

7046.0060 FEE FORMULA.

Subpart 1. **Formula.** Beginning February 1, 2006, the commissioner shall follow the steps in this part to determine the fee assessment under this chapter for facilities and generators.

Step 1. The total amount appropriated by the legislature for the new fiscal year (fiscal year target) is obtained.

Step 2. \$2,000,000 is added to the amount appropriated by the legislature according to Laws 2003, chapter 128, article 2, section 54.

Step 3. For any year, the commissioner may increase the fiscal year target by up to five percent to reflect the anticipated fee nonpayment rate.

Step 4. The carryover from the previous fiscal year is determined and the carryover out of the new fiscal year is estimated. Both carryovers are applied to the step 3 amount. This amount is the adjusted fiscal year target for the hazardous waste program.

Step 5. The amount of revenue that would be generated by existing facilities using baseline facility fees in part 7046.0020 is estimated.

Step 6. The new fiscal year target for facilities is calculated by multiplying the adjusted fiscal year target (step 4) by 0.19.

Step 7. The fee assessment for facilities for the new fiscal year is calculated by dividing the new fiscal year target for facilities (step 6) by the estimated amount of revenue for facilities (step 5). The resulting ratio is multiplied by each of the baseline fee amounts in part 7046.0020 to determine the new fee amounts. Each fee amount is rounded up to the nearest ten-dollar increment.

Step 8. The new fiscal year target for all generators is calculated by subtracting the new fiscal year target for facilities (step 6) from the adjusted fiscal year target (step 4).

Step 9. The new fiscal year target for metropolitan county generators is calculated by multiplying the new fiscal year target for all generators (step 8) by 0.40.

Step 10. The total amount of waste in pounds generated by metropolitan area small and large quantity generators that are subject to a fee under this part is estimated.

Step 11. The total number of metropolitan area generators that are subject to a fee under this part is estimated.

Step 12. The total amount of base fee collections for all metropolitan area generators is calculated by multiplying the new fiscal year target for metropolitan area generators (step 9) by 0.52.

Step 13. The individual base fee for each metropolitan area generator is calculated by dividing the total amount of base fee collections for all metropolitan area generators (step

12) by the total number of metropolitan area generators that are subject to a fee under this part (step 11). This number is rounded to the nearest dollar.

Step 14. The per pound quantity rate for metropolitan area small and large quantity generators is determined by using the following formula:

$$\$P = [n - [(x)(b)]] / q$$

where:

\$P = per pound dollar amount for metropolitan county generators

n = metropolitan county generator new fiscal year target (step 9)

x = total number of metropolitan county generators (step 11)

b = metropolitan area generator base fee (step 13)

q = total pounds of waste generated by metropolitan area small and large quantity generators (step 10).

Step 15. The new fiscal year target for nonmetropolitan area generators is calculated by multiplying the new fiscal year target for all generators (step 8) by 0.60.

Step 16. The total amount of waste (pounds) generated by nonmetropolitan area small and large quantity generators that are subject to a fee under this part is estimated.

Step 17. The total number of nonmetropolitan area generators that are subject to a fee under this part is estimated.

Step 18. The total amount of base fee collections for all nonmetropolitan area generators is calculated by multiplying the new fiscal year target for nonmetropolitan area generators (step 15) by 0.53.

Step 19. The individual base fee for each nonmetropolitan area generator is calculated by dividing the total amount of base fee collections for all nonmetropolitan area generators (step 18) by the total number of nonmetropolitan area generators that are subject to a fee (step 17). This number is rounded to the nearest dollar.

Step 20. The per pound quantity rate for nonmetropolitan area small and large quantity generators is determined by using the following formula:

$$\$P = [n - [(x)(b)]] / q$$

where:

\$P = per pound dollar amount for nonmetropolitan area generators

n = nonmetropolitan area generator new fiscal year target (step 15)

x = total number of nonmetropolitan area generators (step 17)

b = nonmetropolitan area generator base fee (step 19)

q = total pounds of waste generated by nonmetropolitan area small and large quantity generators (step 16).

Subp. 2. Phase-in effects of revised fee formula.

A. For a period of four billing cycles after February 12, 2007, the agency must adjust the annual fees charged to metropolitan and nonmetropolitan area small and large quantity generators to ensure that no individual small or large quantity generator's fee increases by more than 100 percent per year, from the initial year's baseline fee, as a result of the revised fee formula and collect the resulting shortfall from generators whose fees were reduced by 25 percent or more as a result of the revised formula. The following steps shall be followed to collect the resulting shortfall from generators whose fees were reduced by 25 percent or more as a result of the revised fee formula:

Step 1. The total dollar amount not collected by limiting the fee increases to 100 percent is calculated.

Step 2. The total pounds generated by generators whose fees were reduced by 25 percent or more is calculated.

Step 3. The supplemental quantity rate is calculated by dividing step 1 by step 2.

Step 4. For each generator identified in step 2, the supplemental quantity rate (step 3) is multiplied by the pounds generated and the result is added to the generator's fee.

B. Only those generators whose fees increased by more than 100 percent as a result of the new formula in the first year of implementation are eligible for this annual adjustment and only those generators whose fees decreased by more than 25 percent as a result of the new fee formula in the first year of implementation are eligible for this annual adjustment. During the second, third, and fourth billing cycle following February 12, 2007, the agency shall apply the phase-in provisions to those generators who both qualified during the first billing cycle and still qualify for the phase-in provisions based on their fees calculated during the second and third billing cycle.

Statutory Authority: *MS s 116.12*

History: *18 SR 1665; 31 SR 985*

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