

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

**ADMINISTRATIVE RULE
FISCAL IMPACT STATEMENT**

PROPOSED RULE: #96-43

DATE RECEIVED: Apr 08 96

STATE AGENCY: Department of Environmental Management

DATE PREPARED: Apr 25 96

FISCAL ANALYST: Lois Wygant

PHONE NUMBER: 232-9867

Digest of Proposed Rule: This proposed rule revises Indiana's hazardous waste management program to incorporate the U.S. EPA's new universal rule that establishes reduced record-keeping and handling requirements for a new class of hazardous waste called universal wastes. These wastes include nickel cadmium and other batteries, unused, recalled, suspended, or canceled pesticides, and mercury-containing thermostats. The proposed rule also adds mercury-containing lamps to the list of universal wastes.

The rule adopts by reference the new EPA's streamlined hazardous waste management regulations governing the collection and management of certain widely generated hazardous wastes such as nickel cadmium and other hazardous waste batteries, unused, recalled, suspended or canceled pesticides, and mercury-containing thermostats, all known as universal wastes.

Governmental Entities:

State: The Department of Environmental Management has reported that the proposed rule will not have a fiscal impact on the department. The rule incorporates by reference the EPA's new universal rule that establishes reduced record keeping and handling requirements for wastes classified as universal waste. These simplified rules may replace the complex rules currently in place for these wastes. The potential fiscal impact of these amendments is the additional cost of implementing and enforcing the new standards. There should not be any additional costs resulting from the rule's adoption that are not planned for in the agency's budget.

Local: The new rules, if adopted, will allow hazardous waste generators to follow simplified and less stringent rules. Historically, local governmental entities do not generate large amounts of hazardous waste, yet a large portion of this type of waste ends up in municipal landfills. These potential "universal" wastes are unregulated in many settings. By reducing certain regulatory requirements, this rule may encourage government and manufacturers to establish collection and recycling programs. These rules will make it easier for municipalities to separate these universal materials from the waste stream for recycling or for proper disposal.

Compliance with the universal waste rule is optional. A generator may continue to handle these wastes under the full Subtitle C rules. If a government entity decides to collect universal wastes, there may be costs to comply with the universal waste rule. However, in all cases these costs will be less than if the wastes were collected and handled under the full Subtitle C regulation.

Regulated Entities: According to IDEM, the new rules will greatly ease the regulatory burden on generators of universal wastes and others that wish to

generate or collect these wastes by reducing paperwork, by imposing less stringent management requirements, and providing cost savings to generators and customers.

Due to the voluntary compliance nature of the rule and the many variables involved, it is difficult to estimate the total fiscal impact the rule would have on a regulated entity.

The U. S. EPA, in its regulatory analysis impact of the universal rule (May 11, 1995; 60 FR 25538), stated that "...the agency's best estimate is that the universal waste regulations may result in a nationwide annualized **savings** of approximately \$76 million." IDEM reports that **if** Indiana's economy is considered to be 2% of the national economy (\$76 million), this results in an annualized savings to the state's regulated entities of \$1,520,000. **If** the measure used for comparison is based on the number of manufacturers in the state (10,000), the savings would be an estimated \$1,748,000. (2.3% of \$76 million). It should be noted that Indiana is adding mercury containing lamps to the lists of wastes covered by this rule, which might result in even a greater savings.

Information Sources: Steven Mojonier, Department of Environmental Management, 233-1655; Blake Jeffrey, Indiana Manufactures Association, 4745-0322; Nelson Becker, (219) 722-3730; Tanya Galbraith, Association of Cities and Towns. Statistical Abstract of the U.S., Department of Commerce, Table 1248.