Further, to promote stability and predictability year-on-year, the rules have been changed so that all CPI adjustments are capped at 4% of the fee amount of the preceding year.

Graham County. Graham County characterizes and raises concern with the new and adjusted fees pursuant to this rulemaking as an "across the board" method based not on the cost to ADEQ of each activity but on the need to raise operational revenue. Graham County states that the emergency legislation of HB2367 enacts fees on July 1. The timing imposes fees that Graham County and other government agencies haven't budgeted for.

Graham County states the landfill disposal fee increase is substantial and rural counties will be unable to cope with the increase. Further, the landfill disposal fee and septage hauler annual registration fee increase will be borne by customers, presenting a challenge for rural counties and municipalities struggling with "wildcat dumping" to avoid landfill costs. Graham County requests fees be increased incrementally over a period of years rather than immediately to lessen "sticker shock" felt by permittees and customers.

Agency Response: ADEQ asserts that each fee was established pursuant to the statutory mandate requiring each fee be based upon an evaluation of "the direct and indirect costs of the department's relevant duties, including employee salaries and benefits, professional and outside services, equipment, in-state travel and other necessary operational expenses directly related to issuing licenses." See A.R.S. § 49-104(B)(17). Fees were established under this rulemaking to ensure a fully self-funded program. To ensure ADEQ fulfilled this statutory mandate, the Agency reviewed actual costs in conducting inspections and regulatory oversight for each class of facility and established fee amounts to ensure fees are reflective of those costs relating to the Department's relevant duties, including employee salaries and benefits, professional and outside services, equipment, in-state travel, and other necessary operational expenses associated with the type of activity or facility that is assessed a fee. ADEQ states, as demonstrated through a series of stakeholder meetings and presented materials, to maintain the Agency's legislative mandates the Agency has borne costs far exceeding revenues due to inflation and from insufficient fees under a fee-for-service program since 2012. These fee increases are necessary to ensure program stability for the Agency to fulfill its statutory mandates

to protect human health and the environment.

ADEQ recognizes based on stakeholder feedback that fee increases pose budget difficulties and that certain fees, such as the landfill disposal fee and septage hauler annual registration fee, are costs that may be passed on to customers. Accordingly, ADEQ split the implementation of fees for calendar year 2025 between two invoice periods, as described in greater detail in Part 7 of the Preamble, “Implementation Schedule”.

ADEQ finds that increased fee revenues ensuring overall program health and self-sufficiency for SWP will strengthen the capacity for ADEQ to partner with counties and other political subdivisions to address key waste issues, such as wildcat, or illegal, dumping of waste. ADEQ recognizes the county’s concern with “sticker shock” associated with these fee increases. ADEQ responds as stated above to comments from the City of Tucson that SWP has been experiencing budget shortfalls for years that continues to be compounded by growing costs without corresponding revenue increases. It is due to the urgency with which SWP needs increased fee revenues to ensure proper cost-recovery and a self-funded program that the Legislature passed HB2367 pursuant to an emergency clause for immediate enactment. Delaying implementation of the fees pursuant to a delayed implementation schedule over the course of several years would jeopardize the financial stability of SWP.

City of Scottsdale. The City of Scottsdale requests the tonnage disposal fee not be swept to cover other state budget shortfalls. The City of Scottsdale expresses opposition to perpetual CPI adjustments and instead recommends more frequent rulemakings to adjust fees. Additionally, and in the alternative, the City of Scottsdale requests continuing CPI adjustments be made in July instead of January to coincide with the fiscal year. The City of Scottsdale further raises a series of questions:

- Did the Solid Waste Management program FY 24/25 budget include revenue from the January 1 rate increase? And if yes, what is the total amount of forecasted revenue?
- To achieve the goal of a fully self-funded program, why did ADEQ choose the method of annual CPI adjustments to recover costs instead of reviewing previous fiscal year costs then seeking a corresponding rate increase?
- What will happen if costs are either over recovered or under recovered through annual CPI adjustments?

Agency Response: ADEQ responds that while the rule will be effective in January 2025, the increased portions of the fees would not take effect until July 2025 pursuant to the implementation schedule and thus would not affect the FY2025 budget. ADEQ selected CPI as the methodology because CPI is a proven method for budgeting stability both in the public and private sectors. Within ADEQ, CPI has been utilized within the Air Quality Division for over a decade, and has been implemented in recent rulemakings for hazardous waste and water quality fees. ADEQ is committed to continual program oversight and accountability. Program leadership analyzes the effectiveness of programs annually and reports to the Director on program revenues and costs as necessary to meet ADEQ’s statutory mandates.

Further, to ensure adequate time to budget for annual adjustments based upon CPI, the rules have been changed so that adjustments will now align with the fiscal year. Additionally, to promote stability and predictability year-on-year, CPI adjustments are capped at 4% of the fee amount of the preceding year.

Agency rulemakings represent a great cost in time and resources to the agency. The cost to ADEQ to

undertake annual rulemaking would require the allocation of resources in personnel and time that would hinder the agency's ability to fulfill its mission and statutory mandates.

Town of Gilbert. The Solid Waste Collections Superintendent representing the Town of Gilbert asked during the public hearing if the formal comment period may be extended.

Agency Response: ADEQ is committed to engagement with stakeholder and the public throughout the rule-making process. However, it is critical that this rule be effective by January 2025 to ensure program stability. The program is currently experiencing budget shortfalls. Any delay to the implementation of fees will further impact the ability for SWP to fulfill its statutory mandates. An extension of the public comment period is not possible as it would result in a delay of submission of the final rule to the Governor's Regulatory Review Council, resulting in an effective date of the rule after January 2025.

Gila County, District 3 Supervisor Woody Cline. Supervisor Cline objects to the proposed fees, stating the fees will place a financial burden on the county's landfills and that financial burden will be passed on to the county's constituents. Supervise Cline states the county has worked diligently to combat blight on public lands and this increase in fees will definitely have a negative effect on the progress made.

Agency Response: ADEQ responds that, as demonstrated through a series of stakeholder meetings and presented materials, to maintain the Agency's legislative mandates the Agency has borne costs far exceeding revenues due to inflation and from insufficient fees under a fee-for-service program since 2012. These fee increases are necessary to ensure program stability for the Agency to fulfill its statutory mandates to protect human health and the environment.

Tank's Green Stuff. The CEO of Tank's Green Stuff protests the increase in fees for composting operations and construction waste landfills citing soaring operating costs, including equipment, labor, energy costs, and breaks in the supply chain. Tank's Green Stuff states fees should instead be reduced to assist businesses in recovering from recent economic hardships.

Agency Response: ADEQ responds that, as demonstrated through a series of stakeholder meetings and presented materials, to maintain the Agency's legislative mandates the Agency has borne costs far exceeding revenues due to inflation and from insufficient fees under a fee-for-service program since 2012. These fee increases are necessary to ensure program stability for the Agency to fulfill its statutory mandates to protect human health and the environment. ADEQ further states that registration fees for composting facilities have been removed from the rulemaking following discussion and feedback from stakeholders to ensure composting may be more prudently addressed in a future rulemaking.

13. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

Not applicable.

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

Not applicable. These rules establish registration requirements solely for revenue purposes. *See* A.R.S. § 41-1001(13).

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal

law and if so, citation to the statutory authority to exceed the requirements of federal law:

Not applicable.

c. Whether a person submitted an analysis to the agency that compares the rule's impact on the competitiveness of business in this state to the impact on business in other states:

No such analysis was submitted.

14. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

Not applicable.

15. Whether the rule was previously made, amended or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:

Not applicable.

16. The full text of the rules follows:

TITLE 18. ENVIRONMENTAL QUALITY
CHAPTER 13. DEPARTMENT OF ENVIRONMENTAL QUALITY
SOLID WASTE MANAGEMENT

ARTICLE 4. SOLID WASTE FACILITIES SUBJECT TO BEST MANAGEMENT PRACTICES

Section

- R18-13-401. Definitions
- R18-13-402. Solid Waste Facilities Subject to Best Management Practices; Fees

ARTICLE 5. REQUIREMENTS FOR SOLID WASTE FACILITIES SUBJECT TO SELF-CERTIFICATION

Section

- R18-13-501. Solid Waste Facilities Requiring Self-Certification; Registration Fees

ARTICLE 7. SOLID WASTE FACILITY PLAN REVIEW FEES

Section

- R18-13-702. Solid Waste Facility Plan Review Fees
- Fee Tables Fees for Plan Review of New Solid Waste Facilities
 Fees for Modifications to Solid Waste Facility Plans
 Fees for Review of Financial Responsibility Plans for Solid Waste Facilities

ARTICLE 8. GENERAL PERMITS

Section

- R18-13-801. General Permit Fees
- Table Solid Waste General Permits

ARTICLE 11. COLLECTION, TRANSPORTATION, AND DISPOSAL OF HUMAN EXCRETA

Section

- R18-13-1103. General Requirements; License Fees
- R18-13-1117. Reinstatement

ARTICLE 12. WASTE TIRES; USED TIRES

Section

- R18-13-1201. Definitions
- R18-13-1211. Registration of New Waste Tire Collection Sites; Fee
- R18-13-1212. Registration of Outdoor Used Tire Sites; Fee
- R18-13-1212.01. Waste Tire Collection Site Subject to Plan Approval; Fees
- R18-13-1213. Facilities Subject to More Than One Tire Site Registration; Single Fee

ARTICLE 13. SPECIAL WASTE AND BEST MANAGEMENT PRACTICES FOR SHREDDER RESIDUE

Section

R18-13-1306. ~~Reserved Fees~~

R18-13-1307. ~~Best Management Practices for Waste from Shredding Motor Vehicles; Fees~~

ARTICLE 14. BIOHAZARDOUS MEDICAL WASTE AND DISCARDED DRUGS

Section

R18-13-1409. ~~Transporter License; Fees; Transportation~~

Table 1 ~~Fee Table – Transporter License Fees; Frequency of Application for Transporter License~~

Table 2 ~~Fee Table – Transporter Annual Fee~~

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

ARTICLE 16. BEST MANAGEMENT PRACTICES FOR PETROLEUM CONTAMINATED SOIL

Section

R18-13-1606. ~~Fees~~

ARTICLE 19. LEAD ACID BATTERY RECYCLING

Section

R18-13-1901. Collection or Recycling Facility of Lead Acid Batteries; Registration; Fees

ARTICLE 20. USED OIL

Section

R18-13-2001. Definitions

R18-13-2002. Used Oil Handler Registration; Fee

R18-13-2003. Used Oil Collection Center Identification Number; Requirements

ARTICLE 21. SOLID WASTE LANDFILL REGISTRATION AND DISPOSAL FEES

Section

R18-13-2101. ~~Definitions~~

R18-13-2102. ~~Registration; Annual Registration Fee for an Existing Solid Waste Landfill~~

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

R18-13-2104. Solid Waste Landfill Disposal Fee; Exemptions

ARTICLE 22. NEW TIRE SELLERS

Section

R18-13-2201. Definitions

R18-13-2202. New Tire Sellers; Fee

ARTICLE 4. SOLID WASTE FACILITIES SUBJECT TO BEST MANAGEMENT PRACTICES

R18-13-401. Definitions

- A. “Department” means the Arizona Department of Environmental Quality.
- B. “Material recovery facility” means a transfer facility that collects, compacts, repackages, sorts, or processes commingled recyclable solid waste generated offsite for the purpose of recycling and transport, or where source separated recyclable solid waste is processed for sale to various markets, and where the incoming materials are predominantly recyclable solid waste.
- C. “Recyclable solid waste” means a product or material described in subsection (C)(1) or (2), and for which subsection (C)(3) is true:
1. A product with no useful life remaining for the purposes for which it was produced, or if useful life remains, the product will not, due to location, quantity, or owner choice, remain in use or be reused for a purpose for which it was produced.
 2. A material that is a result of a process or activity whose purpose was to produce something else.
 3. The product or material retains some economic value, with or without further processing, as a raw material or feedstock in some process other than incineration or combustion.

R18-13-402. Solid Waste Facilities Subject to Best Management Practices; Fees

- A. The following solid waste facilities subject to best management practices under A.R.S. § 49-762.02 shall register with the Department and pay registration fees as provided in this Section:
1. A transfer facility, as defined in A.R.S. § 49-701, with a daily throughput of 180 cubic yards or less, but not including:
 - a. A material recovery facility where the incoming materials are primarily source separated recyclables; or
 - b. Community or neighborhood recycling bins including drop boxes, roll off containers, and plastic containers used to collect residential, business, or governmental recyclable solid waste.
 2. A site at which more than 500 and fewer than 5,000 waste tires are stored on any day that is not required to obtain plan approval pursuant to A.R.S. § 49-762.
- B. Initial registration. A new solid waste facility listed in subsection (A) shall not begin operation until the owner or operator registers with the Department on a form approved by the Department. The owner or operator of a new solid waste facility listed in subsection (A) shall submit an initial registration fee of \$1,800 at the time of registration under this subsection.
- C. Annual registration fee. The Department shall bill an annual registration fee of \$1,500 to a registered solid waste facility listed in subsection (A) that has not filed a notice of termination of registration with the

Department. The owner or operator of a registered solid waste facility listed in subsection (A) shall pay the annual registration fee within 30 days of invoice receipt.

D. Registration as a waste tire collection site under R18-13-1211 shall satisfy registration and fee requirements pursuant to this Section for a site under subsection (A)(2) of this Section.

E. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsections (B) and (C) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (E)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

ARTICLE 5. REQUIREMENTS FOR SOLID WASTE FACILITIES SUBJECT TO SELF-CERTIFICATION

R18-13-501. Solid Waste Facilities Requiring Self-Certification; Registration Fees

A. The following solid waste facilities requiring self-certification under A.R.S. § 49-762.01 shall register with the Department and pay annual registration fees as provided in this Section ~~by September 30, 2012, and annually thereafter by September 30th:~~

1. A transfer facility, as defined in A.R.S. § 49-701, with a daily throughput of more than 180 cubic yards, including a material recovery facility, but not including:
 - a. A material recovery facility where the incoming materials are primarily source separated recyclables; or
 - b. Community or neighborhood recycling bins including drop boxes, roll off containers, and plastic containers used to collect residential, business, ~~and~~ or governmental recyclable solid waste.
2. A facility storing 5,000 or more waste tires on any one day and not required to obtain plan approval.
3. A waste tire shredding and processing facility.

B. Initial registration for a new facility. The owner or operator of a planned new facility identified in subsection (A) of this Section shall submit the following information to the Department before beginning construction:

1. The name of the solid waste facility.

2. The name, mailing address and telephone number of each owner and operator of the solid waste facility.
3. The physical location of the solid waste facility by physical address, latitude and longitude, or legal description. If none of these are practical, by driving directions from the nearest city or town.
4. A brief description of operations, including waste management methods, types and volumes of waste handled, waste storage and treatment equipment, and the length of time the waste remains onsite.
5. A diagram of the property showing its approximate size and the planned location of the solid waste facility or facilities.
6. Documentation that the facility will comply with local zoning laws or, if the owner is an agency or political subdivision of this state, with A.R.S. § 49-767.
7. Documentation that the facility has any other environmental permit that is required by statute.
8. A copy of the public notice in a newspaper of general circulation in the area where the facility will be located stating the intent to construct and operate a new solid waste facility pursuant to A.R.S. § 49-762.05.

C. Initial and annual registration for an existing facility. The owner or operator of an existing facility identified in subsection (A) of this Section shall submit the following information to the Department annually on a form approved by the Department and note any changes since the last registration:

1. The name of the solid waste facility.
2. The name, address and telephone number of each owner and operator of the solid waste facility.
3. The physical location of the solid waste facility by physical address, latitude and longitude, or legal description. If none of these are practical, by driving directions from the nearest city or town.
4. A brief description of operations, including waste management methods, types and volumes of waste handled, waste storage and treatment equipment, and the length of time the waste remains onsite.
5. A diagram of the property showing its approximate size and the location of the solid waste facility or facilities.
6. Documentation that the facility remains in compliance with the most current local zoning laws or with A.R.S. § 49-767, as applicable.
8. Documentation that the facility continues to hold any other environmental permit that is required by statute.

- D.** Self-certification. With each registration under subsection (B) or (C) of this Section, the owner or operator shall certify that the information submitted is true, accurate, and complete to the best of the person’s knowledge and belief.
- E.** Registration fees. The owner or operator of a ~~transfer~~ solid waste facility under subsection (A)~~(1)~~ shall pay the Department ~~\$1,000~~ \$3,600 for the initial registration of a new ~~or existing~~ facility, and ~~\$500~~ \$3,000 for each annual registration thereafter. The Department shall bill the annual registration fee to a solid waste facility under subsection (A) that has not filed a notice of termination of registration with the Department and the solid waste facility shall pay within 30 days of invoice receipt. ~~The owner or operator of a tire facility under subsection (A)(2) or (3) shall pay the Department \$1,000 for the initial registration of a new or existing facility, and \$250 for each annual registration thereafter.~~
- F.** Beginning July 1, 2026, the Director shall adjust the fee amounts in subsection (E) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:
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 subsection (F)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.
- F. G.** As used in this Section:
1. “Department” means the Arizona Department of Environmental Quality.
 2. “Material recovery facility” means a transfer facility that collects, compacts, repackages, sorts, or processes commingled recyclable solid waste generated offsite for the purpose of recycling and transport, or where source separated recyclable solid waste is processed for sale to various markets, and where the incoming materials are predominantly recyclable solid waste.
 3. “Recyclable solid waste” means a product or material described in subsection ~~(F)(G)~~(G)(3)(a) or (b), and for which subsection ~~(F)(G)~~(G)(3)(c) is true:
 - a. A product with no useful life remaining for the purposes for which it was produced, or if useful life remains, the product will not, due to location, quantity, or owner choice, remain in use or be reused for a purpose for which it was produced.
 - b. A material that is a result of a process or activity whose purpose was to produce something else.
 - c. The product or material retains some economic value, with or without further processing, as a raw material or feedstock in some process other than incineration or combustion.

ARTICLE 7. SOLID WASTE FACILITY PLAN REVIEW FEES

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

A. With each application submitted for approval pursuant to A.R.S. § 49-762.03, the applicant shall remit an initial fee in accordance with one of the fee tables in this subsection, unless otherwise provided in subsection (B) of this Section. This subsection also lists the maximum fees that the Department will bill the applicant. All fees paid shall be payable to the state of Arizona. The Department shall deposit the fees paid into the Solid Waste Fee Fund established pursuant to A.R.S. § 49-881, unless otherwise authorized or required by law.

Fee Tables

Fees for Plan Review of New Solid Waste Facilities		
	Initial	Maximum
Solid Waste Landfills	\$20,000	\$200,000 \$297,047
Non-APP requirements for Non-MSWLFs operating under an APP	\$2,000	\$50,000 \$74,262
Other Solid Waste Facilities Subject to Plan Approval	\$10,000	\$100,000 \$148,524

Fees for Modifications to Solid Waste Facility Plans		
	Initial	Maximum
Solid Waste Landfills – Type IV	\$1,500	\$150,000 \$222,786
Solid Waste Landfills – Type IV – RD&D	\$15,000	\$150,000
Solid Waste Landfills – Type III	\$750	\$75,000 \$111,393
Other Solid Waste Facilities Subject to Plan Approval - Type IV	\$750	\$75,000 \$111,393
Other Solid Waste Facilities Subject to Plan Approval - Type III	\$500	\$50,000 \$74,262

Fees for Review of Financial Responsibility Plans for Solid Waste Facilities		
	Initial	Maximum
Annual Review for Solid Waste Landfills	\$600 \$891 Flat Fee	N/A

Other Solid Waste Facilities	\$200	\$5,000 <u>\$7,426</u>
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- B. No change
 - 1. No change
 - 2. No change
 - a. No change
 - b. No change
 - c. No change
 - 3. No change
 - 4. No change
- C. No change
- D. No change
- E. No change
- F. The hourly rate is ~~\$122.00~~ \$181, ~~beginning July 1, 2012, and shall remain in effect until it is either changed or repealed.~~
- G. Beginning July 1, 2026, the Director shall adjust the fee amounts in the columns of the Fee Tables titled "Maximum", the annual review for solid waste landfills flat fee in the Fee Table - Fees for Review of Financial Responsibility Plans for Solid Waste Facilities, and the hourly rate amount in subsection (F) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:
 - 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 subsection (G)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

ARTICLE 8. GENERAL PERMITS

R18-13-801. General Permit Fees

- A. The Department shall assess annual fees for operation under a general permit established in rule as described in the Table below. Beginning July 1, 2026, the Director shall adjust the fee amounts in the Table below annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (A)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

B. No change

C. No change

D. No change

Solid Waste General Permits

Category	Initial Fee	Annual Fee
Collection, Storage and Transfer-Standard	\$750 <u>\$1,114</u>	\$100 <u>\$149</u>
Collection, Storage and Transfer-Complex	\$7,500 <u>\$11,139</u>	\$1,000 <u>\$1,485</u>
Treatment-Standard	\$1,000 <u>\$1,485</u>	\$100 <u>\$149</u>
Treatment-Complex	\$10,000 <u>\$14,852</u>	\$1,000 <u>\$1,485</u>
Disposal	\$15,000 <u>\$22,279</u>	N/A

ARTICLE 11. COLLECTION, TRANSPORTATION, AND DISPOSAL OF HUMAN EXCRETA

R18-13-1103. General Requirements; License Fees

- A. Any person owning or operating a vehicle or appurtenant equipment used to store, collect, transport, or dispose of sewage or human excreta that is removed from a septic tank or other onsite wastewater treatment facility; earth pit privy, pail or can type privy, or other type of privy; sewage vault; or fixed or transportable chemical toilet shall obtain a license for each vehicle from the Department. The person shall apply, ~~in writing, on a forms form furnished~~ approved by the Department and shall demonstrate that each vehicle is designed and constructed to meet the requirements of this Article.
- B. No change
- C. License terms.
 1. For each ~~vehicle~~ newly licensed vehicle:
 - a. subject to inspection conducted by the Department pursuant to this Article after June 30, 2012, the initial license fee shall be \$250 ~~\$660~~, and shall to be submitted with the license application, and the annual license fee shall be \$550; or

b. subject to inspection conducted by a county pursuant to a delegation agreement with the Department, the initial license fee shall be \$270, to be submitted with the license application, and the annual license fee shall be \$225.

2. After initial licensure of a vehicle, the Department will renew the license annually after payment of a ~~\$75~~ the annual fee according to subsection (C)(3). The licensee shall ~~submit~~ renew by completing a the Department approved renewal form approved by the Department and submitting the annual license fee to the Department no later than 30 days before expiration.

~~2. For those vehicles licensed before July 1, 2012, the initial license fee shall be \$75 and shall be paid within 30 days of receipt of an invoice from the Department. The license shall be valid for one year. The licensee shall submit the Department approved renewal form and the annual license fee of \$75 to the Department no later than 30 days before expiration.~~

3. Each vehicle license may be renewed if:

- a. The annual license fee is paid,
- b. The owner or operator is in compliance with subsection (D) of this Section,
- c. The vehicle is operated by the same person for the same purpose, ~~and~~
- d. The vehicle has been inspected within the last 12 months pursuant to any inspection required under this Article and found in compliance with this Article, and
- ~~e.~~ e. The vehicle is maintained according to this Article.

D. No change

E. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsection (C) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (E)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

R18-13-1117. Reinstatement

A. Upon request of the vehicle owner, the Department may reinstate a suspended or revoked vehicle license following a Department reinspection and based on an evaluation of compliance with the requirements of this Article.

B. Upon request of a vehicle owner that fails to complete a renewal form approved by the Department and submit the annual license fee to the Department no later than 30 days before expiration, the Department

may reinstate an expired vehicle license after completion of a renewal form, submitting the appropriate annual license fee, and following a Department determination of compliance with the requirements of this Article.

ARTICLE 12. WASTE TIRES; USED TIRES

R18-13-1201. Definitions

In addition to the definitions provided in A.R.S. § 44-1301, the following definitions apply in this Article:

1. “Aquifer protection permit” means an authorization issued by the Department under A.R.S. § 49-241 et seq.
2. “Burial cell” means an area where mining waste tires are placed in or on the land for burial.
3. “Mining” means activities dedicated to the exploration, extraction, beneficiation, and processing, including smelting and refining, of metallic ores.
4. “Mining facility” means any land, building, installation, structure, equipment, device, conveyance, or area dedicated to mining.
5. “Mining waste tire” means an off-road tire that is greater than three feet in outside diameter that was used in mining.
6. “Operator” means an owner, part owner, management agency, or lessee of a mining facility, a person responsible for the overall operation or control of a mining facility, or an authorized representative of the operator.
7. “Person” is defined in A.R.S. § 49-201.
8. “Waste tire collection site” is defined in A.R.S. § 44-1301.
9. “Waste tire cover” means waste tires that are chopped or shredded into pieces that do not exceed four inches in diameter used for cover at a solid waste landfill.

R18-13-1211. Registration of New Waste Tire Collection Sites; Fee

- A.** A new waste tire collection site shall not begin operation ~~after July 20, 2011,~~ until the owner or operator registers with the Department. The owner or operator shall register on a form approved by the Department that includes a statement that the site is in compliance with A.R.S. § 49-762.07(F) and A.R.S. Title 44, Chapter 9, Article 8, as applicable. The owner or operator of a new waste tire collection site ~~that begins operation after July 20, 2011,~~ shall pay an initial registration fee of ~~\$500~~ \$2,400 within 30 days of invoice receipt. ~~For purposes of this Section, “new waste tire collection site” means a waste tire collection site as defined in A.R.S. § 44-1301 that did not operate as a collection site on or before July 20, 2011.~~
- B.** The owner or operator shall pay a ~~\$75~~ \$2,000 registration fee annually thereafter within 30 days of invoice receipt.

C. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsections (A) and (B) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (C)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

R18-13-1212. Registration of Outdoor Used Tire Sites; Fee

A. A person shall not store 100 or more used tires outdoors until the person registers with the Department. A person that stores 100 or more used tires outdoors ~~after July 20, 2011,~~ shall pay an initial registration fee of ~~\$500~~ \$1,800 within 30 days of invoice receipt. The person shall register on a form approved by the Department that includes a statement that the site is in compliance with A.R.S. § 49-762.07(F) and A.R.S. Title 44, Chapter 9, Article 8, as applicable.

B. A ~~\$75~~ \$1,500 registration fee shall be paid annually thereafter within 30 days of invoice receipt.

C. For the purposes of this Section:

1. “Used tire” means any tire which has been used for more than one day on a motor vehicle.
2. “Outdoors” means other than inside a building with a weatherproof roof.

D. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsections (A) and (B) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (D)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

R18-13-1212.01 Waste Tire Collection Site Subject to Plan Approval; Fees

A. Initial registration. A waste tire collection site that is required to obtain plan approval under A.R.S. § 49-762(A)(7) shall not begin operation until the owner or operator registers with the Department on a form approved by the Department.

- B.** Annual registration fee. The Department shall bill an annual registration fee of \$5,000 to a registered waste tire collection site that is required to obtain plan approval under A.R.S. § 49-762(A)(7) that has not filed a notice of termination of registration with the Department. The owner or operator of the waste tire collection site that is required to obtain plan approval under A.R.S. § 49-762(A)(7) shall pay the annual registration fee within 30 days of invoice receipt.
- C.** Beginning July 1, 2026, the Director shall adjust the fee amounts in subsection (B) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:
 - 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 subsection (C)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

R18-13-1213. Facilities Subject to More Than One Tire Site Registration; Single Fee

A person who is required to register a tire facility under more than one of the Sections listed in subsections (1) through ~~(3)~~ (4) shall register and follow procedures under each Section, but is only required to pay the registration fees under the Section with the highest fees.

- 1. R18-13-1211.
- 2. R18-13-1212.
- 3. R18-13-1212.01.
- ~~3-4.~~ R18-13-501.

**ARTICLE 13. SPECIAL WASTE AND BEST MANAGEMENT PRACTICES FOR SHREDDER RESI-
DUE**

R18-13-1306. Reserved Fees

- A.** Initial registration fee. Upon making a request for a special waste identification number on a form as provided by the Director, and shown as Appendix A to this Article, an applicant shall submit to the Department an initial registration fee for each operation as follows:
 - 1. For a generator of shredder residue, \$3,600; and
 - 2. For a special waste shipper, \$1,800.
- B.** Annual registration fee. The Department shall bill an annual registration to a generator of shredder residue, a special waste receiving facility, and a special waste shipper that that has a special waste

identification number that has not filed a notice of termination of registration with the Department for each operation as follows:

1. For a generator of shredder residue, \$3,000;
2. For a special waste receiving facility, \$5,000; and
3. For a special waste shipper, \$1,500.

C. A generator of shredder residue, special waste receiving facility, or special waste shipper shall pay the annual registration fee within 30 days of invoice receipt.

D. 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 fees under subsections (A) and (B) of this Section.

E. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsections (A) and (B) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (E)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

R18-13-1307. Best Management Practices for Waste from Shredding Motor Vehicles; Fees

A. No change

1. No change
 - a. No change
 - i. No change
 - ii. No change
 - b. No change
 - i. No change
 - ii. No change
2. No change
3. No change
4. No change
 - a. No change
 - b. No change
 - c. No change
5. No change

- 6. No change
- 7. No change
- 8. No change
- 9. No change
- 10. No change

B. No change

C. No change

- 1. No change
- 2. No change
- 3. No change
- 4. No change
- 5. No change
- 6. No change
- 7. No change

D. No change

E. No change

F. Shredder residue which has been determined to be nonhazardous pursuant to this Section shall be transported in accordance with the requirements for transportation of garbage as set forth in R18-13-310.

F. G. The owner or operator of a special waste facility shall pay, to the Department, the fees required by A.R.S. §§ 49-855(C)(2) and 49-863 as follows:

- ~~1.~~ ~~\$1.49 per cubic yard of uncompact shredder residue; or~~
- ~~2.~~ ~~\$3.38 per cubic yard of compacted shredder residue received; or~~
- ~~3.~~ 1. ~~\$4.50~~ \$6.68 per ton of shredder residue received; and
- ~~4.~~ 2. Not more than ~~\$45,000~~ \$66,835.67 per generator site per year for shredder residue that is transported to a facility regulated by the Department for treatment, storage or disposal.

G. H. ~~Shredder residue which has been determined to be nonhazardous pursuant to this Section shall be transported in accordance with the requirements for transportation of garbage as set forth in R18-13-310. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsection (G) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:~~

- 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 subsection (H)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

ARTICLE 14. BIOHAZARDOUS MEDICAL WASTE AND DISCARDED DRUGS

R18-13-1409. Transporter License; Fees; Transportation

- A. A transporter shall obtain a transporter license from the Department as provided under subsections (B) and (C) of this Section in addition to possessing a permit, license, or approval if required by a local health department, environmental agency, or other governmental agency with jurisdiction.
- B. A transporter license is valid for five years after issuance. To renew the license, the licensee shall submit an application ~~under subsection (B)(1)~~ no later than 60 days prior to the license's expiration, and shall pay the license renewal fee, as provided in subsection (B)(2) (B)(1). With each application submitted for approval, the applicant shall remit an initial transporter license application fee ~~in accordance with Table 1. Fee Table—Transporter License Fees; Frequency of Application for Transporter License. This Table also lists the maximum fees that the Department will bill the applicant.~~ as provided in subsection (B)(1). All fees paid shall be payable to the state of Arizona. The Department shall deposit the fees paid into the Solid Waste Fee Fund established pursuant to A.R.S. § 49-881, unless otherwise authorized or required by law.
 1. To apply for or to renew a transporter license, an applicant shall submit all of the following in a Department-approved format:
 - a. The name, address, and telephone number of the transportation company or entity.
 - b. All owners' names, addresses, and telephone numbers.
 - c. All names, addresses, and telephone numbers of any agents authorized to act on behalf of the owner.
 - d. A copy of either the certificate of disclosure required by A.R.S. § 49-109 or a written acknowledgment that this disclosure is not required.
 - e. Photocopies or other evidence of the issuance of a permit, license, or approval if required by a local health department, environmental agency, or other governmental agency with jurisdiction.
 - f. A copy of the transportation management plan as defined in R18-13-1401.
 - g. A list identifying each dedicated vehicle.
 - h. The For an initial transporter application license application, a fee indicated in Table 1. Fee Table—Transporter License Fees; Frequency of Application for Transporter License. of \$1,800, and for a license renewal, a fee of \$1,500.

2. ~~The new or renewal application license fee shall be calculated by multiplying the hourly rate of \$122 by the number of personnel hours involved in inspecting each transporting vehicle, evaluating the application, and approving the license, which amount shall be subtracted from the initial application license fee on deposit. Any remaining surplus of the initial application license fee on deposit shall be returned to the applicant. Any cost that exceeds the initial application license fee on deposit shall be billed to the applicant, but shall not exceed the maximum.~~

~~3.~~ 2. The Department may only issue a transporter license, including a renewal, if all of the items in subsection (B)(1)(a) through (h) have been received and determined to be correct and complete, and a Department inspection of each transporting vehicle shows that the vehicle is in compliance with this Article.

C. Transporters shall pay by the invoice due date an annual fee of ~~\$750~~ \$1,500 for each calendar year following payment of the new or renewal application license fee and subsequent years in which a renewal application license fee is not charged and paid, ~~such as indicated~~ in Table 2. Fee Table, Transporters Annual Fee.

D. Amendments. After issuance, the licensee shall submit to the Department any change to the information listed in subsections (B)(1)(a) through ~~(h)~~ (g) of this Section within 30 days of its occurrence. Vehicles may only be added to the license after a Department inspection shows that the vehicle is in compliance with this Article. Amendments adding vehicles to the license shall be processed after payment of inspection fees and other expenses ~~at the rate listed in subsection (B)(2), except that the application fee shall be \$100 and the maximum fee \$5,000~~ \$350.

E. ~~An applicant who disagrees with the final bill received from the Department for the amendment, issuance, renewal or denial of a transporter license or vehicle inspections may make a written request to the Director for a review of the bill and may pay the bill under protest. The request for review shall specify the matters in dispute and shall be received by the Department within 10 working days of the date of receipt of the final bill.~~

F. ~~Unless the Department and applicant agree otherwise, the review shall take place within 30 days of receipt by the Department of the request. The Director shall make a final decision as to whether the time and costs billed are correct and reasonable. The final decision shall be mailed to the applicant within 10 working days after the date of the review and is subject to appeal pursuant to A.R.S. §§ 41-1092 through 1092.12.~~

G. E. No change

H. F. No change

I. G. No change

1. No change

2. No change

3. No change

~~J. H.~~ A person who transports biohazardous medical waste in a vehicle not dedicated to the transportation of biohazardous medical waste, but that is used at least once weekly for a month, shall comply with the following:

1. Subsections (A), ~~and (G)~~ (E) through ~~(K)~~ (G), and (I) of this Section.
2. Clean the vehicle as prescribed in R18-13-1407(A)(2)(b) before it is used for another purpose.

~~K. I.~~ No change

1. No change
2. No change
3. No change
 - a. No change
 - b. No change
 - c. No change
4. Not hold biohazardous medical waste longer than specified under subsection ~~(K)~~ (I)(3) unless the vehicle is parked at a Department-approved facility.
5. No change

J. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsections (B), (C), and (D) of this Section, and Table 2. Fee Table, Transporters Annual Fee, annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (J)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

Table 1. ~~Fee Table – Transporter License Fees~~; Frequency of Application for Transporter License
Transporter License Fees

	Initial	Maximum
New Application	\$2,000	\$20,000
Renewal Application	\$2,000	\$20,000
Amendment Application	\$100	\$5,000

Frequency of Application for Transporter License

Year	Type of Application	Frequency
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1	New	Once
6, 11, 16, etc.	Renewal	Every 5th Year

Table 2. Fee Table – Transporter Annual Fee

Years	Amount
2, 3, 4, 5, 7, 8, 9, 10, <u>12, 13</u> , etc.	\$750 <u>\$1,500</u>

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.

B. No change

C. No change

D. Annual registration fee. The Department shall bill an annual registration fee to a biohazardous medical waste facility described in subsection (A) of this Section 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) of this Section 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.

G. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsection (D) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (G)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

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.
- 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 (C) of this Section.
- F.** Beginning July 1, 2026, the Director shall adjust the fee amounts in subsections (A), (B), and (C) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

 - 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 subsection (F)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

ARTICLE 19. LEAD ACID BATTERY RECYCLING

R18-13-1901. Collection or Recycling Facility of Lead Acid Batteries; Registration; Fees

- A.** Initial registration. The owner or operator of an existing collection or recycling facility that accepts lead acid batteries as of the effective date of this Section shall register with the Department by March 1, 2025, on a form approved by the Department. A collection or recycling facility shall not begin operation to accept lead acid batteries until the owner or operator registers with the Department on a form approved by the Department that includes a statement that the facility is in compliance with A.R.S. § 44-1322. The

owner or operator of a new collection or recycling facility of lead acid batteries shall submit an initial registration fee of \$810 at the time of registration under this subsection.

- B.** Annual registration fee. The Department shall bill an annual registration fee of \$675 to a registered collection or recycling facility that has not filed a notice of termination of registration with the Department. The owner or operator of a registered collection or recycling facility shall pay the annual registration fee within 30 days of invoice receipt.
- C.** Beginning July 1, 2026, the Director shall adjust the fee amounts in subsections (A) and (B) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:
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 subsection (C)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.
- D.** For purposes of this Section, "lead acid battery" means a battery with a core of elemental lead and a capacity of six or more volts that is suitable for use in a vehicle or a boat.

ARTICLE 20. USED OIL

R18-13-2001. Definitions

- A.** "40 CFR 279", and any section therein, refers to 40 CFR part 279, as amended on January 1, 1997, and no future editions or later amendments. Copies of 40 CFR 279 are available at <https://www.govinfo.gov/app/collection/cfr/>. Copies are on file with the Department.
- B.** "CFR" means the Code of Federal Regulations.
- C.** "Department" means the Arizona Department of Environmental Quality.
- D.** "Used oil" means the same as defined in 40 CFR 279.1 and includes oil that has been contaminated as a result of handling, transportation, or storage.
- E.** "Used oil collection center" means the same as defined in 40 CFR 279.1.
- F.** "Used oil burner" means the same as defined in 40 CFR 279.1.
- G.** "Used oil fuel marketer" means the same as defined in 40 CFR 279.1.
- H.** "Used oil handler" means a used oil burner, used oil marketer, used oil transporter, or used oil processor.
- I.** "Used oil processor" means the same as defined in 40 CFR 279.1.
- J.** "Used oil transporter" means the same as defined in 40 CFR 279.1.

R18-13-2002. Used Oil Handler Registration; Fee

- A.** Initial registration. A new used oil handler that has received, or is required to obtain, an EPA identification number pursuant to 40 CFR 279 shall not begin operation until the owner or operator registers with the Department on a form approved by the Department. A new used oil handler shall submit an initial registration fee at the time of registration under this subsection as follows:
1. For a used oil processor, \$9,000;
 2. For a used oil burner, \$15,000;
 3. For a used oil transporter, \$1,800; and
 4. For a used oil fuel marketer, \$1,800.
- B.** Annual registration fee. The Department shall bill an annual registration fee to a used oil handler that has received, or is required to obtain, an EPA identification number pursuant to 40 CFR 279 that has not filed a notice of termination of registration with the Department as follows:
1. For a used oil processor, \$7,500;
 2. For a used oil burner, \$12,500;
 3. For a used oil transporter, \$1,500; and
 4. For a used oil fuel marketer, \$1,500.
- C.** The registered used oil handler shall pay the annual registration fee within 30 days of invoice receipt.
- D.** Beginning July 1, 2026, the Director shall adjust the fee amounts in subsections (A) and (B) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:
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 subsection (D)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

R18-13-2003. Used Oil Collection Center Identification Number; Requirements

- A.** A used oil collection center shall request a used oil collection center identification number on a form provided by the Director pursuant to A.R.S. § 49-802(C) that contains all of the following:
1. The company name;
 2. The name of the owner of the company;
 3. The mailing address and telephone number of the company;
 4. The location of the collection center; and
 5. A description of the type of used oil activity at the company.

- B.** Within 30 days of receiving the completed form, the Director shall issue the identification number to the used oil collection center.

ARTICLE 21. SOLID WASTE LANDFILL REGISTRATION AND DISPOSAL FEES

R18-13-2101. Definitions

In addition to the definitions in A.R.S. §§ 49-701 and 49-701.01, for the purpose of this Article, the terms used in this Article have the following meanings:

1. “Defined time period” means the 12-month period that begins on July 1 of a calendar year and ends on June 30 of the following calendar year and consists of the actual number of calendar days in that 12-month period.
2. “Disposal fee invoice” means the quarterly landfill disposal fee invoice the Department mails to a landfill operator, on which the landfill operator indicates the amount of waste received and the amount of the disposal fees owed to the Department as required under A.R.S. § 49-836.
3. ~~“Full quarter” means any of the standard fiscal quarters of the defined time period for which a municipal solid waste landfill accepted waste on or before the first day of the quarter and on or after the last day of that quarter.~~
3. “Local public facility” means a facility operated pursuant to A.R.S. § 49-741.
4. “Recycling residue” means waste generated from recycling:
 - a. solid waste; or
 - b. effluent from a secondary wastewater treatment plant or wastewaters.

R18-13-2102. Solid Waste Landfill Registration; Annual Registration Fee for an Existing Solid Waste Landfill

- A.** An operator of a new solid waste landfill shall register the solid waste landfill with the Department on a form approved by the Department.
- B.** An existing solid waste landfill, ~~except those described in subsection (C),~~ shall pay an annual registration fee within 30 days of receipt of an invoice from the Department according to the following:
1. For ~~municipal~~ solid waste landfills that received less than ~~12,000~~ 60,000 tons during the defined time period, ~~\$1,250~~ \$5,000.
 2. For ~~municipal~~ solid waste landfills that received at least ~~12,000~~ 60,000 tons but less than ~~60,000~~ 225,000 tons during the defined time period, ~~\$2,500~~ \$10,000.
 3. For ~~municipal~~ solid waste landfills that received at least ~~60,000 tons but less than~~ 225,000 tons or more during the defined time period, ~~\$7,500~~ \$18,565.

4. ~~For municipal solid waste landfills that received 225,000 tons or more during the defined time period, \$12,500.~~
5. ~~Non-municipal solid waste landfills shall pay a flat fee of \$3,750.~~
6. ~~Solid waste landfills that are closed to the public and that accept nonhazardous waste only shall pay a flat fee of \$3,750.~~

B. C. The Department shall determine the amount of waste received by a ~~municipal~~ solid waste landfill by one of the following methods:

1. ~~For a municipal solid waste landfill that accepted waste over the entire defined time period:~~
 - a. 1. As the reported tons of solid waste received on the disposal fee ~~invoice~~ invoices over the defined time period; or
 - b. 2. As the reported units of compacted or uncompact solid waste received on the disposal fee ~~invoice~~ invoices and reported under ~~A.R.S. § 49-836(A)(1); or R18-13-2104~~ over the defined time period.
2. ~~For a municipal solid waste landfill that accepted waste for only a portion of the defined time period, but no less than a full quarter, the Department shall project the total amount of waste that would have been received by the landfill over the entire defined time period, using one of the following methods:~~
 - a. ~~For a municipal solid waste landfill that reported receiving waste for at least a full three quarters but less than the entire defined period, the amount of waste for the remaining quarter is the total amount of the waste reported for the full three quarters divided by three;~~
 - b. ~~For a municipal solid waste landfill that reported receiving waste for at least a full two quarters but less than three quarters, the amount of waste for the remaining two quarters is the same as the total amount of waste reported for the two full quarters; or~~
 - e. ~~For a municipal solid waste landfill that reported receiving waste for at least one full quarter but less than two quarters, the amount of waste for the remaining three quarters is the total of the amount of the waste reported for the full quarter multiplied by three.~~

C. ~~For a municipal solid waste landfill that accepted waste for less than a full quarter, the annual landfill registration fee is \$1,250.~~

D. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsection (B) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:

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 subsection (C)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

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

- ~~A.~~ An operator of a new solid waste landfill shall register the solid waste landfill and pay the landfill registration fee as follows:
1. ~~The operator shall pay the initial landfill registration fee within 30 days of the date that the Department approves the facility plan. The initial landfill registration fee is \$1,250.~~
 2. ~~Registration is valid for one year, except if the landfill is initially registered during October, November, or December of a calendar year, the next landfill registration due date is December 31 of the following calendar year and each calendar year thereafter unless released from the annual landfill registration requirement as specified in subsection (C).~~
 3. ~~The annual registration fee remains \$1,250 until the first annual registration period after the first full quarter of the defined time period.~~
- ~~B. A.~~ After the first full quarter, the Department shall calculate the annual registration fee according to R18-13-2102, and specify the fee on the Department's annual landfill registration invoice for the solid waste landfill. The Department shall calculate and the solid waste landfill shall pay the annual landfill registration fee until the first ~~registration~~ defined time period after the solid waste landfill stops accepting waste during a fiscal quarter of the defined time period.
- ~~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.
- C. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsection (B) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:
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 subsection (C)(1) to the nearest cent. ADEQ shall post the new amounts on its webpage and install them in the billing software as soon as practicable.

R18-13-2104. Solid Waste Landfill Disposal Fee; Exemptions

- A.** The operator of a solid waste landfill shall pay to the Department the disposal fee required by A.R.S. § 49-836 as follows:
1. \$.58 for each six cubic yards of uncompacted solid waste;
 2. \$.58 for each three cubic yards of compacted solid waste; or
 3. \$.58 per ton of solid waste.
- B.** A solid waste landfill that receives only waste generated on site shall compute the fee in subsection (A) of this Section by one of the following methods:
1. By actual volume or weight; or
 2. By estimate based on landfill capacity use, volume or number of waste loads or any other reasonable means for approximating the volume or weight of disposed waste.
- C.** Facilities that generate recycling residue shall pay the disposal fee required by A.R.S. § 49-836 as follows, to an annual maximum of \$34,942.20, for on-site disposal:
1. \$.29 for the dry weight or volume of the recycling residue generated; or
 2. \$.29 for the dewatered weight or volume of the recycling residue generated.
- D.** A person who for a fee disposes of waste in a solid waste landfill that is not regulated by the Department shall keep accurate records of the waste disposed of in those landfills and shall pay to the Department the disposal fee as prescribed in subsection (A) of this Section.
- E.** The operator of a local public facility that does not have on-site operators or scales shall pay to the Department a fee that shall be calculated by multiplying the population of the political subdivision served by the local public facility by \$.16.
- F.** A person who is subject to fees under this Section shall sign and submit a form prepared by the Department with each fee payment. The form shall state the total volume or weight of solid waste disposed of at that landfill during the payment period.
- G.** The following are exempt from the requirements of this Section:
1. Persons disposing of a load containing less than six cubic yards of uncompacted solid waste or three cubic yards of compacted solid waste.
 2. A site used solely for the reclamation of land through the introduction of landscaping rubble or inert material.
 3. Material produced in connection with a mining or metallurgical operation.

ARTICLE 22. NEW TIRE SELLERS

R18-13-2201. Definitions

- A. “Motor vehicle” means any automobile, motorcycle, truck, trailer, semitrailer, truck tractor and semitrailer combination or other vehicle operated on the roads of this state, used to transport persons or property and propelled by power other than muscular power, but motor vehicle does not include traction engines, vehicles that run only on a track, bicycles or mopeds.
- B. “Tire seller” means a retail seller of motor vehicle tires or a wholesale seller of motor vehicle tires who sells tires to the state, to a political subdivision of the state, or to a private entity not for resale, and includes a person whose retail sales of new motor vehicle tires are not in the ordinary course of business.

R18-13-2202. New Tire Sellers; Fee

- A. Beginning April 1, 2025, a tire seller of new motor vehicle tires shall collect a fee of 2% of the retail sales price, not including transaction privilege tax, of each tire to a maximum of \$4.66 per tire. For the sale of a new motor vehicle with a gross weight of under 10,000 pounds by a manufacturer to a wholesaler or retailer, if the sales price of the tires is not specified by the manufacturer, the tire seller shall collect a fee of \$2.33 per tire.
- B. A seller required to collect a fee under subsection (A) of this Section may credit \$.10 per tire against the fee for expenses incurred by the seller for accounting and reporting related to the fee.
- C. A seller who collects a fee under subsection (A) of this Section shall remit the fee to the Arizona Department of Revenue for deposit on a quarterly basis in the waste tire fund established pursuant to section A.R.S. § 44-1305.
- D. Beginning July 1, 2026, the Director shall adjust the fee amounts in subsection (A) of this Section annually by the following method, except that no adjustment in any year shall exceed four percent of the fee amount of the preceding year:
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 subsection (D)(1) to the nearest cent. ADEQ shall notify the Arizona Department of Revenue of the adjusted fee amounts and post the new amounts on its webpage as soon as practicable.