

---

**Date:** Jan. 4, 2019

**To:** Environmental Quality Commission

**From:** Richard Whitman, Director

**Subject:** Agenda item D, Informational item: Hazardous Waste Fee Increase Rulemaking  
Jan. 24-25, 2019, EQC meeting

**Purpose of item** DEQ will present an informational item regarding a proposed future fee increase for the Hazardous Waste Program.

**Background** DEQ intends to propose a fee increase for its Hazardous Waste Program fees to keep pace with increasing program costs and decreasing revenue since fees last changed in 2007. This is a multi-phase effort to amend current hazardous waste fee funding over several years to secure sufficient funding by 2026. This proposal will amend fees established in rule to generate program funding through 2024. During later phases, DEQ will need to seek statutory amendments to fees to fund the program by 2026.

DEQ's Hazardous Waste Program promotes reducing and safely managing hazardous waste, issues permits to waste management facilities, inspects hazardous waste generators and used oil processors, and assists Oregon small businesses in complying with complex federal regulations.

The program's primary objectives are to:

- Reduce or eliminate the threat of exposure to hazardous waste;
- Reduce the use of toxic chemicals in the workplace; and
- Deliver excellence in service.

Since January 1986, EPA has authorized Oregon to manage the state's hazardous waste, or Resource Conservation and Recovery Act, program. DEQ implements the state program, as defined in ORS 466.086 and as applied in OAR 340-100-0002, to ensure businesses properly manage harmful wastes from "cradle to grave."

ORS 466.165(1) authorizes DEQ to collect fees to "carry on the monitoring, inspection and surveillance program established under ORS 466.195 and to cover related administrative costs." (ORS 466.165(1)).

DEQ remains committed to maintaining federal authorization for the hazardous waste program to ensure flexibility and responsiveness in implementing the program in Oregon.

Annually, DEQ's Hazardous Waste Program receives approximately \$3.5 million from multiple sources, including various fees (79 percent), a federal grant (19 percent), and small cost recovery funds (2 percent). Required General Fund reductions and shifts to a grant- and fee-based program ended the program's General Fund allocation in 2014. The Oregon Legislature approved a budget of 25 full-time equivalent staff for the program's 2017-2019 budget. Current revenue supports 19 full-time staff.

The proposed fee increases would address the forecasted \$1.2 to \$1.5 million deficit in Hazardous Waste Program revenue for the 2019-21 biennium. This shortfall threatens DEQ's ability to ensure safe management and disposal of hazardous waste and greatly reduces compliance assistance to small businesses. It also potentially affects Oregon's ability to retain federal authorization of the Hazardous Waste Program.

DEQ proposes revising:

- Annual hazardous waste generator activity verification fees;
- Annual hazardous waste generator management method factor fees;
- Annual permitted Treatment, Storage or Disposal compliance determination fees;
- TSD permit modification fees; and
- TSD annual disposal administrative fees.

DEQ conducted three advisory committee meetings and staff have considered the committee's feedback and recommendations. DEQ conducted a public comment period, with one hearing Jan. 17, 2019, that is scheduled to close Jan. 22, 2019.

**Next steps and  
EQC  
involvement**

DEQ will review public comments received during the public comment period to finalize the proposed rules for commission review and action. DEQ intends to bring proposed rule and fee revisions for commission action at the May 2019 regular meeting.

Report compiled by David Livengood  
*Hazardous Waste Program Manager*