

HF503 - 0 - Nonexpiring Air Emission Permit Public Hearing Req

Chief Author: **Fue Lee**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/3/2021 3:28:29 PM**
 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	6,675	5,110	1,929	1,929	
Total	-	6,675	5,110	1,929	1,929	1,929
Biennial Total			11,785			3,858

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	FY2021	FY2022	FY2023	FY2024	FY2025	
General Fund	-	13.02	8.96	3.38	3.38	
Total	-	13.02	8.96	3.38	3.38	

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 2/3/2021 3:28:28 PM
Phone: 651-284-6540 **Email:** jim.carlson@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	6,675	5,110	1,929	1,929	
Total	-	6,675	5,110	1,929	1,929	1,929
	Biennial Total		11,785			3,858
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	6,675	5,110	1,929	1,929	
Total	-	6,675	5,110	1,929	1,929	1,929
	Biennial Total		11,785			3,858
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

The bill amends Section 1. Minnesota Statutes 2020, section 116.07 by adding Subd. 41.

Subd. 41. Nonexpiring permits; public hearing. For each facility issued a nonexpiring air emission permit by the agency, the agency must hold a separate public hearing at regular intervals to allow the public to make comments or inquiries regarding any aspect of the permit, including but not limited to permit conditions, testing results, the facility's operations, and permit compliance. The public hearing must be held at a location convenient to the permitted facility. Persons employed at the facility who are responsible for the facility meeting the conditions of the permit and agency officials must be present at the public hearing. For nonexpiring air emission permits issued after December 31, 2016, a public hearing must be held under this subdivision no later than five years after the permit is issued and every five years thereafter. For nonexpiring air emission permits issued on or before December 31, 2016, a public hearing must be held under this subdivision no later than December 1, 2022, and every five years thereafter.

This section is effective the day following final enactment.

Assumptions

1. The costs reflected in this analysis only address PCA costs and are over and above current program appropriations to the PCA.
2. There is currently a total of 1,759 nonexpiring air emission permits that would be subject to the requirement of a public hearing no later than December 1, 2022. This number includes 1,509 registration permits, 102 general permits, 113 nonexpiring individual permits and 35 capped permits.
3. Agency work activities would include meeting logistics such as; notification, meeting preparation, meeting attendance, and follow-up.
4. Time required for each public hearing would vary depending upon size, complexity and extent of public interest for each facility.
5. Public hearings for the 1,759 permits must be completed by December 1, 2022, and then completion of public hearings on the same number of permits must be completed on a five year cycle.
6. Translations may need to be performed in multiple languages, especially in Environmental Justice areas. It is assumed ~25% of hearings will need these services.

Expenditure and/or Revenue Formula

1. Number of permits impacted.

a. **1,759 nonexpiring air emission permits total** (includes 1,509 registration permits, 102 general permits, 113 nonexpiring individual permits and 35 capped permits) = 1,759 permits **requiring public hearings to be held by December 1, 2022.**

b. 1,759 nonexpiring air emission permits total (includes 1,509 registration permits, 102 general permits, 113 nonexpiring individual permits and 35 capped permits) = 1,759 permits requiring public hearings every 5 years thereafter. $1,759/5 \text{ years} = \text{approximately } 352 \text{ public hearings/ calendar year beginning in the last half of FY2022}$ (January - June 2022).

2. Staff time per facility per year.

a. **FY 2022. Public hearings for permits issued before December 31, 2016 completed by December 1, 2022.** Estimated average 10 hours for 2 staff per facility = 20 hours/permit. 20 hours/permit x 1,759 public hearings = **35,180 hours/18 months** (begin July 1, 2021 and complete by December 1, 2022). 1 FTE* = 2,080 hours/year. $35,180 \text{ hours/year} / 2,080 \text{ hours/FTE/year} = 16.91 \text{ FTE through Dec. 1, 2022}$. 1 FTE = \$128,000. $16.91 \text{ FTE} \times \$128,000/\text{year} = \mathbf{\$2,164,480}$

i. **FY 2022 costs** = $\$2,164,480 \times 67\% = \mathbf{\$1,450,201}$, and $16.91 \text{ FTE} \times 67\% = \mathbf{11.33 \text{ FTE}}$

ii. **FY 2023 costs** = $\$2,164,480 \times 33\% = \mathbf{\$714,278}$, and $16.91 \text{ FTE} \times 33\% = \mathbf{5.58 \text{ FTE}}$

b. **Five year “cycle” reviews on calendar year schedule beginning January 1, 2022** (for ease of calculation not including Dec. 2 - 31, 2021). Estimated average 10 hours for 2 staff per facility = 20 hours/permit. 20 hours/permit x 352 public hearings = **7,040 hours/year**. 1 FTE* = 2,080 hours/year. $7,040 \text{ hours/year} / 2,080 \text{ hours/FTE/year} = \mathbf{3.38 \text{ FTE/year}}$. 1 FTE = \$128,000. $3.38 \text{ FTE} \times \$128,000/\text{year} = \mathbf{\$432,640/year}$

i. FY 2022 (January - December, beginning the 5-year cycle of reviews). $\$432,640/\text{year} / 6 \text{ months} = \mathbf{\$216,320}$. $3.38 \text{ FTE/year} / 6 \text{ months} = \mathbf{1.69 \text{ FTE}}$

ii. FY 2023 and beyond. $\$432,640/\text{year}$, 3.38 FTE

3. Calculation of public hearing venues and related costs

a. **FY 2022. Public hearings for 1,759 permits issued after December 31, 2016 to date by December 1, 2022.**

i. 1,759 public hearings /year x venue cost of \$1,500 each = **\$2,638,500**. (Costs for public meeting venues can vary greatly depending upon size needs and whether a public space is available (could cost \$200 per event) versus the requirement of using private space (could cost \$2500 per event).)

ii. 1,759 public hearings /year x public notification cost of \$2,500 each = **\$4,397,500**. (Costs for public notification includes flyers and other materials mailed and delivered to the affected communities providing notification of meeting purpose, time and location.

iii. 1,759 public hearings /year. 440 hearings (~25% of meetings) anticipated to require translation services x translator cost of \$500 for 3 hours of services x 2 languages = **\$440,000**.

iv. Total public engagement, hearing venues and related costs = \$7,476,000. **FY 2022 costs** = $\$7,476,000 \times 67\% = \mathbf{\$5,008,920}$. **FY 2023 costs** = $\$7,476,000 \times 33\% = \mathbf{\$2,467,080}$.

b. **FY 2023 and beyond. 352 permits requiring public hearings/year in five year “cycle” review**

i. 352 public hearings/year x venue cost of \$1,500 each = **\$528,000/year**. (Costs for public meeting venues can vary greatly depending upon size needs and whether a public space is

available (could cost \$200 per event) versus the requirement of using private space (could cost \$2500 per event).)

ii. 352 public hearings /year x public notification cost of \$2,500 each = **\$880,000/year**. (Costs for public notification includes flyers and other materials mailed and delivered to the affected communities providing notification of meeting purpose, time and location.

iii. 352 public hearings/year. 88 hearings (~25% of meetings) anticipated to require translation services x translator cost of \$500 for 3 hours of services x 2 languages = **\$88,000/year**.

iv. Total public engagement, hearing venues and related costs = **\$1,496,000/year**

4. Total costs per year

a. FY 2022.

i. Total staff time = **\$1,450,201+ \$216,320 = \$1,666,521. (11.33 FTE + 1.69 FTE = 13.02 FTE)**

ii. Total public engagement, venues and related costs = **\$5,008,920**

iii. Grand total = \$6,675,441

b. FY 2023

i. Total staff time = **\$714,278+ \$432,640 = \$1,146,918 (5.58 FTE + 3.38 FTE = 8.96 FTE)**

ii. Total public engagement, venues and related costs = **\$2,467,080+ \$1,496,000 = \$3,963,080**

iii. Grand total = \$5,109,998

c. FY 2024 and beyond

i. Total staff time = **\$432,640/year (3.38 FTE/year)**

ii. Total public engagement, venues and related costs = **\$1,496,000/year**

iii. Grand total = \$1,928,640

*The annual cost of 1.0 FTE is \$128,000 in FY2021-2025. Annual costs for 1.0 FTE include salary, fringe, and non-specialized employee support costs (work space, computer and office supplies, office equipment, local travel, etc.)

Long-Term Fiscal Considerations

Costs associated with this bill will continue in future fiscal years.

Local Fiscal Impact

The bill may have a fiscal impact on local government for staff to provide input and/or monitor the process.

References/Sources

PCA staff with experience in enforcement actions and development of air emission permits.

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