

STATE OF MINNESOTA DEPARTMENT OF AGRICULTURE

Statement of Need and Reasonableness

In the matter of the Proposed Amendment to the Rule of the State Department of Agriculture Governing the Minnesota Waste Pesticide Collection Program

Introduction

The State of Minnesota, Department of Agriculture is authorized by Minnesota Statute 18B.065 [1993] to establish and operate a program to collect waste pesticides. Collected waste pesticides are managed according to the standards applicable to hazardous waste. Subdivision 2 provides authority for the commissioner of agriculture to obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected. Furthermore, the commissioner of agriculture may limit the type and quantity of waste pesticides accepted for collection and may assess pesticide end-users for portions of the costs incurred.

The subject of this rule amendment is the proposed change of rule part 1509.0030 ASSESSMENT SCHEDULE AND PAYMENT by the Minnesota Department of Agriculture (hereinafter "Department"). Minnesota Statutes, section 18B.065, subd. 6, authorizes the commissioner to adopt rules to administer the program. The proposed amendment reduces the assessed costs for pesticide end-users disposing of their waste pesticides through the Minnesota Waste Pesticide Collection Program. The disposal costs, which the Department is charged under State contract by the hazardous waste management company providing packing, transportation and disposal services, have been reduced. Therefore, it is the Department's intention to reflect the new contract cost, charged by the hazardous waste service company, in the assessment schedule utilized by the waste pesticide collection program.

Furthermore, the Department is clarifying the basis which participants disposing of waste pesticides will be assessed. The "net pound" or "net weight in pounds" means the weight of the pesticide formulation and its container. This amendment is necessary to permit the Department to administer the assessment schedule in the same increments that are established in the State's waste pesticide packing, transportation and disposal service contract.

The proposed rule amendment will assist in the continued management of waste pesticide collection program administered by the Department. The Department will continue to encourage and facilitate the voluntary use of the program by pesticide end-users resulting in an environmentally safe alternative for disposing of unusable waste pesticides. This program has removed and destroyed 240,000 pounds of waste pesticides since beginning in July 1990. The Department feels that the proposed amendment will assist in ensuring the safe and efficient operation of this collection program.

The waste pesticide collection program provides a system to expedite the disposal of waste pesticides which are currently present throughout Minnesota. The Department continues to consult with the Minnesota Department of Transportation, Minnesota Pollution Control Agency, and the United States Environmental Protection Agency to ensure an acceptable program meeting applicable state and federal hazardous materials/waste regulations.

Small Business Impact

The proposed rule amendment will have a positive impact on small businesses (i.e.: pesticide end-users/farmers). The amendment is designed to assist in the safe collection and disposal of waste pesticides, thus having a beneficial effect on small businesses voluntarily participating in the program. In reference to M.S. section 14.115, subd. 2., (a), (b), (c) & (d), this amendment would not effect or modify existing requirements; with respect to subd. 2., (e), most of the entities effected by this rule would qualify as small businesses (including farmers) and are not exempt. To exempt any or all from the

requirements of this rule would prohibit their participation in this environmental protection program designed to help rid Minnesota of unwanted and potentially hazardous waste pesticides.

A major factor contributing to the accumulation of waste pesticides in the State was the complex and costly process to dispose of waste through the hazardous waste network. The Department has designed and implemented a collection program which allows for the safe disposal of these toxic materials, and reduced assessments will make the program less expensive for small businesses to properly dispose of their waste pesticides.

Cost to Public Bodies

Minnesota Statute, section 14.11 is not applicable because the total cost to local public bodies to implement the rule is less than \$100,000 for two years. Local public bodies which have voluntarily participated by disposing of their waste pesticides through this program have paid total assessments of less than \$10,000 annually.

The funding for the waste pesticide collection program is provided through annual pesticide registration fees paid by the manufacturers of pesticides who offer their products for sale in Minnesota. Of the amount collected, at least \$600,000 per fiscal year must be credited to the waste pesticide account under section 18B.065, subdivision 5.

Need for and Reasonableness of the Proposed Rule Amendment

1509.0030

Subpart. 1. Assessment Schedule.

The amendment changing gross weight to net weight was necessary to clarify the increment of measurement by which assessments will be based. "Net weight" or "net weight in pounds" is a measurement of the pesticide formulation and its container. This modification makes the rule consistent with language in the State of Minnesota, Hazardous Pesticide Waste Program - Packing, Transportation and Disposal Service Contract.

It is important to maintain an assessment schedule that prohibits one or two pesticide end-user with large quantities of waste pesticide to benefit through displacement of many pesticide end-users holding smaller quantities. The assessment schedule provides a means to safeguard opportunities for participation and measures to equitably offer the program to maximize pesticide end-user participation statewide.

The amendment to the assessment schedule modifies both the weight subgroups which the assessments are based upon, and the amount charged per net pound. In both instances, the amendment will benefit the participant by allowing each pesticide end-user to dispose of a larger quantity before being assessed for portions of the disposal cost, and by reducing the assessment per net pound.

The cost government or their representatives are assessed is being reduced from \$7 per pound to \$4 per net pound to reflect the reduced cost the Department is charged for disposal services, while still requiring government entities to cover basic costs for disposal of their waste pesticides through this collection program.

The four subgroups which outlined the weight categories and assessment amounts for other participants have been reduced to three subgroups. The Department, through its experience operating the program, does not find it necessary to continue with four subgroups.

Subgroup one is amended from 150 pounds to 300 net pounds. This change will allow larger quantities to be disposed through this program at no cost to the participant. The additional number of pesticide end-users eligible to dispose of waste pesticides within the newly defined range will have a limited impact

on program funding. This impact will be minimized by the 300 pound limit. The benefits will be additional opportunities for participation by pesticide end-users.

Subgroup two is expanded to accommodate a larger weight range of waste pesticides that are eligible to be disposed of at \$1 per net pound; and an amendment to the minimum cost which may be assessed within this subgroup. These revisions continue the Department's effort to reflect a reduction in the cost for disposal of waste pesticides. The change in the minimum assessment from 15% to 25% for disposal of quantities effected within this subgroup will still result in a net reduction of costs for participating pesticide end-users. The change in percent is necessary to preserve a base assessment for this subgroup with respect to the reduced disposal cost in the State contract.

Subgroup three is amended to address the remaining quantities of waste pesticide eligible for disposal through this collection program. The maximum amount of waste pesticide which any single pesticide end-user can dispose through this program remains at 2,200 net pounds. Less than 5 participants (out of 2300 program participants) have disposed of waste pesticide quantities in excess of 1,000 net pounds. By reducing the amount assessed for persons disposing of greater than 1,000 net pounds, expectation is that more pesticide end-users with greater amounts will be willing to participate.

The amended assessment schedule's subgroups and net pound costs have been restructured to reflect the reduced disposal cost that the Department is charged by the hazardous waste service company providing packing, transportation, and disposal for the collected waste pesticides. The amended assessment schedule is reasonable because it provides a process for the pesticide end-user and the Department to benefit from the reduction in disposal costs that are reflected in a new State contract.



ELTON R. REDALEN, COMMISSIONER



DATE



Office Memorandum

Department: of Finance

Date: March 10, 1994

To: Carol Milligan
Agricultural Planning Division, Department of Agriculture

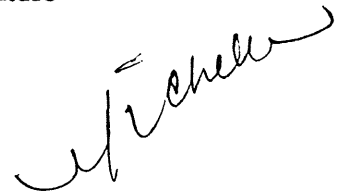
From: Michelle Harper
Budget Operations

Phone: 296-7838

Subject: Departmental Earnings Rate Change Response- Waste Pesticide Assessments

Pursuant to provisions of Laws 1993, sec. 56, subd. 5 (M.S. 16A.1285), the Department of Finance has reviewed and approved the attached departmental earnings proposal submitted by Agriculture on 2/16/94. If you have any questions or concerns, please call me at the above number.

cc Bruce Reddemann
Larry Palmer, Agronomy Services, Department of Agriculture



Departmental Earnings: Reporting/Approval

Part A: Explanation

Earnings Title: Waste Pesticide Account	Statutory Authority: M.S. 18B.065 M.R. 1509.0030	Date: 2-11-94				
Brief Description of Item: The Waste Pesticide Collection Program was established to collect waste pesticide end users whose waste generating activity occurs in this state. Goals of the program include reducing adverse human health and environmental impacts of waste pesticides.						
Earnings Type (check one):						
1. <input type="checkbox"/> Service/User 2. <input type="checkbox"/> Business/Industry Regulating 3. <input type="checkbox"/> Occupational Licensure 4. <input checked="" type="checkbox"/> <u>Special Tax/Assessment</u> 5. <input checked="" type="checkbox"/> Other (specify): <u>Cost Share</u>						
Submission Purpose (check one):						
1. <input checked="" type="checkbox"/> Chap. 14 Review and Comment 2. <input type="checkbox"/> Approval of Allowable Inflationary Adjustment 3. <input checked="" type="checkbox"/> Reporting of Agency Initiated Change in Departmental Earnings Rate 4. <input type="checkbox"/> Other (specify):						
If reporting an agency initiated action (option 3 above), does agency have explicit authority to retain and spend receipts? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, cite pertinent statutes:						
Impact of Proposed Change (change in unit rate, number of payees impacted, etc.):						
Description of <u>Fee</u>	Present: Assessment Rate	Proposed: Description of of Fee Assess. Rate	Est. Ave. Pound	Est. No. of Part.	Est. Amt. Collected	
Local Unit of Government	\$77/lb.	Government	\$4	150	7	\$4,200
1-150 lbs. of Waste Pesticide Collected	\$0/lb.	1-300 lbs.	\$0	110	1,137	\$ 0
151-300 lbs. of Waste Pesticide Collected	\$1/lb.	301-1000	\$1	600	53	\$15,900
301-1000 lbs. of Waste Pesticide Collected	\$3/lb.					
1001-2200 lbs. of Waste Pesticide Collected	\$6/lb.	1001-2200	\$3	1,200	7	\$3,900
						\$24,000

Departmental Earnings: Reporting/Approval (Cont.)

(\$1,000,000 = 1,000)

Part B: Fiscal Detail

APID: 30111-00-20		AID: 242313		Rev. Code(s): 300,990		<input checked="" type="checkbox"/> Dedicated <input type="checkbox"/> Non-Dedicated <input type="checkbox"/> Both	
Item	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1994	F.Y. 1995
	Revenues:			As Shown in Biennial Budget	As Shown in Biennial Budget	As Currently Proposed	As Currently Proposed
300	27	7	17	34	34	34	24
990							
Transfer from APID # 30133-00-20	445	229	600	600	600	900	600
	Expenditures:						
Direct	436	248	564	523	523	879	513
Indirect	4	12	16	11	11	21	21
Total	440	260	580	534	534	900	534
Current Deficit/Excess	32	(24)	37	100	100	34	90
Accumulated Excess/Deficit*	32	8	45	145	245	79	169

As necessary, attach detailed schedule/listing of proposed changes in departmental earnings rates.

Agency Signature: *Joseph Komar*

* F.Y. 1991 beginning accumulated balance to include amount of accumulated excess/deficit (if any) carried forward from F.Y. 1990.

Department : Agriculture

STATE OF MINNESOTA
Office Memorandum

Date : March 11, 1994

To : Maryanne Hruby, Director
LCRAR

From : Carol Milligan *CM*
Agriculture Planning Division

Phone : 296-6906

Subject : **Submittal of Statement of Need and Reasonableness**

As required by Minnesota Statutes, sections 14.131 and 14.23, attached is the Statement of Need and Reasonableness for amendments to rules governing waste pesticide assessments. The Notice of Intent to Adopt and the rule will be published in the *State Register* on 3/28/94.

Attachment

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