

CONFIDENTIAL LEGISLATIVE BILL REVIEW FORM: 2016

Bill Number: H.872 Name of Bill: An act relating to Executive Branch fees, Section 45

Agency of Natural Resources / Dept: Environmental Conservation Author of Bill Review: Ellis

Date of Bill Review: 5/24/2016 Related Bills and Key Players:

Status of Bill (check one): ☐ Upon Introduction ☐ As passed by 1st body ☒ As passed by both

Recommended Position: Support

Analysis of Bill

1. Summary of bill and issue it addresses. Describe what the bill is intended to accomplish and why.

- Section 45: The Legislature reinstated, at DEC's request, the non-sewage indirect discharge permit review application fee, which was inadvertently struck in the 2015 Fee Bill. The purpose of the correction is to restore more appropriate, lower fees for businesses that have non-sewage discharges. These businesses include yogurt, cheese and beer manufacturers.
- Section 45: The Legislature established, at DEC's request, CAFO fees to match AAFM's fees for LFOs and MFOs. Expected revenue is zero dollars.

CAFO = Concentrated Agricultural Feeding Operation

LFO = Large Farm Operation

MFO = Medium Farm Operation

2. Is there a need for this bill? Please explain why or why not.

Yes, there is a need for these changes.

- Without the correction to the non-sewage indirect discharge fee, certain food-related businesses will pay a fee that is higher than DEC's costs related to the permit.
- Without the CAFO fees, farmers will have an incentive to register as a point-source discharge source, rather than as a non-point discharge source as permitted under AAFM's LFO and MFO programs.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

DEC anticipates zero revenue from these fee changes. Because the 2015 change to the indirect discharge fee for non-sewage was an error, DEC never budgeted for increased fee revenue, which, in any case, would have been less than \$2,500. DEC does not expect any farmers to register as CAFOs due to other regulatory disincentives.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

AAFM supports the CAFO fee because it will drive farmers to AAFM's LFO and MFO programs.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

Food manufacturers with indirect discharges (beer, cheese, yogurt) will support the correction to the indirect discharge fee, as it will result in lower fees. Farmers will likely have no opinion regarding the CAFO fee because no farms are currently registered as CAFOs.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why? N/A

6.2 Who else is likely to oppose the proposal and why? N/A

7. Rationale for recommendation: Justify recommendation stated above.

The change to the non-sewage indirect discharge fee corrects an error in the 2015 Fee Bill. Establishing a CAFO fee corrects the monetary incentive that otherwise exists for farmers to register as CAFOs.

8. Specific modifications that would be needed to recommend support of this bill: Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.

Not applicable.

9. Will this bill create a new board or commission AND/OR add or remove appointees to an existing one? If so, which one and how many? No.

Commissioner has reviewed this document:

Date: 5/24/16

Secretary has reviewed this document:

Date: 5-25