

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

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**ADMINISTRATIVE RULE  
FISCAL IMPACT STATEMENT**

**PROPOSED RULE:** #96-183 **DATE RECEIVED:** Aug 01 96  
**STATE AGENCY:** Department of Environmental Management **DATE PREPARED:** Sep 03 96

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**Digest of Proposed Rule:** This rule would amend the rules for the hazardous waste management permit program located at 329 IAC 3.1 by adopting five (5) amendments to the federal hazardous waste management regulations that were published in the *Federal Register* between July 1, 1995 and June 20, 1996. The purpose of these amendments is to make Indiana's program consistent with the federal hazardous waste program. The rulemaking also corrects seven references to federal hazardous materials transportation in 49 CFR 173 and 49 CFR 178. Adoption of these regulations is required to obtain U.S. Environmental Protection Agency (EPA) authorization for the Department of Environmental Management (IDEM) to manage these parts of the hazardous waste program in Indiana.

These amendments concern the following.

- ◆ Liquids in landfills: Test method for biodegradability
- ◆ RCRA (Resource Conservation and Recovery Act) expanded public participation
- ◆ Amendments to definition of solid waste: recovered oil
- ◆ Land disposal restrictions Phase III - Decharacterized waterways, waste, and spent potliners.
- ◆ Land disposal restrictions Phase III - Decharacterized wastewater, carbamate wastes, and spent potliners: partial withdrawal and amendment.

The rulemaking is the direct adoption of federal requirements that are to be adopted by federal law. According to Department of Environmental Management officials, substantive modifications to the federal rules are not included in this rulemaking.

**Governmental Entities:**

**State:** Adoption of these federal rule changes is required to maintain EPA authorization to administer the hazardous waste program in Indiana. U.S. EPA grants support a significant part (30%-40%) of IDEM's program and are based on program authorization.

The potential fiscal impact of these amendments is the additional cost of implementing and enforcing the new standards. The Department of Environmental Management has determined that because these provisions will be administered within the existing program, no new compliance or permitting costs will result. There is only one permitted hazardous waste facility in the state (located at Purdue University) which is a government entity. This facility would incur compliance costs every five years when its permit is renewed. **IDEM estimates the facility would incur a cost of \$5,000-\$14,000 once every five years.**

**Local:** Although municipalities generate hazardous waste in small amounts, there

would be no direct impact because the changes called for in the rules will be done at the state level.

**Regulated Entities:** The regulated entities affected by these rules are: (1) generators and destination facilities disposing of liquids in hazardous waste landfills; (2) hazardous waste facilities applying for or renewing permits (approximately 6 each year); (3) petroleum refiners, and, (4) producers of carbamate pesticides (none in Indiana) and primary aluminum reducers (1 facility in Indiana).

Three of the federal rules were promulgated under the Hazardous and Solid Waste amendments (HSWA) to the Resource Conservation and Recovery Act (RCRA). Rules issued under HSWA are effective in all states regardless of authorization status. **Costs associated with these rules are considered federal costs and not new costs for the states because the costs must be met regardless of state action.** However, one of these HSWA rules, the Land Disposal Restrictions Phase III rule, is associated with new federal costs. Since federal cost information was readily available for the rule, it is included in this analysis.

Two of the federal rules were promulgated under other provisions of RCRA. These rules do not become effective until adopted by an authorized state. **Costs associated with these rules are considered new costs.** Where these rules generate new costs to regulated entities, they have been included in this analysis.

Using both federal and state databases, IDEM has estimated the total annual fiscal impact of the rule as follows:

<u>Cost-generating Provision</u>	<u>Low Estimate</u>	<u>High Estimate</u>
Liquids in Landfills: Test for Non-Biodegradability (HSWA)	\$ 0	\$ 0
RCRA expanded public participation (RCRA)	\$ 3,600	\$ 84,000
Correction of Exclusion for Recovered Oil (RCRA)	\$ 0	\$ 0
Land Disposal Restrictions Phase III:		
Amended wastewater treatment standards (HSWA)*	\$ 3,940	\$ 11,960
Treatment standards for newly listed wastes (HWSA)*	\$ 476,000	\$ 1,892,000
Total estimated annual costs for all new provisions.*	\$ 483,540	\$ 1,987,960
<b>Total estimated annual costs for non-HSWA provisions.</b>	<b>\$ 3,600</b>	<b>\$ 84,000</b>

**The total estimated annual new costs to regulated entities associated with the state adoption of these federal rule changes will range between \$3,600 and \$84,000.**

\* Costs for federal rule changes promulgated under HSWA authority are shown for information only. Those costs are not considered costs to regulated entities that result from the state adoption of those changes. The amended wastewater treatment standards were withdrawn by the U.S. EPA.

**Information Sources:** Steven Mojonier, Department of Environmental Management, 233-1655; Mary Uhler, 464-8063; Nelson Becker, (219)722-3730; William Beranek, Indiana Environmental Institute, 635-6018.