



# IDEM FEES

## A Brief History And Plans for the Future

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## Brief History of IDEM Fees

- 1985 IDEM funded through general funds and federal money
- 1989 IDEM given authority to collect fees for permit issuance activities through rulemaking process
- Air permit fees adopted in 1991
- Land and water program proposals included fees for all industrial and municipal permittees
- Mayors lobbied legislature for fee exemption; legislature eliminated exact amount that would have been raised by fees from municipalities
- Water and waste boards adopted fees that exempted "government entities"

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## Brief History of IDEM Fees

- December of 1991, IDEM issued bills under new rules and 11 industrial permittees sued
- Fees struck down, IDEM sought general funds in 1993 to offset lost fee revenue; none granted. Result: \$4.76 million deficit for IDEM
- Governor Bayh announced plans to return delegated programs to EPA
- December 1993, IDEM contracted for an independent Cost of Service study for water & waste programs

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## Brief History of IDEM Fees

- COS study result: \$30.2 million: \$12.1 million for NPDES, \$7.5 million for solid waste, & \$10.6 million for hazardous waste
- Gov. Bayh created a funding task force comprised of legislators, business leaders, environmentalists and mayors
- Task force recommended \$21 million to temporarily solve the funding problem and keep federally delegated programs
- 1994 statutory fee structure enacted for NPDES and solid and hazardous waste programs providing approximately \$9 million in fees for those programs in 1994 and \$9.5 million in 1995 and thereafter and allowing IDEM to keep federally delegated programs

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## How We Got To Where We Are Today

- Original statutory fees did not completely cover cost of permit issuance when adopted in 1994
- No fee increases for 25 years
- Increase in cost of service
- Increase in activities for which there are no fees
- Independent COS study conducted in 2017/2018, backdrop for fees discussion in 2019 General Assembly
- Result: House Enrolled Act 1278

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## HEA 1278

- Amended IC 13-16-1-6 to restore authority to adopt fees by rule
- Limits increases to not more than once every 5 years and not more than 10% increase
- Requires independent COS study & other states' fee information be presented to ERB for approval to start a fee rulemaking
- Emergency authority to do first round of rulemaking to increase fees overall by \$5.2 million; \$3.2 million for water and waste, \$2 million for Title V air fees (more than 10% for first round of fee increases)
- After adoption statutory fees to be repealed

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## **Title V Air Fees**

- Process in rules to update Title V fees using the Consumer Price Index
- HEA 1278 emergency authority allows use of current process for this round of fee increases
- 10% and not more than every 5 year limits apply to subsequent increases
- Title V fee increases presented to ERB at August meeting, and approved
- Rulemaking started to codify approved fee increases

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## **Water and Waste Fees**

- IDEM has received approval to commence rulemakings for water and waste fees from the Governor's office
- Moratorium Exception Requests submitted to OMB for approval to proceed in September
- First notices will be published upon OMB approval
- Anticipate robust public process
- First round of fee increases must be adopted by 1/1/22

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