

# Small Business Regulatory Fairness Board

## Small Business Impact Statement

**Date:** 08/28/14

**Rule Number:** 10 CSR 10-6.110 Reporting Emission Data, Emission Fees, and Process Information

**Name of Agency Preparing Statement:**

Missouri Department of Natural Resources - Air Conservation Commission

**Name of Person Preparing Statement:**

Aaron Basham

**Phone Number:** 573 751-4817

**Email:** aaron.basham@dnr.mo.gov

**Name of Person Approving Statement:**

Sara Parker Pauley, Director, Missouri Department of Natural Resources

The purpose of this proposed rulemaking is to increase the emission fee for permitted sources from \$40 to \$48 per ton of air pollution emitted annually. This rulemaking is necessary to enable the department's Air Pollution Control Program to remain solvent and maintain its authority as the implementing agency of the federal Clean Air Act in the State of Missouri. Any small business with an air permit that is subject to the emissions reporting and fee requirements of 10 CSR 10-6.110 has a financial impact that is in direct proportion to its air emissions for a given calendar year. The emission fee increase to \$48 would result in an additional annual cost of \$8 for every ton of emissions (payment due June 1, 2016 and every subsequent June 1).

Small businesses have had the opportunity to be involved with the development of this rulemaking through fee stakeholder meetings composed of industry representatives and department staff. Meetings were held April 24, May 19, June 16, 2014, August 21, 2014, and August 28, 2014 to gain a consensus on the new fee amounts. Small businesses will have additional opportunities to comment on this rulemaking at least 30 days prior to a public hearing. Information on the rulemaking is also made available on the department's web site and distributed to appropriate entities via email. The proposed rulemaking will also be presented at public hearing and comments will be accepted up to 7 days after the public hearing. Any comments received prior to the close of the public comment period will be considered and addressed prior to filing the final order of rulemaking.

There are no costs to the agency associated with this rulemaking. The emissions fees that will be collected in the Air Pollution Control Program Fund will be used to pay program administration and staffing levels required to maintain delegation from EPA as the authority to implement air regulations in state and protect the health and welfare of Missouri's citizens, in particular children and the elderly. The projected department revenue impacts are detailed in the fiscal notes accompanying the proposed rulemaking.

Any small business that notifies and accepts a permit-by-rule, or is required to obtain a construction permit or operating permit, is required to file an Emission Inventory Questionnaire (EIQ) and will be affected by this rulemaking. In terms of numbers of facilities, the largest categories of permitted small businesses in the state are limestone crushing, ready-mixed concrete, and asphalt paving operations. These industry sectors make up nearly 40% of the 1,644 small businesses with an air permit in the State of Missouri. Based on calendar year 2012 emissions, the small businesses within these three industry sectors reported an average of 5 tons of chargeable emissions.

At the new emission fee of \$48 per ton rather than the existing \$40 fee per ton would ultimately result in an average additional annual cost of approximately \$40 for the typical permitted small business in Missouri. Air pollution emissions have been decreasing the past couple of years due to new federal regulations, pollution prevention measures and various business factors. With a decreasing emissions base, an increase in the fee is required to maintain the sound financial operation of the program as required by statute (643.079, RSMo).

As mentioned above, any small business that notifies and accepts a permit-by-rule, or is required to obtain a construction permit or operating permit will be affected by this rulemaking. The largest categories of permitted small businesses in the state are limestone crushing, ready-mixed concrete, and asphalt paving operations.

**Does the proposed rulemaking(s) include provisions that are more stringent than those mandated by comparable or federal, state or county standards?**

Yes        No

**If yes, explain the reason for imposing a more stringent standard.**