

**Initial Statement of Reasons for the Proposed Amendments to
California Code of Regulations, Title 18,
Section 3000, *Generator of Hazardous Waste*, and
Section 3021, *Relief From Liability*,
and for the Proposed Adoption of Section 3001,
*Generation and Handling of Hazardous Waste Fee Operative on and after January 1, 2022***

**SPECIFIC PURPOSES, PROBLEMS INTENDED TO BE ADDRESSED, NECESSITY, AND
ANTICIPATED BENEFITS**

Background and Current Law

Specified hazardous waste fees imposed by the Health and Safety Code (HSC) are administered and collected pursuant to the Hazardous Substances Tax Law (HSTL) (Rev. & Tax. Code (RTC) section 43001 et seq.). Those fees include the generator fee imposed by former HSC section 25205.5 (originally enacted by Sen. Bill No. (SB) 2014 (Stats. 1998, ch. 737)) and the generation and handling fee imposed by new HSC section 25205.5 (enacted by SB 158 (Stats. 2021, ch. 73)). Also, division 20 of the HSC authorizes the Department of Toxic Substances Control (DTSC) to adopt regulations to implement, interpret, and make specific the HSC provisions imposing the generation and handling fee, and providing exemptions and exclusions from the fee. (See, e.g., HSC sections 25141, 25205.5.1, 25205.5.3, 25205.5.4.)

Government Code (GC) section 15570.22 transferred the administration and collection of the hazardous waste fees collected pursuant to the HSTL from the State Board of Equalization (Board) to the California Department of Tax and Fee Administration (Department), operative July 1, 2017. GC section 15570.24 and RTC section 20 also generally provide that any references to the Board in the HSC, HSTL, and any implementing regulations with respect to those functions mean the Department, unless the context clearly requires otherwise.

Generator Fee Prior to January 1, 2022

Prior to the amendments made by SB 158 (discussed below), subdivision (a) of former HSC section 25205.5 provided that every generator of hazardous waste was required to pay the Board a specified generator fee for each generator site that generated five or more tons of hazardous waste for each calendar year, or portion thereof, unless the generator had paid a facility fee or received a credit, as specified in HSC section 25205.2, for each specific site, for the calendar year for which the generator fee is due. Subdivision (b) of former HSC section 25205.5 established a tiered rate system so that the amount of the generator fee imposed on each ton of hazardous waste increased when the hazardous waste generated, per site, each calendar year exceeded specified thresholds. Former HSC section 25205.5 also provided that the generator fee shall be paid in accordance with the HSTL.

Prior to the amendments made by SB 158 (discussed below), former RTC section 43152.7 provided that the generator fee was due and payable on the last day of the second month

following the end of the calendar year. Former RTC section 43152.7 required the generator fee to be offset by any fees paid by the generator for the preceding calendar year for a local hazardous waste management program conducted by a local agency pursuant to a memorandum of understanding with the DTSC. Also, prior to the amendments made by SB 158, former RTC section 43152.7 required every generator subject to the generator fee to file an annual return with the Board and pay the Board the proper amount of generator fee due.

The Board adopted California Code Regulations (CCR), title 18, section (Regulation) 3000, *Generator of Hazardous Waste*, in 1999 to implement, interpret, and make specific the collection of the generator fee imposed by former HSC section 25205.5 under the HSTL. Regulation 3000 defines the term “generator,” as used in former HSC section 25205.5, and provides examples of specific persons that are included in that definition. Regulation 3000 defines the term “site or onsite,” as used in in former HSC section 25205.5. Regulation 3000 clarifies the reporting period of the return on which hazardous waste is required to be reported under former RTC section 43152.7. Regulation 3000 clarifies that where hazardous waste is commingled with non-hazardous waste and manifested as hazardous waste, the entire mixture constitutes hazardous waste for purposes of the generator fee. Finally, the regulation lists persons and types of waste that are exempt from the generator fee under the HSC.

Regulation 3021

The Board adopted Regulation 3021, *Relief from Liability*, in 2003 to implement, interpret, and make specific RTC section 43159, which provides, “If the board finds that a person’s failure to make a timely return or payment is due to the person’s reasonable reliance on written advice from the board, the person may be relieved of the taxes imposed or administered under [the HSTL] and any penalty or interest added thereto.” Regulation 3021 provides, in part, that a person may be relieved from the liability for the payment of the taxes or fees required to be collected pursuant to the HSTL, including any penalties and interest added to the taxes or fees, when that liability resulted from the failure to make a timely return or a payment and such failure was found by the Board to be due to reasonable reliance on written advice given by the Board as described in Regulation 4902. Regulation 3021 further specifies that the fees and taxes collected pursuant to the HSTL include the Hazardous Substance Taxes (Disposal Fee, Environmental Fee, Facility Fee, Generator Fee and Activity Fee), Childhood Lead Poisoning Prevention Fee and Occupational Lead Poisoning Prevention Fee.

SB 158

On July 12, 2021, the Legislature enacted SB 158. SB 158 amended former HSC section 25205.5, which imposed the generator fee, so that it would be repealed on January 1, 2022. SB 158 also added new HSC section 25205.5 to impose a new generation and handling fee on a generator of hazardous waste for each generator site that generates an amount equal to, or more than, five tons for each calendar year, operative on January 1, 2022. New HSC section 25205.5, as added by SB 158, provides that for the 2022–23 fiscal year, the generation and handling fee rate shall be forty-nine dollars and twenty-five cents (\$49.25) for each ton or fraction of a ton of hazardous waste generated in calendar year 2021 and commencing July 1, 2023, the generation and handling fee rates established pursuant to HSC section 25205.5.01 shall apply. It also provides that the generation and handling fee shall be paid in accordance with the HSTL.

In addition, SB 158 amended former RTC section 43152.7, which specified reporting and payment requirements for the generator fee, so that it would be inoperative on July 1, 2022, and repealed on January 1, 2023. SB 158 added new RTC section 43152.7, which became operative on July 1, 2022, to specify how the new generation and handling fee shall be reported and paid to the Department. New RTC section 43152.7, as added by SB 158, provides that the generation and handling fee is due and payable in two equal installments, on or before November 30 and February 28 of each fiscal year. It also requires every generator subject to the generation and handling fee to file an annual return, accompanying the second installment payment. However, new RTC section 43152.7, unlike former RTC section 43152.7, does not require an offset for any fees paid by the generator for the preceding calendar year for a local hazardous waste management program conducted by a local agency.

Further, SB 158 made other minor revisions to the HSC and HSTL, including replacing references to the Board with references to the Department in RTC section 43053, former HSC section 25205.5, and former RTC section 43152.7.

Assembly Bill No. 203 and SB 156

On June 30, 2022, the Legislature enacted Assembly Bill No. (AB) 203 (Stats. 2022, ch. 60). AB 203 amended RTC section 43152.7 to require generators to file their generation and handling fee returns with the Department using electronic media.

On July 2, 2024, the Legislature enacted SB 156 (Stats. 2024, ch. 72). SB 156 amended new HSC section 25205.5 to clarify that commencing July 1, 2023, the fee rates for the generation and handling fee established pursuant to HSC section 25205.5.01 apply “to each ton, including the first five tons, or fraction of a ton rounded up to the next nearest ton, of hazardous waste generated.” SB 156 amended new HSC section 25205.5 to clarify that it applies to the generation and handling fees imposed “for hazardous waste generated on and after January 1, 2021.” SB 156 also amended new RTC section 43152.7 to provide that the generation and handling fee is due and payable in two equal installments, on or before “the last day of November and the last day of February” of each fiscal year, for waste generated in the 2023 calendar year and subsequent years.

SB 156 also added RTC section 43155.01. It imposes penalties on any person who fail to timely pay any generation and handling fee or installment or timely file a generation and handling fee return that is due on or after November 30, 2024. It also requires a person that fails to timely pay the generation and handling fee to pay interest at the modified adjusted rate per month, or fraction of a month, established pursuant to RTC section 6591.5, from the date on which the fee or the amount of fee became due and payable to the state until the date of payment.

Generation and Handling Fee on and after January 1, 2022

Subdivision (a)(1) of new HSC section 25205.5 currently provides that a generator of hazardous waste shall pay to the Department a generation and handling fee for each generator site that generates an amount equal to, or more than, five tons for each calendar year, or portion of the calendar year.

Subdivision (a)(2) of new HSC section 25205.5 currently specifies that for the 2022–23 fiscal year, the generation and handling fee rate shall be forty-nine dollars and twenty-five cents (\$49.25) for each ton or fraction of a ton of hazardous waste generated in calendar year 2021 and subdivision (a)(3), as amended by SB 156, specifies that commencing July 1, 2023, the fee rates established pursuant to HSC section 25205.5.01 shall apply to each ton, including the first five tons, or fraction of a ton rounded up to the next nearest ton, of hazardous waste generated.

Subdivision (a)(4) provides that for purposes of calculating the amount of the generation and handling fee, a generator of hazardous waste that is issued a hazardous waste facilities permit from the DTSC and that pays the annual facility fee, as specified in HSC section 25205.2, may deduct, from the amount of hazardous waste otherwise subject to this subdivision that is generated per calendar year, the amount of hazardous waste that is stored, bulked, or transferred solely through the location of the permitted hazardous waste facility and that is in route to another facility that is authorized to do any of the following:

- (A) Manage the hazardous waste for reclamation and recovery, including fuel blending before energy recovery at another site.
- (B) Manage the hazardous waste through destruction methods or treatment before disposal at another site.
- (C) Manage the hazardous waste by any form of treatment.
- (D) Dispose of the hazardous waste.

Subdivision (b) of new HSC section 25205.5 currently provides that the generation and handling fee shall be paid in accordance with the HSTL. Subdivision (c) of new HSC section 25205.5 also currently provides that new HSC section 25205.5 is operative on January 1, 2022, and applies to the generation and handling fees imposed for hazardous waste generated on or after January 1, 2021.

HSC sections 25174.8.1 and 25205.5.1 provide exemptions or exclusions from the generation and handling fee for specified hazardous waste. Also, the DTSC is the agency that regulates hazardous waste in California and has the authority to adopt regulations to implement, interpret, and make specific those HSC sections.

Subdivision (a) of new RTC section 43152.7 currently provides that the generation and handling fee is due and payable in two equal installments, on or before the last day of November and the last day of February of each fiscal year. Subdivision (b) of new RTC section 43152.7 currently provides that every generator subject to the generation and handling fee shall file a return each fiscal year, accompanying the second installment payment required pursuant to subdivision (a), and pay the proper amount of fee due. Also, subdivision (b) of new RTC section 43152.7 currently specifies that the return shall be filed with the Department using electronic media.

RTC section 43053 currently provides that the generation and handling fee imposed pursuant to HSC section 25205.5 shall be administered and collected by the Department in accordance with the HSTL. Also, RTC section 43501 authorizes the Department to prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement of the HSTL.

Proposed Amendments to Regulation 3000, *Generator of Hazardous Waste*

Amendments to Title and Subdivision (a) of Regulation 3000

After reviewing Regulation 3000, the Department determined that there is an issue (or problem within the meaning of GC section 11346.2, subdivision (b)) because:

- SB 158 repealed former HSC section 25205.5, which imposed the generator fee, operative January 1, 2022;
- SB 158 added new HSC section 25205.5, which imposes a new generation and handling fee, operative January 1, 2022; and
- Generators of hazardous waste may be confused about whether Regulation 3000 applies to the generation and handling fee.

The Department determined that it is reasonably necessary to propose to amend the title and subdivision (a) of Regulation 3000 for the specific purpose of addressing that issue (or problem). The proposed amendments change the regulation's title from "Generator of Hazardous Waste" to "Generator of Hazardous Waste Fee Operative Prior to January 1, 2022," to expressly clarify that the provisions of Regulation 3000 apply only to the generator fee imposed prior to January 1, 2022.

In addition, the proposed amendments reformat the first sentence in subdivision (a) as subdivision (a)(1) and the rest of subdivision (a) as subdivision (a)(2). They revise the first sentence in reformatted subdivision (a)(1) to specify that Regulation 3000's provisions apply to the collection of the generator fee imposed pursuant to "former HSC section 25205.5 prior to its repeal operative January 1, 2022." They also add a new second sentence to reformatted subdivision (a)(1) to clarify that Regulation 3001 (discussed below) applies to the collection of the generation and handling fee imposed pursuant to HSC section 25205.5, as added by section 55 of SB 158, on and after January 1, 2022. The Department determined these proposed amendments are reasonably necessary to further clarify that Regulation 3000 applies only to the generator fee imposed pursuant to former HSC section 25205.5 prior to January 1, 2022, and Regulation 3001 applies to the generation and handling fee imposed pursuant to new HSC section 25205.5 on and after January 1, 2022, to avoid any potential confusion as to whether Regulation 3000 applies the generation and handling fee.

Non-substantive Amendments to Subdivisions (a), (b), (c), (d), and (e)

After reviewing Regulation 3000, the Department also determined that there are non-substantive issues (or problems) with the regulation. This is because there are no periods at the end of the regulation's subdivision headings. This is also because the regulation contains typographical errors and citations that are not consistent with the format prescribed by the California Style Manual. Therefore, the Department determined that it is reasonably necessary to propose to amend subdivisions (a) through (e) of Regulation 3000 for the specific purpose of addressing those issues (or problems). The proposed amendments add periods at the end of each subdivision heading. The proposed amendments delete the parentheticals creating the unnecessary acronyms "EPA" and "CAMU," replace a reference to the "Department of Toxic Substances Control" with the acronym "DTSC," and replace "clean-up" with "cleanup" in subdivision (b) to correct the

typographical errors. They also replace the capitalized letters with lower case letters in “Title” in subdivisions (a) and (b) and “Section,” “Division,” “Chapter,” and “Article” in subdivision (e) to make the regulation’s citations consistent with the format prescribed by the California Style Manual.

Proposed Amendments to Regulation 3021, *Relief from Liability*

After reviewing Regulation 3021, the Department determined that there are issues (or problems) because:

1. New HSC section 25205.5 imposes a new generation and handling fee, which is required to be paid and collected pursuant to the HSTL, but is not listed in Regulation 3021 among the fees collected pursuant to the HSTL, so it’s not clear whether the provisions of Regulation 3021 apply to the generation and handling fee;
2. The regulation contains outdated references to the “board” in the first paragraph because the Department is now responsible for the administration and collection of the hazardous waste fees collected pursuant to the HSTL, and the references to the “board” in RTC section 43159 means the Department pursuant to GC section 15570.24 and RTC section 20; and
3. The regulation contains citations that are not consistent with the format prescribed by the California Style Manual.

The Department determined that it is reasonably necessary to propose to amend Regulation 3021 to add “Generation and Handling Fee” between “Facility Fee” and “Generator Fee” in the second paragraph of Regulation 3021 for the specific purpose of addressing the first issue (or problem) by clarifying that the provisions of Regulation 3021 apply to the generation and handling fee. The Department determined that it is reasonably necessary to propose to amend Regulation 3021 to replace “board” with “Department” for the specific purpose of addressing the second issue (or problem) by updating the regulation’s agency references. The Department also determined that it is reasonably necessary to propose to amend Regulation 3021 to replace the capitalized letters with lower case letters in “Part,” “Title,” “Section,” and “Division” for the specific purpose of addressing the third issue (or problem) by making the regulation’s citations consistent with the format prescribed by the California Style Manual.

Proposed Regulation 3001, *Generation and Handling of Hazardous Waste Fee Operative on and after January 1, 2022*

After the passage of SB 158 and SB 156, the Department determined that there are also issues (or problems) because:

- SB 158 added new HSC section 25205.5, which imposes a new generation and handling fee;
- SB 158 added new RTC section 43152.7, which provides the payment and return filing requirements for the generation and handling fee;
- SB 156 added new RTC section 43155.01, which imposes penalties on any person who fails to timely pay the generation and handling fee or timely file a generation and

handling fee return and requires a person that fails to timely pay the generation and handling fee to pay interest; and

- There is no regulation that clarifies the payment and return filing requirements for the generation and handling fee or provides notice regarding the new penalty and interest provisions that apply to the generation and handling fee.

The Department determined that it is reasonably necessary to propose to adopt new Regulation 3001, *Generation and Handling of Hazardous Waste Fee Operative on and after January 1, 2022*, to be included in chapter 8 of division 2 of title 18 of the CCR for the specific purpose of addressing those issues (or problems) by clarifying the payment and return filing requirements and providing notice regarding the penalty and interest provisions under the HSTL.

Subdivision (a), Scope

The Department determined that it is reasonably necessary for subdivision (a) of new Regulation 3001 to expressly clarify that the provisions of proposed Regulation 3001 apply to the generation and handling fee imposed by new HSC section 25205.5, on and after the January 1, 2022, and that Regulation 3000 applies to the collection of the generator fee imposed pursuant to former HSC section 25205.5 prior to its repeal operative January 1, 2022, to avoid any potential confusion as to whether proposed Regulation 3001 applies to the generator fee or generation and handling fee. Therefore, subdivision (a) clarifies that Regulation 3001's provisions apply to the collection of the generation and handling fee imposed pursuant to HSC section 25205.5, as added by section 55 of SB 158, on and after January 1, 2022. It also clarifies that Regulation 3000 applies to the collection of the generator fee imposed pursuant to former HSC section 25205.5 prior to its repeal operative January 1, 2022.

Subdivision (b), Definitions

The Department determined that it is reasonably necessary for subdivision (b) of new Regulation 3001 to clarify the meaning of the key terms used in Regulation 3001 to avoid potential confusion about the meaning of those terms. Therefore, subdivision (b)(1) of new Regulation 3001 defines "Department" to mean the California Department of Tax and Fee Administration. Subdivision (b)(2) of the new regulation also clarifies that the terms "disposal," "facility," "generator," "hazardous waste," "site," and "treatment" have the same meaning as set forth in HSC section 25205.1 and any regulations adopted by DTSC or any successor implementing, interpreting, or making specific the definition of any of these terms in HSC section 25205.1. This is because the definitions in HSC section 25205.1 apply to new HSC section 25205.5 and DTSC has authority to adopt regulations that clarify the meaning of the definitions in HSC section 25205.1, not the Department.

Subdivision (c), Generation and Handling Fee

The Department determined that it is reasonably necessary for subdivision (c) of new Regulation 3001 to incorporate the provisions of subdivision (a) of new HSC section 25205.5 that impose the fee, establish the rates, and provide a deduction from the fee to avoid confusion and ensure that Regulation 3001 satisfies the clarity requirement in subdivision (a)(3) of GC section 11349.1. The Department also determined that it is reasonably necessary for subdivision (c) of

the new regulation to provide notice that division 20 of the HSC provides exemptions and exclusions from the fee, to avoid potential confusion about the application of the generation and handling fee. Therefore, subdivision (c)(1) of new Regulation 3001 provides that unless an exemption or exclusion applies pursuant to division 20 of the HSC or any regulations adopted by DTSC or any successor implementing, interpreting, or making specific division 20 of the HSC, a generator of hazardous waste shall pay to the Department a generation and handling fee for each generator site that generates five tons or more of hazardous waste in a calendar year, or portion of a calendar year. Subdivision (c)(1) of the new regulation also provides that the fee rates established pursuant to HSC section 25205.5.01 apply to each ton of hazardous waste generated at a generator site in a calendar year or portion of a calendar year, including the first five tons, or fraction of a ton rounded up to the next nearest ton.

Also, subdivision (c)(2) of new Regulation 3001 provides that for purposes of calculating the amount of the generation and handling fee, a generator of hazardous waste that is issued a hazardous waste facilities permit from DTSC or any successor and that pays the annual facility fee, as specified in HSC section 25205.2, may deduct, from the amount of hazardous waste generated per calendar year, the amount of hazardous waste that is stored, bulked, or transferred solely through the location of the permitted hazardous waste facility and that is in route to another facility that is authorized to do any of the following:

- (A) Manage the hazardous waste for reclamation and recovery, including fuel blending before energy recovery at another site.
- (B) Manage the hazardous waste through destruction methods or treatment before disposal at another site.
- (C) Manage the hazardous waste by any form of treatment.
- (D) Dispose of the hazardous waste.

Subdivision (d), Payment and Return Due Date

The Department determined that it is reasonably necessary for subdivision (d) of new Regulation 3001 to incorporate and clarify the provision of new RTC section 43152.7, to avoid potential confusion about the payment and return filing requirements for the generation and handling fee under the HSTL. Also, the generation and handling fee is imposed on a calendar year basis. So, the Department determined that the clarifications should specify the calendar years, rather than the fiscal years, in which the payments and returns are due to avoid confusion. Therefore, subdivision (d) of proposed Regulation 3001 specifies that the generation and handling fee imposed on hazardous waste generated in a calendar year or portion of a calendar year is due and payable in two equal installments. Subdivision (d)(1) clarifies that for hazardous waste generated in the 2023 calendar year and subsequent calendar years, the first installment payment is due on or before November 30 of the calendar year following the calendar year in which the hazardous waste was generated. The second payment is due on or before the last day of February of the calendar year following the calendar year in which the first payment was due.

Subdivision (d)(2) clarifies that every generator subject to the generation and handling fee shall electronically file an annual return on or before the due date of the second installment payment

through the Department's online services portal via its website at www.cdtfa.ca.gov for the hazardous waste generated in the calendar year for which the second installment payment is due. Subdivision (d) also includes an example to illustrate that a generator required to pay the generation and handling fee for hazardous waste generated in calendar year 2024 shall pay the first half of the generation and handling fee on or before November 30, 2025, and shall pay the second half of the generation and handling fee on or before February 28, 2026. The generator must also electronically file a return on or before February 28, 2026, through the Department's online services portal via its website at www.cdtfa.ca.gov for the hazardous waste generated in calendar year 2024.

Subdivision (e), Penalties

The Department determined that it is reasonably necessary for subdivision (e) of new Regulation 3001 to provide notice regarding the penalty and interest provisions that apply to the generation and handling fee to encourage timely compliance with the payment and return filing requirements in new RTC section 43152.7. Therefore, subdivision (e) of proposed Regulation 3001 clarifies that any generator who fails to timely pay the generation and handling fee, or any required portion thereof, or fails to timely file a return, will be subject to penalties and interest pursuant to RTC section 43155.01.

Determinations

The Department has determined that the adoption of the proposed amendments to Regulations 3000 and 3021 and the adoption of new Regulation 3001 are reasonably necessary for the specific purposes of addressing the issues (or problems) discussed above by:

- Clarifying that Regulation 3000 applies to the administration and collection of the generator fee imposed pursuant to former HSC section 25205.5 prior to its repeal operative January 1, 2022;
- Clarifying that the provisions of Regulation 3021 apply to the generation and handling fee;
- Clarifying the payment and return filing requirements for the generation and handling fee in new Regulation 3001;
- Providing notice regarding the penalty and interest provisions that apply to the generation and handling fee in new Regulation 3001;
- Updating the agency references in Regulation 3021; and
- Making minor non-substantive clarifications to Regulations 3000 and 3021 to correct typographical errors and make the regulations' citations consistent with the format prescribed by the California Style Manual.

The Department anticipates that the adoption of the amendments to Regulations 3000 and 3021 and the adoption of new Regulation 3001 will promote fairness and benefit the Department and generators subject to the generation and handling fee by clarifying that Regulation 3000 does not apply to the generation and handling fee, clarifying that Regulation 3021 applies to the generation and handling fee, clarifying the payment and return filing requirements for the generation and handling fee, and providing notice regarding the penalty and interest provisions that apply to the generation and handling fee.

In addition, the Department has determined that the proposed adoption of new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021 are not mandated by federal law or regulations, and there are no federal regulations or statutes that are identical to Regulations 3000, 3001, or 3021.

DOCUMENTS RELIED UPON

The Department relied upon Department staff's understanding of the HSC and HSTL in proposing the adoption of new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021 discussed above. The Department did not rely upon any technical, theoretical, or empirical study, report, or similar document.

ALTERNATIVES CONSIDERED

The Department considered whether to begin the regular rulemaking process to adopt new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021 discussed above at this time or, alternatively, whether to take no action at this time. The Department decided to begin the regular rulemaking process to adopt new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021 because the Department determined that they are reasonably necessary for the reasons set forth above.

The Department did not reject any reasonable alternative to the adoption of new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021, including any reasonable alternative that would lessen any adverse impact the proposed action may have on small business or that would be less burdensome and equally effective in achieving the purposes of the proposed action. No reasonable alternative to the proposed adoption of Regulation 3001 and the proposed amendments to Regulations 3000 and 3021 has been identified and brought to the Department's attention that would lessen any adverse impact the proposed action may have on small business, be more effective in carrying out the purposes for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

INFORMATION REQUIRED BY GOVERNMENT CODE SECTION 11346.2, SUBDIVISION (b)(5) AND ECONOMIC IMPACT ASSESSMENT REQUIRED BY GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

The Department assessed the economic impact of adopting new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021 on California businesses and individuals. The Department determined that businesses and individuals will not incur any costs to comply with new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021 that they would not otherwise incur to comply with the HSC and HSTL. The Department also determined that businesses and individuals that generate hazardous waste will generally benefit from the clarifications provided by new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021, but they will not receive a monetary benefit.

As a result, the Department determined that the proposed regulatory action is not a major regulation, as defined in Government Code section 11342.548 and California Code of

Regulations, title 1, section 2000. The Department also prepared the economic impact assessment required by Government Code section 11346.3, subdivision (b)(1), and the Department determined in the economic impact assessment that the adoption of new Regulation 3001 and the proposed amendments to Regulations 3000 and 3021 will neither create nor eliminate jobs in the State of California nor result in the creation of new businesses or the elimination of existing businesses within the state and will not affect the expansion of businesses currently doing business within the State of California.

Furthermore, new Regulation 3001 and Regulations 3000 and 3021 with the proposed amendments do not regulate the health and welfare of California residents, worker safety, or the state's environment. Therefore, the Department determined that the adoption of the proposed regulatory action will not affect the benefits of the regulations to the health and welfare of California residents, worker safety, or the state's environment.

The foregoing information also provides the factual basis for the Department's initial determination that the proposed regulatory action discussed above will not have a significant adverse economic impact on business.