

## NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

### NOTICE OF EXEMPT RULEMAKING

#### TITLE 12. NATURAL RESOURCES

#### CHAPTER 1. RADIATION REGULATORY AGENCY

[R08-363]

#### PREAMBLE

- 1. Sections Affected**

R12-1-1302	Amend
R12-1-1303	Amend
R12-1-1304	Amend
R12-1-1306	Amend
R12-1-1307	Amend
R12-1-1308	Amend
Table 1	New Section
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statutes: A.R.S. §§ 30-654(B)(17), Laws 2008, Chapter 291, § 12  
Implementing statute: A.R.S. §§ 30-654 (B)(17), Laws 2008, Chapter 291, § 12
- 3. The effective date of the rules:**

November 17, 2008
- 4. A list of all previous notices appearing in the *Register* addressing the exempt rule:**

None, waived by Laws, 2008, Chapter 291, § 12(D)
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Aubrey V. Godwin  
Address: Radiation Regulatory Agency  
4814 S. 40th St.  
Phoenix, AZ 85040  
Telephone: (602) 255-4845, ext. 222  
Fax: (602) 437-0705  
E-mail: agodwin@azrra.gov
- 6. An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:**

Pursuant to Laws 2008, Chapter 291, § 12, the Agency proposes to increase the licensing, inspection and registration fees to increase revenue by approximately \$400,000 for FY2009.
- 7. A reference to any study relevant to the rules that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and analysis of each study and other supporting material:**

U.S. NRC's Proposed FY 2008 Fee Rule; January 31, 2008. Available from the Radiation Regulatory Agency, 4814 S. 40th St., Phoenix, AZ 85040.
- 8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

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**9. The summary of the economic, small business, and consumer impact:**

The rule changes will raise fees to all users of radiation registered or licensed by the Agency. Most registration fees will increase 20%, the first increase since the present fees were proposed in 1990. The license fees will double on average, although some may be increased by a factor of six. The changes are brought in line with the work time estimates of the U.S. Nuclear Regulatory Commission since we have to perform the same evaluations and will take approximately the same amount of time to process, amend and inspect the licenses. Special consideration is available to some small businesses. Based on national experience, there will be no definable effect on the consumer.

**10. The description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

This rulemaking will increase the fees to raise an additional \$400,000 as required by Laws 2008, Chapter 291.

**11. A summary of the comments made regarding the rule and the agency response to them:**

None received as yet, comments will be received until December 1, 2008 and changes made if appropriate.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**13. Incorporations by reference and their location in the rules:**

None

**14. Was this rule previously made as an emergency rule? If so, please indicate the Register citation:**

Not applicable

**15. The full text of the rules follows:**

TITLE 12. NATURAL RESOURCES

CHAPTER 1. RADIATION REGULATORY AGENCY

ARTICLE 13. LICENSE AND REGISTRATION FEES

Section

R12-1-1302.	License and Registration Categories
R12-1-1303.	Fee for Initial License and Initial Registration
R12-1-1304.	Annual Fees for Licenses and Registrations
R12-1-1306.	Table of Fees
R12-1-1307.	Special License Fees
R12-1-1308.	Fee for Requested Inspections
<u>Table 1.</u>	<u>Small Entity Fees</u>

ARTICLE 13. LICENSE AND REGISTRATION FEES

**R12-1-1302. License and Registration Categories**

- A. No change
  - 1. No change
  - 2. No change
  - 3. No change
  - 4. No change
- B. No change
  - 1. No change
  - 2. No change
  - 3. No change
  - 4. No change
  - 5. No change
  - 6. No change
- C. No change
  - 1. No change
  - 2. No change
  - 3. No change
  - 4. No change
  - 5. No change
  - 6. No change

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7. No change
  8. No change
  9. No change
  10. No change
  11. No change
  12. No change
  13. No change
  14. No change
  15. No change
  16. No change
  17. No change
- D.** No change
1. No change
    - a. No change
    - b. No change
  2. No change
  3. No change
  4. No change
  5. No change
  6. No change
  7. No change
  8. No change
  9. No change
  10. No change
  11. No change
  12. No change
  13. No change
  14. No change
  15. No change
  16. No change
  17. ~~A radioactive waste transfer for disposal license is an authorization for the generator of radioactive waste to transfer the radioactive waste for disposal at a licensed disposal site under R12-1-439 and R12-1-442. This license is subject to a special fee as provided by R12-1-1307 but is exempt from annual fees. Reserved~~
  18. No change
  19. No change
- E.** Category E registrations are those that register the possession of an x-ray machine(s) machine under 12 A.A.C. 1, Article 2. The Agency shall not combine Category E registrations with any other registration.
1. An X-ray machine class A registration is one authorizing the possession of X-ray machines ~~and particle accelerators~~ in a hospital or other facility offering inpatient care.
  2. An X-ray machine class B registration is one authorizing the possession of X-ray machines ~~and particle accelerators~~ in a medical, osteopathic, or chiropractic office or clinic not offering inpatient care; or the possession of X-ray machines in a school, college, university, or other teaching facility.
  3. No change
  4. No change
  5. An accelerator facility registration is one authorizing the possession and ~~nonmedical~~ operation of one or more particle accelerators of any kind capable of accelerating any particle and producing a high radiation area.
  6. No change
- F.** No change
1. No change
  2. No change
  3. No change
  4. No change
  5. No change
  6. No change
  7. No change
  8. No change
  9. No change
  10. No change
  11. No change

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12. No change

**R12-1-1303. Fee for Initial License and Initial Registration**

An applicant shall remit for a new license or new registration the appropriate fee as prescribed in R12-1-1306, ~~except that the fee will be prorated on a quarterly basis for applications submitted after March 31.~~

**R12-1-1304. Annual Fees for Licenses and Registrations**

- A. No change
- B. No change
- C. No change
- D. No change

E. A licensee who is required to pay an annual fee under this Article may qualify as a small entity. If a licensee qualifies as a small entity and provides the Agency with proper certification along with its annual fee payment, the licensee may pay reduced annual fees as shown in Table 1 to this Article. Failure to file a small entity certification in a timely manner may result in the denial of any refund.

**R12-1-1306. Table of Fees**

A. The application and annual fee for each category and type are shown in Table 13-1.

**Table 13-1**

Category	Type	Annual Fee
A1.	Broad academic class A	<del>\$2,600</del> <u>\$5,800</u>
A2.	Broad academic class B	<del>\$1,500</del> <u>\$5,800</u>
A3.	Broad academic class C	<del>\$1,200</del> <u>\$5,800</u>
A4.	Limited academic	<del>\$600</del> <u>\$1,000</u>
B1.	Broad medical	<del>\$1,650</del> <u>\$11,000</u>
B2.	Medical materials class A	<del>\$1,400</del> <u>\$1,900</u>
B3.	Medical materials class B	<del>\$1,000</del> <u>\$1,900</u>
B4.	Medical materials class C	<del>\$500</del> <u>\$1,900</u>
B5.	Medical teletherapy	<del>\$1,650</del> <u>\$5,200</u>
B6.	General medical	<del>\$75</del> <u>\$250</u>
C1.	Broad industrial class A	<del>\$2,200</del> <u>\$11,400</u>
C2.	Broad industrial class B	<del>\$1,600</del> <u>\$11,400</u>
C3.	Broad industrial class C	<del>\$1,250</del> <u>\$3,200</u>
C4.	Limited industrial	<del>\$500</del> <u>\$700</u>
C5.	Portable gauge	<del>\$500</del> <u>\$1,000</u>
C6.	Fixed gauge class A	<del>\$800</del> <u>\$1,000</u>
C7.	Fixed gauge class B	<del>\$500</del> <u>\$1,000</u>
C8.	Leak detector	<del>\$500</del> <u>\$1,330</u>
C9.	Gas chromatograph	<del>\$300</del> <u>\$1,000</u>
C10.	General industrial	No Fee
C11.	Industrial radiography class A	<del>\$1,650</del> <u>\$5,500</u>
C12.	Industrial radiography class B	<del>\$1,500</del> <u>\$5,500</u>
C13.	Open field irradiator	<del>Full Cost</del> <u>\$3,000</u>
C14.	Self-shielded irradiator	<del>\$600</del> <u>\$1,500</u>
C15.	Well logging	<del>\$1,750</del> <u>\$2,000</u>
C16.	Research and development	<del>\$750</del> <u>\$2,100</u>
C17.	Laboratory	<del>\$600</del> <u>\$1,000</u>
D1.	Distribution	<del>\$2,150</del> <u>\$2,600</u>
D2.	Nuclear pharmacy	<del>\$2,150</del> <u>\$4,600</u>
D3.	Nuclear laundry	<del>\$2,250</del> <u>\$10,300</u>
D4.	General industrial (with fee)	<del>\$100</del> <u>\$300</u>
D5.	General depleted uranium	<del>\$75</del> <u>\$200</u>
D6.	Veterinary medicine	<del>\$500</del> <u>\$1,000</u>
D7.	General veterinary medicine	<del>\$75</del> <u>\$200</u>

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D8.	Health physics class A	<del>\$600</del> <u>\$3,200</u>
D9.	Health physics class B	<del>\$450</del> <u>\$1,000</u>
D10.	Secondary uranium recovery	<del>\$4,000</del> <u>\$5,100</u>
D11.	Low-level radioactive waste disposal site	(3)
D12.	Waste processor class A	<del>\$2,250</del> <u>\$4,600</u>
D13.	Waste processor class B	<del>\$500</del> <u>\$3,600</u>
D14.	Additional storage and use site	(1)
D15.	Possession only	(2)
D16.	Reciprocal	(3)
D17.	<del>Radioactive waste transfer for disposal</del> <u>Reserved</u>	<del>(3)</del>
D18.	Unclassified	Full Cost
D19.	NORM commercial disposal site	<del>\$200,000</del> <u>\$600,000</u>
E1.	X-ray machine class A (per tube)	<del>\$64</del> <u>\$75</u>
E2.	X-ray machine class B (per tube)	<del>\$44</del> <u>\$51</u>
E3.	X-ray machine class C (per tube)	<del>\$36</del> <u>\$42</u>
E4.	Industrial radiation machine (per device)	<del>\$36</del> <u>\$42</u>
E5.	<del>Major accelerator</del> <u>Accelerator</u> facility	<del>Full Cost</del> <u>\$750</u>
E6.	Other ionizing radiation machine	Full Cost
F1.	Tanning device (per device)	<del>\$24</del> <u>\$28</u>
F2.	Class A (1 to 10 laser devices)	<del>\$150</del> <u>\$175</u>
F3.	Class B (11 to 49 laser devices)	<del>\$350</del> <u>\$408</u>
F4.	Class C (50 or more laser devices)	<del>\$600</del> <u>\$699</u>
F5.	Laser light show or laser demonstration	<del>\$350</del> <u>\$408</u>
F6.	Medical laser (per laser device)	<del>\$40</del> <u>\$47</u>
F7.	Class II surgical (per device)	<del>\$40</del> <u>\$47</u>
F8.	Medical RF (per device)	<del>\$40</del> <u>\$47</u>
F9.	Class A industrial (1 to 5 radiofrequency devices)	<del>\$60</del> <u>\$70</u>
F10.	Class B industrial(6 to 20 radiofrequency devices)	<del>\$180</del> <u>\$210</u>
F11.	Class C industrial more than 20 radiofrequency devices)	<del>\$300</del> <u>\$349</u>
F12.	Other nonionizing radiation device or other device	Full Cost

- Notes: (1) An additional ~~20%~~ 30% of the annual base fee is added to the annual base fee for each additional site, ~~not to exceed an additional 100% for all sites.~~  
 (2) The fee is 50% of the annual base fee for the category under which the radioactive material will be stored.  
 (3) See R12-1-1307.

- B.** ~~The annual fee for a license or registration for which the scheduled fee is "Full Cost" is approximately 18% of the full actual cost to the Agency for the personnel, consultants, facilities, equipment, supplies, and transportation used in evaluating the original application. The cost of all applications for amendments and all regular inspections during the five year normal life of the license or registration, calculated as follows:~~
1. ~~The application fee is based on estimates of the cost which are based on consideration of (in order of preference):~~
    - a. ~~The experience of the Agency in issuing and servicing licenses and registrations of the same or a similar type;~~
    - b. ~~The experience of the U.S. NRC or other states in issuing and servicing licenses and registrations of the same or a similar type; or~~
    - c. ~~The general experience of the Agency, the U.S. NRC and other states in the costs of issuing and servicing different types of licenses and registrations and any estimates submitted by the applicant.~~
  2. ~~Annual fees for the second through fourth years are determined by recalculation of the estimate made under subsection (B)(1), considering the actual cost based on experience in previous years and any revision of the estimated future costs.~~
  3. ~~The fee for the fifth year is 22.5% of the total actual cost to the Agency to issue and service the license or registration over the first four years of the license.~~
- B.** The application fee for a licensee or registrant is the annual fee as shown in Section R12-1-1306. "Full Cost" is based on professional personnel time for preparation, travel, onsite inspection, any reports, review of findings, and preparation of the license or registration or denial charged at \$99 per hour and mileage charged at 44.5¢ per mile. The Agency shall assess the licensee or registrant 90% of the estimated full cost of issuing the license or registration. The Agency will assess for any remaining costs when it is prepared to issue the license, registration, denial, or if Agency costs for the

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requested activity exceed \$10,000.

- C.** The annual fee for a licensee or registrant for which the scheduled fee is “Full Cost” is based on professional personnel time for preparation, travel, onsite inspection, preparation of reports, review of findings, and preparation for any inspections or completion of any amendments to the license, registration or denials charged at \$99 per hour and mileage charged at 44.5¢ per mile for the preceding 12 months.

**R12-1-1307. Special License Fees**

- A.** No change
- B.** The fee for a Type D17 radioactive waste transfer for disposal license is \$2.50 per cubic foot of waste transferred, including packaging.
  - 1. A standard 55-gallon drum waste package is considered to be 7 ½ cubic feet of waste.
  - 2. The fee is due at the time the waste is shipped, unless a prior written agreement between the person and the Agency is in effect. The total fee due shall be paid to the Agency in accordance with R12-1-1305(A).
- C.B.** For a low-level radioactive waste disposal site the initial application fee is ~~\$3,000,000~~ \$6,000,000. The annual fee for the second through fifth years is ~~\$3,000,000~~ \$6,000,000. The Agency shall promulgate a new fee rule for years subsequent to year five. Based on data gathered during the first five years, the Agency shall set a reasonable fee after consideration of the following factors:
  - 1. No change
  - 2. No change

**R12-1-1308. Fee for Requested Inspections**

- A.** A licensee or registrant may request an inspection of its facility at any time. The Agency shall ~~bill~~ assess the licensee or registrant ~~90%~~ of the full cost of the inspection, based on personnel time for preparation, travel, onsite inspection, review of findings, and preparation of a report, charged at ~~\$25~~ \$99 per hour and mileage charged at ~~25¢~~ 44.5¢ per mile.
- B.** No change
  - 1. No change
  - 2. No change
  - 3. No change

**Table 1. Small Entity Fees<sup>1</sup>**

<b>Small Businesses Not Engaged in Manufacturing and Small Not-for-profit Organizations</b>	
Gross Annual Receipts, three-year average:	
>\$6.5 million	Pay the fee listed in R12-1-1306
\$350,000 to \$6.5 million	\$2,200
<\$350,000	\$500
<b>Manufacturing Entities that have an Annual Average of 500 Employees or Less:</b>	
>500 employees	Pay the fee listed in R12-1-1306
35 to 500 employees	\$2,200
<35 employees	\$500
<b>Small Government Jurisdictions (including publicly supported educational institutions):</b>	
Population in Jurisdiction:	
>50,000	Pay the fee listed in R12-1-1306
20,000 to 50,000	\$2,200
<20,000	\$500
<b>Educational Institutions that Are Not State or Publicly Supported, and Have 500 Employees or Less:</b>	
>500 employees	Pay the fee listed in R12-1-1306
35 to 500 employees	\$2,200
<35 employees	\$500

<sup>1</sup> A licensee who seeks to establish status as a small entity for the purpose of paying the annual fees required under R12-1-1304 as shown in R12-1-1306 must file a certification statement with the Agency each year. The licensee must file the required certification on Agency Form 333 for each license under which it was billed. Agency Form 333 can be accessed through the Agency web site at <http://www.azrra.gov>. For licensees who cannot access the Agency web site, Agency Form 333 may be obtained by writing to the Agency or by telephoning the Agency at (602) 255-4845, or by e-mailing the Agency at [webcontactform@arrawebsite.com](mailto:webcontactform@arrawebsite.com).

NOTICE OF EXEMPT RULEMAKING

TITLE 15. REVENUE

CHAPTER 2. DEPARTMENT OF REVENUE  
INCOME AND WITHHOLDING TAX SECTION

SUBCHAPTER C. INDIVIDUALS

[R08-366]

PREAMBLE

**1. Sections Affected**

Article 7  
R15-2C-701  
R15-2C-702  
R15-2C-703  
R15-2C-704  
R15-2C-705

**Rulemaking Action**

Repeal  
Repeal  
Repeal  
Repeal  
Repeal  
Repeal

**2. The statutory authority for the rulemaking including the authorizing statute (general), the implementing statute (specific), and the statute or session law authorizing the exemption:**

Authorizing statute: A.R.S. § 42-1005

Implementing statute: A.R.S. § 43-1086 (repealed effective January 1, 2004)

Statute or session law authorizing the exemption: Laws 2000, 7th S.S., Ch. 1, § 30

**3. The effective date of the rule:**

October 24, 2008

**4. A list of all previous notices published in the Register addressing the exempt rule:**

Notice of Exempt Rulemaking: 7 A.A.R. 5715, December 21, 2001

**5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Helen Armstrong, Tax Analyst  
Address: Tax Policy and Research Division  
Department of Revenue  
1600 W. Monroe St., Room 810  
Phoenix, AZ 85007  
Telephone: (602) 716-6805  
Fax: (602) 716-7995  
E-mail: harmstrong@azdor.gov

**6. An explanation of the rule, including the agency's reasons for initiating the rulemaking:**

The Department is proposing to repeal these rules related to alternative fuel credits, as the implementing statute has been repealed.

**7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

Not applicable

**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. The summary of the economic, small business, and consumer impact, if applicable:**

These rules were exempt from the rulemaking requirements of A.R.S. Title 41, Ch. 6 by Laws 2000, 7th S.S., Ch. 1, § 30.

**10. A description of the changes between the proposed rule, including supplemental notices, and final rule (if applicable):**

Not applicable

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11. **A summary of the comments made regarding the rule and the agency response to them, if applicable:**  
Not applicable
12. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**  
None
13. **Any material incorporated by reference and its location in the text:**  
None
14. **Was the rule previously made as an emergency rule and, if so, whether the text was changed between making as an emergency and the making of the exempt rules:**  
No
15. **The full text of the rules follows:**

TITLE 15. REVENUE

CHAPTER 2. DEPARTMENT OF REVENUE  
INCOME AND WITHHOLDING TAX SECTION

SUBCHAPTER C. INDIVIDUALS

**ARTICLE 7. ALTERNATIVE FUEL CREDITS REPEALED**

Section

- R15-2C-701. Credit for Alternative Fuel Vehicles Repealed
- R15-2C-702. Requirements for Claiming a Credit for New Alternative Fuel Vehicles Repealed
- R15-2C-703. Requirements for Claiming a Credit for Used Alternative Fuel Vehicles Repealed
- R15-2C-704. Requirements for Claiming a Credit for Converting a Conventionally Fueled Vehicle to Operate on Alternative Fuel Repealed
- R15-2C-705. Recapture or Disallowance Provisions for Alternative Fuel Vehicle Credits Repealed

**ARTICLE 7. ALTERNATIVE FUEL CREDITS REPEALED**

**R15-2C-701. Credit for Alternative Fuel Vehicles Repealed**

In addition to the definitions provided in A.R.S. § 43-1086(P), the following definitions apply to this Article and to the calculation of alternative fuel vehicle credits under A.R.S. § 43-1086:

“Actual Purchase Price” means the amount paid for the vehicle or the capitalized cost if the vehicle is leased. Includes dealer options and a reasonable dealer prep fee, minus the sum of any customer rebates, factory-to-dealer incentives, document preparation fees, registration fees, title fees, fleet car discounts, amounts paid for extended warranties, aftermarket equipment installed on the vehicle and in the case of a leased vehicle the residual value as shown on the lease. For vehicles over 12,000 pounds gross vehicle weight, this does not include the cost of any attachment not associated with the operation of the vehicle.

“Any attachment not associated with the operation of the vehicle” means an item not required for the normal and basic use of the vehicle, and includes items such as accessories relating to towing, accessories relating to specialized use of a vehicle, and items that are decorative rather than functional.

“Cost” means the amount the taxpayer paid for the vehicle or the capitalized cost if the vehicle is leased minus the sum of any customer rebates, factory-to-dealer incentives, document preparation fees, registration fees, title fees, amounts paid for extended warranties, aftermarket equipment installed on the vehicle, and in the case of a leased vehicle the residual value of the vehicle as shown on the lease. For vehicles over 12,000 pounds gross vehicle weight, this does not include the cost of any attachment not associated with the operation of the vehicle.

“Manufacturer’s Base Retail Price” means the total price on the manufacturer’s invoice minus any destination charges. Does not include any dealer add-ons or other added charges. In addition, in the case of a vehicle with a gross vehicle weight of over 12,000 pounds, it does not include the cost of any attachment not associated with the operation of the vehicle.

“Member of the taxpayer’s immediate family” means a spouse, child, grandchild, parent, grandparent, brother, or sister of the whole or half blood and their spouse, and the parent, brother, or sister of the spouse.

“New” means the vehicle was never registered and titled anywhere before its manufacture as an alternative fuel vehicle or conversion to operate on alternative fuel. However, when an applicant contracted to purchase a new vehicle and ordered its conversion at the same time and conversion occurs after the vehicle is registered and titled, the vehicle



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shall be deemed to be a new vehicle.

“Placed in service” means the date the taxpayer registered the vehicle in Arizona as an alternative fuel vehicle.

**R15-2C-702. Requirements for Claiming a Credit for New Alternative Fuel Vehicles Repealed**

- ~~A.~~ For taxable years beginning after December 31, 1999 and ending on or before December 31, 2001 a taxpayer that purchases or leases a new alternative fuel vehicle may qualify for a credit under A.R.S. § 43-1086(B), paragraphs (1), (3), (5), (7), (10), or (12) if all of the following apply:
  - 1. The taxpayer either purchases or leases the alternative fuel vehicle before October 20, 2000 or the taxpayer enters into a contract or purchase order for the purchase or lease of the alternative fuel vehicle before October 20, 2000.
  - 2. The alternative fuel vehicle is either in the taxpayer’s possession before December 1, 2000 or the taxpayer has paid in full for the vehicle before December 1, 2000.
  - 3. The taxpayer titles and registers the alternative fuel vehicle in Arizona.
  - 4. The taxpayer has an affidavit for the vehicle issued by the Arizona Department of Commerce pursuant to A.R.S. § 41-1516(E) if the vehicle was purchased. The taxpayer has an alternative fuel vehicle verification issued by the Arizona Department of Commerce if the vehicle is leased. This subsection does not apply to the purchase or lease of neighborhood electric vehicles.
  - 5. For purposes of qualifying under A.R.S. § 43-1086(B) paragraphs (1), (3), (5) and (7), the vehicle is certified to meet the United States Environmental Protection Agency emission standards for the particular type of vehicle for which the credit is claimed, as prescribed by 40 CFR section 88.104-94 or 88.105-94 in effect as of April 28, 2000.
  - 6. A motor home as defined in A.R.S. § 28-4301 that is converted to use liquefied petroleum gas shall have a fuel tank for onboard storage of liquefied petroleum gas that holds at least 30 gallons.
  - 7. The taxpayer has not exercised the opt out option for the vehicle pursuant to Laws 2000, 7th S.S., Ch. 1, § 33.
- ~~B.~~ This Section applies to new vehicles that operate on alternative fuel at the time of purchase. See R15-2C-704 for vehicles that are converted to operate on alternative fuel after the purchase.
- ~~C.~~ A taxpayer that purchases or leases a new neighborhood electric vehicle before July 1, 2000 may qualify for a credit under A.R.S. § 43-1086(B)(5) if the taxpayer has fulfilled the requirements in subsection (A)(3) for the vehicle.
- ~~D.~~ A taxpayer that purchases or leases a new neighborhood electric vehicle on or after July 1, 2000 may qualify for a credit under A.R.S. § 43-1086(B)(13) if:
  - 1. The taxpayer has fulfilled all the requirements of subsections (A)(1), (A)(2), and (A)(3) for the vehicle, and
  - 2. The taxpayer certifies on forms provided by the Department that the vehicle has not been, and will not be, used on a golf course, except for use as a maintenance vehicle for a golf course.
- ~~E.~~ A person that purchases an alternative fuel vehicle and then leases the vehicle to another person is not entitled to take a credit for the purchase of the vehicle but may claim a share of the tax credit for the lease of the vehicle as provided in the lease agreement. If the vehicle is leased to a governmental entity, the purchaser may take a tax credit for the purchase of the vehicle.
- ~~F.~~ If the purchaser receives a grant from the Department of Commerce for the purchase of the alternative fuel vehicle, no credit under A.R.S. § 43-1086(B) is allowed, but a credit for the incremental cost may be claimed under A.R.S. § 43-1086(I).
- ~~G.~~ Leased vehicles do not qualify for the credit under A.R.S. § 43-1086(I).

**R15-2C-703. Requirements for Claiming a Credit for Used Alternative Fuel Vehicles Repealed**

- ~~A.~~ For taxable years beginning after December 31, 1999 and ending on or before December 31, 2001 a taxpayer that purchases or leases a used alternative fuel vehicle may qualify for a credit under A.R.S. § 43-1086(B), paragraphs (2), (4), (6), or (8) if all of the following apply:
  - 1. On or before June 30, 2000 the taxpayer either purchased or leased for at least one year a used alternative fuel vehicle.
  - 2. The taxpayer titles and registers the alternative fuel vehicle in Arizona.
  - 3. The taxpayer has an affidavit for the vehicle issued by the Arizona Department of Commerce pursuant to A.R.S. § 41-1516(E) if the vehicle was purchased. The taxpayer has an alternative fuel vehicle verification issued by the Arizona Department of Commerce if the vehicle is leased.
  - 4. For purposes of qualifying under A.R.S. § 43-1086(B) paragraphs (2), (4), (6) and (8), the vehicle is certified to meet the United States Environmental Protection Agency emission standards for the particular type of vehicle for which the credit is claimed, as prescribed by 40 CFR section 88.104-94 or 88.105-94 in effect as of April 28, 2000.
  - 5. A motor home as defined in A.R.S. § 28-4301 that is converted to use liquefied petroleum gas shall have a fuel tank for onboard storage of liquefied petroleum gas that holds at least 30 gallons.
  - 6. The taxpayer has not exercised the opt out option for the vehicle pursuant to Laws 2000, 7th S.S., Ch. 1, § 33.
- ~~B.~~ This Section applies to used vehicles that operate on alternative fuel at the time of purchase. See R15-2C-704 for vehicles that are converted to operate on alternative fuel after the purchase.
- ~~C.~~ The purchase or lease of a used neighborhood electric vehicle does not qualify for a tax credit.
- ~~D.~~ A person that purchases an alternative fuel vehicle and then leases the vehicle to another person is not entitled to take a credit for the purchase of the vehicle but may claim a share of the tax credit for the lease of the vehicle as provided in the

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lease agreement. If the vehicle is leased to a governmental entity, the purchaser may take a tax credit for the purchase of the vehicle.

- ~~E.~~ If the purchaser receives a grant from the Department of Commerce for the purchase of the alternative fuel vehicle, no credit under A.R.S. § 43-1086(B) is allowed, but a credit for the incremental cost may be claimed under A.R.S. § 43-1086(I).
- ~~F.~~ Leased vehicles do not qualify for the credit under A.R.S. § 43-1086(I).

**R15-2C-704. ~~Requirements for Claiming a Credit for Converting a Conventionally Fueled Vehicle to Operate on Alternative Fuel~~ Repealed**

- ~~A.~~ For taxable years beginning after December 31, 1999 and ending on or before December 31, 2001 a taxpayer that converts a conventionally fueled vehicle to operate on alternative fuel may qualify for a credit under A.R.S. § 43-1086(B), paragraphs (9), (11), and (14) if all of the following apply:
  - ~~1.~~ The taxpayer incurs an expense for converting the conventionally fueled vehicle to operate on alternative fuel before October 20, 2000 or the taxpayer enters into a contract or purchase order for the conversion before October 20, 2000.
  - ~~2.~~ The vehicle to be converted is either in the taxpayer's possession before December 1, 2000 or the taxpayer has paid in full for the vehicle before December 1, 2000.
  - ~~3.~~ The taxpayer titles and registers the alternative fuel vehicle in Arizona.
  - ~~4.~~ The taxpayer has an affidavit for the vehicle issued by the Arizona Department of Commerce pursuant to A.R.S. § 41-1516(E).
  - ~~5.~~ A motor home as defined in A.R.S. § 28-4301 that is converted to use liquefied petroleum gas shall have a fuel tank for onboard storage of liquefied petroleum gas that holds at least 30 gallons.
  - ~~6.~~ The taxpayer has not exercised the opt out option for the vehicle pursuant to Laws 2000, 7th S.S., Ch. 1, § 33.
- ~~B.~~ This Section applies to vehicles that are converted to operate on alternative fuel after the purchase. See R15-2C-602 and R15-2C-603 for vehicles that are converted to operate on alternative fuel before the purchase.
- ~~C.~~ This Section does not apply to neighborhood electric vehicles.
- ~~D.~~ If the taxpayer who has a conventionally fueled vehicle converted receives a grant under A.R.S. § 41-1516 for the conversion, no credit is allowed.

**R15-2C-705. ~~Recapture or Disallowance Provisions for Alternative Fuel Vehicle Credits~~ Repealed**

- ~~A.~~ If any of the following occur within 36 months after the alternative fuel vehicle is placed in service and registered in Arizona, the credit will be subject to recapture or disallowance:
  - ~~1.~~ The taxpayer transfers the vehicle to any person other than a member of the taxpayer's immediate family or a person who resides in the same household as the taxpayer. The transfer will not trigger a recapture if the vehicle is demolished or the taxpayer dies.
  - ~~2.~~ The vehicle ceases to be registered in Arizona.
  - ~~3.~~ The vehicle fails to comply with emissions inspection requirements for alternative fuel vehicles prescribed in A.R.S. Title 49, Chapter 3, Article 5.
  - ~~4.~~ The vehicle is a bi-fuel vehicle that operates on liquefied petroleum gas and taxpayer fails to provide proof that at least 50% of the fuel used is liquefied petroleum gas. The determination regarding the percentage of fuel used is made at the end of each 12-month period.

For example: the taxpayer places the vehicle in service on February 15, 2000. For the period from February 15, 2000 through February 14, 2001, the taxpayer used 200 gallons of gasoline and 200 gallons of liquefied petroleum gas. The taxpayer's fuel usage for the first 12-month period meets the minimum 50% (200/400) requirement and will not cause a recapture of the credit.
  - ~~5.~~ The vehicle is a bi-fuel vehicle that operates on compressed natural gas and taxpayer fails to provide proof that at least:
    - ~~a.~~ 25% of the fuel used in the 1st 12-month period is compressed natural gas.
    - ~~b.~~ 33 and 1/3% of the fuel used in the 2nd 12-month period is compressed natural gas.
    - ~~c.~~ 50% of the fuel used in the 3rd 12-month period is compressed natural gas.
- ~~B.~~ A taxpayer that transfers an alternative fuel vehicle to a member of the taxpayer's immediate family or a person who resides in the same household as the taxpayer will not cause the credit to be recaptured or disallowed. However, the taxpayer that claimed the credit will remain liable for any recapture that occurs under subsection (A). The taxpayer that claimed the credit is responsible for maintaining documentation to prove that the credit is not subject to recapture.
- ~~C.~~ The amount of the recapture or disallowance pursuant to subsection (A) is calculated by multiplying the credit by the following percentages:
  - ~~1.~~ 100% if the date of the event that causes the recapture is within 12 months after the date the vehicle was placed in service.
  - ~~2.~~ 66 and 2/3% if the date of the event that causes the recapture is after the 12th month but before the 25th month after the date the vehicle was placed in service.

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- 3. 33 and 1/3% if the date of the event that causes the recapture is after the 24th month but before the 37th month after the date the vehicle was placed in service.
  - 4. 0% if the date of the event that causes the recapture is after the 36th month after the date the vehicle was placed in service.
- D.** If the credit to be recaptured or disallowed under subsection (C) is a nonrefundable credit for the purchase or lease of a neighborhood electric vehicle, the recapture or disallowance is based on the total credit. The unused portion of the credit is disallowed before any of the amounts previously allowed are recaptured.
- Example 1: Mr. Taxpayer purchased and placed in service a new neighborhood electric vehicle on February 15, 2000 for \$6,000. On April 15, 2001, Mr. Taxpayer filed his individual income tax return for the 2000 tax year and claimed a \$6,000 credit for the neighborhood electric vehicle. Mr. Taxpayer used \$2,000 of the credit on the 2000 tax return and \$2,500 on the 2001 tax return. On March 5, 2002, Mr. Taxpayer sold the neighborhood electric vehicle and is subject to a recapture or disallowance of 33 and 1/3% of the credit. The amounts to be recaptured or disallowed are determined as follows:
- a. Total credit claimed \$6,000
  - b. Total used on 2000 tax return \$2,000
  - e. Total used on 2001 tax return \$2,500
  - d. Total amount to be recaptured (line a x 33 and 1/3%) \$2,000
  - e. Subtract lines b through d from line a \$(500)
- Because the amount determined on line e is negative, all of the taxpayer's unused credit shall be disallowed and \$500 of the amount already used shall be recaptured.
- Example 2: Same facts as example 1 except that the taxpayer only used \$1,500 on the 2001 return. The amounts to be recaptured or disallowed are determined as follows:
- a. Total credit claimed \$6,000
  - b. Total used on 2000 tax return \$2,000
  - e. Total used on 2001 tax return \$1,500
  - d. Total amount to be recaptured (line a x 33 and 1/3%) \$2,000
  - e. Subtract lines b through d from line a \$500
- Because the amount determined on line e is positive, \$2,000 of the taxpayer's unused credit shall be disallowed and the taxpayer shall have \$500 of unused credit to carry forward to future tax years.
- E.** A taxpayer may be eligible for equitable relief from the provisions in subsection (A) if A.R.S. § 43-1086(F) applies.
- F.** In addition to the recapture or disallowance provisions in subsection (A), the credit for a neighborhood electric vehicle purchased on or after July 1, 2000 is subject to a 100% recapture if the vehicle is used on a golf course other than as a maintenance vehicle.

**NOTICE OF EXEMPT RULEMAKING**

**TITLE 15. REVENUE**

**CHAPTER 2. DEPARTMENT OF REVENUE  
INCOME AND WITHHOLDING TAX SECTION**

**SUBCHAPTER D. CORPORATIONS**

[R08-367]

**PREAMBLE**

- | <b><u>1. Sections Affected</u></b> | <b><u>Rulemaking Action</u></b> |
|------------------------------------|---------------------------------|
| Article 11                         | Repeal                          |
| R15-2D-1101                        | Repeal                          |
| R15-2D-1102                        | Repeal                          |
| R15-2D-1103                        | Repeal                          |
| R15-2D-1104                        | Repeal                          |
| R15-2D-1105                        | Repeal                          |
- 2. The statutory authority for the rulemaking, including the authorizing statute (general), implementing statute (specific), and the statute or session law authorizing the exemption:**
- Authorizing statute: A.R.S. § 42-1005
  - Implementing statute: A.R.S. § 43-1174 (repealed effective January 1, 2004)
  - Statute or session law authorizing the exemption: Laws 2000, 7th S.S., Ch. 1, § 30

Notices of Exempt Rulemaking

3. **The effective date of the rule:**  
October 24, 2008
4. **A list of all previous notices published in the Register addressing the exempt rule:**  
Notice of Exempt Rulemaking: 7 A.A.R. 5720, December 21, 2001
5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**  
Name: Helen Armstrong, Tax Analyst  
Address: Tax Policy and Research Division  
Department of Revenue  
1600 W. Monroe St., Room 810  
Phoenix, AZ 85007  
Telephone: (602) 716-6805  
Fax: (602) 716-7995  
E-mail: harmstrong@azdor.gov
6. **An explanation of the rule, including the agency's reasons for initiating the rulemaking:**  
The Department is proposing to repeal these rules related to alternative fuel credits, as the implementing statute has been repealed.
7. **A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**  
Not applicable
8. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**  
Not applicable
9. **The summary of the economic, small business, and consumer impact, if applicable:**  
These rules were exempt from the rulemaking requirements of A.R.S. Title 41, Ch. 6 by Laws 2000, 7th S.S., Ch. 1, § 30.
10. **A description of the changes between the proposed rule, including supplemental notices, and final rule, (if applicable):**  
Not applicable
11. **A summary of the comments made regarding the rule and the agency response to them, if applicable:**  
Not applicable
12. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**  
None
13. **Any material incorporated by reference and its location in the text:**  
None
14. **Was the rule previously made as an emergency rule and, if so, whether the text was changed between making as an emergency and the making of the exempt rules:**  
No
15. **The full text of the rules follows:**

TITLE 15. REVENUE

CHAPTER 2. DEPARTMENT OF REVENUE  
INCOME AND WITHHOLDING TAX SECTION

SUBCHAPTER D. CORPORATIONS

**ARTICLE 11. ALTERNATIVE FUEL CREDITS REPEALED**

Section

R15-2D-1101. Credit for Alternative Fuel Vehicles Repealed

R15-2D-1102. Requirements for Claiming a Credit for New Alternative Fuel Vehicles Repealed

Notices of Exempt Rulemaking

- R15-2D-1103. Requirements for Claiming a Credit for Used Alternative Fuel Vehicles Repealed  
R15-2D-1104. Requirements for Claiming a Credit for Converting a Conventionally Fueled Vehicle to Operate on Alternative Fuel Repealed  
R15-2D-1105. Recapture or Disallowance Provisions for Alternative Fuel Vehicle Credits Repealed

**ARTICLE 11. ALTERNATIVE FUEL CREDITS REPEALED**

**R15-2D-1101. Credit for Alternative Fuel Vehicles Repealed**

In addition to the definitions provided in A.R.S. § 43-1086(P), the following definitions apply to this Article and to the calculation of alternative fuel vehicle credits under A.R.S. § 43-1174:

“Actual Purchase Price” means the amount paid for the vehicle or the capitalized cost if the vehicle is leased. Includes dealer options and a reasonable dealer prep fee, minus the sum of any customer rebates, factory-to-dealer incentives, document preparation fees, registration fees, title fees, fleet car discounts, amounts paid for extended warranties, aftermarket equipment installed on the vehicle and in the case of a leased vehicle the residual value as shown on the lease. For vehicles over 12,000 pounds gross vehicle weight, this does not include the cost of any attachment not associated with the operation of the vehicle.

“Any attachment not associated with the operation of the vehicle” means an item not required for the normal and basic use of the vehicle, and includes items such as accessories relating to towing, accessories relating to specialized use of a vehicle, and items that are decorative rather than functional.

“Cost” means the amount the taxpayer paid for the vehicle or the capitalized cost if the vehicle is leased minus the sum of any customer rebates, factory-to-dealer incentives, document preparation fees, registration fees, title fees, amounts paid for extended warranties, aftermarket equipment installed on the vehicle, and in the case of a leased vehicle the residual value of the vehicle as shown on the lease. For vehicles over 12,000 pounds gross vehicle weight, this does not include the cost of any attachment not associated with the operation of the vehicle.

“Manufacturer’s Base Retail Price” means the total price on the manufacturer’s invoice minus any destination charges. Does not include any dealer add-ons or other added charges. In addition, in the case of a vehicle with a gross vehicle weight of over 12,000 pounds, it does not include the cost of any attachment not associated with the operation of the vehicle.

“New” means the vehicle was never registered and titled anywhere before its manufacture as an alternative fuel vehicle or conversion to operate on alternative fuel. However, when an applicant contracted to purchase a new vehicle and ordered its conversion at the same time and conversion occurs after the vehicle is registered and titled, the vehicle shall be deemed to be a new vehicle.

“Placed in service” means the date the taxpayer registered the vehicle in Arizona as an alternative fuel vehicle.

**R15-2D-1102. Requirements for Claiming a Credit for New Alternative Fuel Vehicles Repealed**

- A.** For taxable years beginning after December 31, 1999 and ending on or before December 31, 2001 a taxpayer that purchases or leases a new alternative fuel vehicle may qualify for a credit under A.R.S. § 43-1174(B), paragraphs (1), (3), (5), (7), (10), or (12) if all of the following apply:
1. The taxpayer either purchases or leases the alternative fuel vehicle before October 20, 2000 or the taxpayer enters into a contract or purchase order for the purchase or lease of the alternative fuel vehicle before October 20, 2000.
  2. The alternative fuel vehicle is either in the taxpayer’s possession before December 1, 2000 or the taxpayer has paid in full for the vehicle before December 1, 2000.
  3. The taxpayer titles and registers the alternative fuel vehicle in Arizona.
  4. The taxpayer has an affidavit for the vehicle issued by the Arizona Department of Commerce pursuant to A.R.S. § 41-1516(E) if the vehicle was purchased. The taxpayer has an alternative fuel vehicle verification issued by the Arizona Department of Commerce if the vehicle is leased. This subsection does not apply to the purchase or lease of neighborhood electric vehicles.
  5. For purposes of qualifying under A.R.S. § 43-1174(B) paragraphs (1), (3), (5) and (7), the vehicle is certified to meet the United States Environmental Protection Agency emission standards for the particular type of vehicle for which the credit is claimed, as prescribed by 40 CFR section 88.104-94 or 88.105-94 in effect as of April 28, 2000.
  6. A motor home as defined in A.R.S. § 28-4301 that is converted to use liquefied petroleum gas shall have a fuel tank for onboard storage of liquefied petroleum gas that holds at least 30 gallons.
  7. The taxpayer has not exercised the opt out option for the vehicle pursuant to Laws 2000, 7th S.S., Ch. 1, § 33.
- B.** This Section applies to new vehicles that operate on alternative fuel at the time of purchase. See R15-2D-1104 for vehicles that are converted to operate on alternative fuel after the purchase.
- C.** A taxpayer that purchases or leases a new neighborhood electric vehicle before July 1, 2000 may qualify for a credit under A.R.S. § 43-1174(B)(5) if the taxpayer has fulfilled the requirements in subsection (A)(3) for the vehicle.
- D.** A taxpayer that purchases or leases a new neighborhood electric vehicle on or after July 1, 2000 may qualify for a credit under A.R.S. § 43-1174(B)(13) if:

Notices of Exempt Rulemaking

1. The taxpayer has fulfilled all the requirements of subsections (A)(1), (A)(2), and (A)(3) for the vehicle, and
  2. The taxpayer certifies on forms provided by the Department that the vehicle has not been, and will not be, used on a golf course, except for use as a maintenance vehicle for a golf course.
- E.** A taxpayer that purchases an alternative fuel vehicle and then leases the vehicle to another taxpayer is not entitled to take a credit for the purchase of the vehicle but may claim a share of the tax credit for the lease of the vehicle as provided in the lease agreement. If the vehicle is leased to a governmental entity, the purchaser may take a tax credit for the purchase of the vehicle.
- F.** If the purchaser receives a grant from the Department of Commerce for the purchase of the alternative fuel vehicle, no credit under A.R.S. § 43-1174(B) is allowed, but a credit for the incremental cost may be claimed under A.R.S. § 43-1174(I).
- G.** Leased vehicles do not qualify for the credit under A.R.S. § 43-1174(I).

**R15-2D-1103. Requirements for Claiming a Credit for Used Alternative Fuel Vehicles Repealed**

- A.** For taxable years beginning after December 31, 1999 and ending on or before December 31, 2001 a taxpayer that purchases or leases a used alternative fuel vehicle may qualify for a credit under A.R.S. § 43-1174(B), paragraphs (2), (4), (6), or (8) if all of the following apply:
1. On or before June 30, 2000 the taxpayer either purchased or leased for at least one year a used alternative fuel vehicle.
  2. The taxpayer titles and registers the alternative fuel vehicle in Arizona.
  3. The taxpayer has an affidavit for the vehicle issued by the Arizona Department of Commerce pursuant to A.R.S. § 41-1516(E) if the vehicle was purchased. The taxpayer has an alternative fuel vehicle verification issued by the Arizona Department of Commerce if the vehicle is leased.
  4. For purposes of qualifying under A.R.S. § 43-1174(B) paragraphs (2), (4), (6) and (8), the vehicle is certified to meet the United States Environmental Protection Agency emission standards for the particular type of vehicle for which the credit is claimed, as prescribed by 40 CFR section 88.104-94 or 88.105-94 in effect as of April 28, 2000.
  5. A motor home as defined in A.R.S. § 28-4301 that is converted to use liquefied petroleum gas shall have a fuel tank for onboard storage of liquefied petroleum gas that holds at least 30 gallons.
  6. The taxpayer has not exercised the opt out option for the vehicle pursuant to Laws 2000, 7th S.S., Ch. 1, § 33.
- B.** This Section applies to used vehicles that operate on alternative fuel at the time of purchase. See R15-2D-1104 for vehicles that are converted to operate on alternative fuel after the purchase.
- C.** The purchase or lease of a used neighborhood electric vehicle does not qualify for a tax credit.
- D.** A taxpayer that purchases an alternative fuel vehicle and then leases the vehicle to another taxpayer is not entitled to take a credit for the purchase of the vehicle but may claim a share of the tax credit for the lease of the vehicle as provided in the lease agreement. If the vehicle is leased to a governmental entity, the purchaser may take a tax credit for the purchase of the vehicle.
- E.** If the purchaser receives a grant from the Department of Commerce for the purchase of the alternative fuel vehicle, no credit under A.R.S. § 43-1174(B) is allowed, but a credit for the incremental cost may be claimed under A.R.S. § 43-1174(I).
- F.** Leased vehicles do not qualify for the credit under A.R.S. § 43-1174(I).

**R15-2D-1104. Requirements for Claiming a Credit for Converting a Conventionally Fueled Vehicle to Operate on Alternative Fuel Repealed**

- A.** For taxable years beginning after December 31, 1999 and ending on or before December 31, 2001 a taxpayer that converts a conventionally fueled vehicle to operate on alternative fuel may qualify for a credit under A.R.S. § 43-1174(B), paragraphs (9), (11), and (14) if all of the following apply:
1. The taxpayer incurs an expense for converting the conventionally fueled vehicle to operate on alternative fuel before October 20, 2000 or the taxpayer enters into a contract or purchase order for the conversion before October 20, 2000.
  2. The vehicle to be converted is either in the taxpayer's possession before December 1, 2000 or the taxpayer has paid in full for the vehicle before December 1, 2000.
  3. The taxpayer titles and registers the alternative fuel vehicle in Arizona.
  4. The taxpayer has an affidavit for the vehicle issued by the Arizona Department of Commerce pursuant to A.R.S. § 41-1516(E).
  5. A motor home as defined in A.R.S. § 28-4301 that is converted to use liquefied petroleum gas shall have a fuel tank for onboard storage of liquefied petroleum gas that holds at least 30 gallons.
  6. The taxpayer has not exercised the opt out option for the vehicle pursuant to Laws 2000, 7th S.S., Ch. 1, § 33.
- B.** This Section applies to vehicles that are converted to operate on alternative fuel after the purchase. See R15-2D-1102 and R15-2D-1103 for vehicles that are converted to operate on alternative fuel before the purchase.
- C.** This Section does not apply to neighborhood electric vehicles.
- D.** If the taxpayer who has a conventionally fueled vehicle converted receives a grant under A.R.S. § 41-1516 for the conversion, no credit is allowed.

**Notices of Exempt Rulemaking**

**R15-2D-1105. ~~Recapture or Disallowance Provisions for Alternative Fuel Vehicle Credits~~ Repealed**

- A.** If any of the following occur within 36 months after the alternative fuel vehicle is placed in service and registered in Arizona, the credit will be subject to recapture or disallowance:
1. The taxpayer transfers the vehicle. The transfer will not trigger a recapture if the vehicle is demolished.
  2. The vehicle ceases to be registered in Arizona.
  3. The vehicle fails to comply with emissions inspection requirements for alternative fuel vehicles prescribed in A.R.S. Title 49, Chapter 3, Article 5.
  4. The vehicle is a bi-fuel vehicle that operates on liquefied petroleum gas and taxpayer fails to provide proof that at least 50% of the fuel used is liquefied petroleum gas. The determination regarding the percentage of fuel used is made at the end of each 12-month period.  
For example: the taxpayer places the vehicle in service on February 15, 2000. For the period from February 15, 2000 through February 14, 2001, the taxpayer used 200 gallons of gasoline and 200 gallons of liquefied petroleum gas. The taxpayer's fuel usage for the first 12-month period meets the minimum 50% (200/400) requirement and will not cause a recapture of the credit.
  5. The vehicle is a bi-fuel vehicle that operates on compressed natural gas and taxpayer fails to provide proof that at least:
    - a. 25% of the fuel used in the 1st 12-month period is compressed natural gas.
    - b. 33 and 1/3% of the fuel used in the 2nd 12-month period is compressed natural gas.
    - c. 50% of the fuel used in the 3rd 12-month period is compressed natural gas.
- B.** The amount of the recapture or disallowance pursuant to subsection (A) is calculated by multiplying the credit by the following percentages:
1. 100% if the date of the event that causes the recapture is within 12 months after the date the vehicle was placed in service.
  2. 66 and 2/3% if the date of the event that causes the recapture is after the 12th month but before the 25th month after the date the vehicle was placed in service.
  3. 33 and 1/3% if the date of the event that causes the recapture is after the 24th month but before the 37th month after the date the vehicle was placed in service.
  4. 0% if the date of the event that causes the recapture is after the 36th month after the date the vehicle was placed in service.
- C.** If the credit to be recaptured or disallowed under subsection (B) is a nonrefundable credit for the purchase or lease of a neighborhood electric vehicle, the recapture or disallowance is based on the total credit. The unused portion of the credit is disallowed before any of the amounts previously allowed are recaptured.  
Example 1: Taxpayer purchased and placed in service a new neighborhood electric vehicle on February 15, 2000 for \$6,000. On April 15, 2001, Taxpayer filed a corporate income tax return for the 2000 tax year and claimed a \$6,000 credit for the neighborhood electric vehicle. Taxpayer used \$2,000 of the credit on the 2000 tax return and \$2,500 on the 2001 tax return. On March 5, 2002, Taxpayer sold the neighborhood electric vehicle and is subject to a recapture or disallowance of 33 and 1/3% of the credit. The amounts to be recaptured or disallowed are determined as follows:
- |   |         |
|---|---------|
| a. Total credit claimed                                 | \$6,000 |
| b. Total used on 2000 tax return                        | \$2,000 |
| c. Total used on 2001 tax return                        | \$2,500 |
| d. Total amount to be recaptured (line a x 33 and 1/3%) | \$2,000 |
| e. Subtract lines b through d from line a               | \$(500) |
- Because the amount determined on line e is negative, all of the taxpayer's unused credit shall be disallowed and \$500 of the amount already used shall be recaptured.  
Example 2: Same facts as example 1 except that the taxpayer only used \$1,500 on the 2001 return. The amounts to be recaptured or disallowed are determined as follows:
- |   |         |
|---|---------|
| a. Total credit claimed                                 | \$6,000 |
| b. Total used on 2000 tax return                        | \$2,000 |
| c. Total used on 2001 tax return                        | \$1,500 |
| d. Total amount to be recaptured (line a x 33 and 1/3%) | \$2,000 |
| e. Subtract lines b through d from line a               | \$ 500  |
- Because the amount determined on line e is positive, \$2,000 of the taxpayer's unused credit shall be disallowed and the taxpayer shall have \$500 of unused credit to carry forward to future tax years.
- D.** A taxpayer may be eligible for equitable relief from the provisions in subsection (A) if A.R.S. § 43-1174(F) applies.
- E.** In addition to the recapture or disallowance provisions in subsection (A), the credit for a neighborhood electric vehicle purchased on or after July 1, 2000 is subject to a 100% recapture if the vehicle is used on a golf course other than as a maintenance vehicle.

NOTICE OF EXEMPT RULEMAKING

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 13. DEPARTMENT OF ENVIRONMENTAL QUALITY  
SOLID WASTE MANAGEMENT

[R08-361]

PREAMBLE

**1. Sections Affected**

Article 26  
R18-13-2601  
R18-13-2602  
R18-13-2603  
R18-13-2604

**Rulemaking Action**

New Article  
New Section  
New Section  
New Section  
New Section

**2. The statutory authority for the rulemaking, including both the authorizing statutes (general) and the statutes the rules are implementing (specific):**

Authorizing statute: Laws 2008, Ch. 291, § 12; A.R.S. §§ 49-104(B)(4) and 49-104(B)(10)

Implementing statutes: A.R.S. §§ 49-762.03(F), 49-747, 49-855, and 49-863

Statute or session law authorizing the exemption: Laws 2008, Ch. 291, § 12

**3. The effective date of the rules:**

October 20, 2008

This rulemaking is effective upon the date and time affixed by the Secretary of State upon filing pursuant to A.R.S. § 41-1032(A)(3).

Pursuant to Laws 2008, Ch. 291, § 12, the Arizona Department of Environmental Quality (“the Department”) expects this rulemaking and the fee changes made in this rulemaking will be effective through June 30, 2009, which is the end of the 2008 – 2009 fiscal year. Laws 2008, Ch. 291, § 12 requires that the revenues from this rulemaking not exceed \$600,000.00. The Department believes that exceeding this amount is unlikely. However, the Department will track the revenues from this rulemaking and if it appears likely that the maximum allowed revenues will be exceeded before June 30, 2009, the Department will prepare a rulemaking to repeal this Article.

**4. A list of all previous notices appearing in the Register addressing the exempt rule:**

None

**5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Ren Willis-Frances, Executive Consultant

Address: Department of Environmental Quality  
Waste Programs Division  
1110 W. Washington St., Suite 410  
Phoenix, AZ 85007

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E-mail: willis-frances.ren@azdeq.gov

**6. An explanation of the rule, including the agency’s reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:**

a. Summary

Pursuant to Laws 2008, Ch. 291, § 12, this rulemaking raises, for a limited period of time, the Solid Waste Facility Plan Review Fee (A.R.S. § 49-762.03(F)); the Landfill Registration Fees (A.R.S. § 49-747) and the Special Waste Management Fees (A.R.S. § 49-855 and A.R.S. § 49-863), all of which are deposited into the Solid Waste Fee Fund. The amount of the fee increases and the time period for each fee increase are described below.

b. Exempt Rulemaking

Laws 2008, Ch. 291, § 12(D) exempts this rulemaking from the Arizona Administrative Procedures Act at Arizona Revised Statutes, Title 41, Chapter 6, for a period of one year from the effective date of the enabling legislation, which is September 26, 2008. Laws 2008, Ch. 291, § 12(D) states, “The agencies described in subsection A are



Notices of Exempt Rulemaking

exempt from the rulemaking requirements of Arizona Revised Statutes Title 41, Chapter 6, for the purpose of raising fees pursuant to this section for a period of one year from the effective date of this act.”

c. Background

On June 27, 2008, the Governor signed House Bill 2462, entitled “budget reconciliation; budget procedures,” and it was subsequently chaptered as Laws 2008, Ch. 291. This legislation made various changes related to budget procedures within state government necessary to implement the fiscal year 2008 – 2009 state budget. Laws 2008, Ch. 291, § 12 allows certain agency directors, including the Director of the Arizona Department of Environmental Quality (“Director”), to raise fees in fiscal year 2008 – 2009. The legislature set revenue limits for each of the Departments; not to exceed the amounts listed. Specifically, Laws 2008, Ch. 291, § 12(A) states, “Notwithstanding any other law, the director of each of the following agencies may raise fees in fiscal year 2008 – 2009 for services it provides,” and goes on to include the Arizona Department of Environmental Quality. Laws 2008, Ch. 291, § 12(B) states, “It is the intent of the legislature that the additional revenue generated by the fee increases shall not exceed the amounts listed below:”... “3. Department of environmental quality - \$600,000.” This rulemaking seeks to implement this session law, as it applies to the fees of the Department’s Waste Programs Division.

d. Effective Date

This rulemaking is effective upon the date and time affixed by the Secretary of State upon filing pursuant to A.R.S. § 41-1032(A)(3). Since Laws 2008, Ch. 291, § 12 authorized raising fees for fiscal year 2008 – 2009, the rule will no longer be effective after the fiscal year ends on June 30, 2009.

e. Fees Impacted

The Waste Programs Division selected specific fees for implementation based on programmatic need. These fees are the Solid Waste Facility Plan Review Fee authorized by A.R.S. § 49-762.03(F) and set forth in A.A.C. R18-13-702(A); the Landfill Registration Fees authorized by A.R.S. § 49-747(C); and the Special Waste Management Fees authorized by A.R.S. § 49-855(C)(2) and A.R.S. § 49-863 and set forth in A.A.C. R18-13-1307(F). All of these fees are deposited into the Solid Waste Fee Fund, established by A.R.S. § 49-881.

f. Plan Review Fees

The Department provides technical review and issues decisions on facility plans, financial assurance demonstrations and amendments for various solid waste facilities. The Department charges fees for these services. This Article temporarily sets the solid waste plan review fee, authorized by A.R.S. § 49-762.03(F), to an hourly rate of \$105.00 per hour. This replaces the hourly rate of \$58.81 set by A.A.C. R18-13-702. This Article also temporarily sets the initial fee at double the amounts set forth in the schedules in A.A.C. R18-13-702(A), and increases the maximum fees that the Department will bill the applicant to triple the amounts set forth in the schedules in A.A.C. R18-13-702(A).

The increased initial fees for solid waste facility plan review apply to all solid waste facility plan review applications received from the effective date of this Article through June 30, 2009. The increased maximum fees apply to charges for solid waste facility plan review services rendered from the effective date of this Article through June 30, 2009. The increased solid waste facility plan review hourly rate applies to plan review services rendered from the effective date of this Article through June 30, 2009.

g. Landfill Registration Fees

This Article temporarily sets the landfill registration fee at double the amounts set forth in A.R.S. § 49-747. Laws 2008, Ch. 291, § 12(A) states, “Notwithstanding any other law, the director of each of the following agencies may raise fees in fiscal year 2008-2009 for services it provides.” The Department of Environmental Quality is among those listed. Because this authority to raise fees is provided “Notwithstanding any other law,” the Director can raise landfill registration fees, for which amounts are currently set by statute.

Landfill registration fees are typically billed in January each year. The fees set forth in this Section apply to landfill registration fees due from the effective date of this Article through June 30, 2009. This is the maximum effective period allowed within the constraints of the effective date of the legislation and the end of the fiscal year. This will maximize the revenues from landfill registration fees.

h. Special Waste Management Fees

**7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review the study, all data underlying each study, and any analysis of each study and other supporting material:**

None

**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**Notices of Exempt Rulemaking**

**9. The summary of the economic, small business and consumer impact:**

The requirement for an economic, small business and consumer impact statement is found in Arizona Revised Statutes Title 41, Chapter 6 at A.R.S. § 41-1055. Laws 2008, Ch. 291, § 12(D) states, “The agencies described in subsection A are exempt from the rulemaking requirements of Arizona Revised Statutes Title 41, Chapter 6, for the purpose of raising fees pursuant to this Section for a period of one year from the effective date of this act.” While this rulemaking is exempt from the requirement for an economic, small business and consumer impact statement, the Department provides the following information pertaining to the economic impact of this rulemaking:

a. Identification of the rulemaking

This rulemaking creates a new Article to temporarily increase the fees that the Department charges for solid waste plan review (as authorized by A.R.S. § 49-762.03(F), and as set forth in A.A.C. R18-13-702); the landfill registration fee (as set forth in A.R.S. § 49-747); and the special waste management fee (as authorized and capped by A.R.S. § 49-855 and as set forth in A.A.C. R18-13-1307(F)).

b. Discussion of economic, small business and consumer impact

The costs associated with this exempt rulemaking result from increased fees charged to owners and operators of Solid Waste and Special Waste Management Facilities for plan review, annual solid waste landfill registration and management of special waste.

According to current Department records, there are approximately 43 operating municipal solid waste landfills, 15 closed or inactive municipal solid waste landfills, two medical waste transfer facilities and four medical waste treatment facilities that are subject to facility plan approval. Both the open and closed/inactive landfills must update their demonstration of financial assurance annually. The other facilities must update their demonstrations triennially. These will pay increased plan review fees.

According to current Department records, there are 54 solid waste landfills that must update their annual registrations. These will pay increased annual registration fees.

According to current Department records, there are approximately 14 special waste treatment / processing facilities that will be subject to increased fees. In addition, any of the approximately 579 special waste generators and 127 special waste transporters that take special waste to an in-state facility that is not under the Department’s jurisdiction would also pay the increased fees.

Because this rulemaking increases these fees, the Department expects an increase in the total amount of money applicants pay for plan review; landfill owners and operators pay for annual registration, facility owners pay for the receipt of special waste and special waste handlers pay for the management of special waste at in-state facilities that are not under the jurisdiction of the Department. These costs may be passed on to consumers. Table 1 compares the fees before this rulemaking with the fees after this rulemaking.

Table 1. Fees before this rulemaking compared to fees after this rulemaking

<b>Fee</b>	<b>Rate before rulemaking</b>	<b>Rate while rule is effective</b>
New solid waste facility plan review fee for municipal solid waste landfill (MSWLF)	Initial \$ 5,936.00	Initial \$ 11,872.00
	Maximum \$56,900.00	Maximum \$170,700.00
New solid waste facility plan review fee for construction and demolition (C&D) landfill and other non-MSWLF	Initial \$ 2,987.00	Initial \$ 5,974.00
	Maximum \$35,000.00	Maximum \$105,000.00
New solid waste facility plan review fee for other solid waste facilities	Initial \$ 1,609.00	Initial \$ 3,218.00
	Maximum \$23,800.00	Maximum \$ 71,400.00
New solid waste facility plan review fee for special waste management plan component	Initial \$ 556.00	Initial \$ 1,112.00
	Maximum \$ 3,700.00	Maximum \$ 11,100.00
Plan review fee for change to solid waste facility plan for MSWLF	Initial \$ 766.00	Initial \$ 1,532.00
	Maximum \$28,400.00	Maximum \$ 85,200.00
Plan review fee for change to solid waste facility plan for C&D landfill and other non-MSWLF	Initial \$ 597.00	Initial \$ 1,194.00
	Maximum \$17,500.00	Maximum \$ 52,500.00
Plan review fee for change to solid waste facility plan for other solid waste facilities	Initial \$ 322.00	Initial \$ 644.00
	Maximum \$11,900.00	Maximum \$ 35,700.00
Plan review fee for change to special waste management plan component	Initial \$ 278.00	Initial \$ 556.00
	Maximum \$ 1,800.00	Maximum \$ 5,400.00
Plan review fee for update of demonstration of financial responsibility	Initial \$ 278.00	Initial \$ 556.00
	Maximum \$ 1,800.00	Maximum \$ 5,400.00
Solid waste facility plan review fee for closure of MSWLF	Initial \$ 1,379.00	Initial \$ 2,758.00
	Maximum \$15,000.00	Maximum \$ 45,000.00
Plan review fee for closure of C&D landfill and other non-MSWLF	Initial \$ 1,532.00	Initial \$ 3,064.00
	Maximum \$16,000.00	Maximum \$ 48,000.00

**Notices of Exempt Rulemaking**

<b>Fee</b>	<b>Rate before rulemaking</b>	<b>Rate while rule is effective</b>
Plan review fee for closure of other solid waste facilities	Initial \$ 1,226.00	Initial \$ 2,452.00
	Maximum \$18,300.00	Maximum \$ 54,900.00
Plan review fee for closure of special waste management plan component	Initial \$ 111.00	Initial \$ 222.00
	Maximum \$ 700.00	Maximum \$ 2,100.00
Solid waste facility plan review hourly rate	\$58.81	\$105.00
Landfill registration fees for solid waste landfills that serve less than 10,000 people	\$500.00	\$1,000.00
Landfill registration fees for solid waste landfills that serve at least 10,000 people but less than 25,000 people	\$750.00	\$1,500.00
Landfill registration fees for solid waste landfills that serve at least 25,000 people but less than 50,000 people	\$1,000.00	\$2,000.00
Landfill registration fees for solid waste landfills that serve at least 50,000 people but less than 100,000 people	\$2,000.00	\$4,000.00
Landfill registration fees for solid waste landfills that serve at least 100,000 people but less than 200,000 people	\$3,000.00	\$6,000.00
Landfill registration fees for solid waste landfills that serve 200,000 people or more	\$5,000.00	\$10,000.00
Landfill registration fees for solid waste landfills that are open to the public and that accept demolition waste	\$1,500.00	\$3,000.00
Landfill registration fees for solid waste landfills that are closed to the public and that accept nonhazardous waste	\$1,500.00	\$3,000.00
Special waste management fee maximums	Not more than \$2.00 per ton or \$20,000 per generator site per year	Not more than \$4.00 per ton or \$40,000 per generator site per year
Special waste management fee rates	66¢ per cubic yard of uncompacted shredder residue; or \$1.50 per cubic yard of compacted shredder residue; or \$2.00 per ton	\$1.32 per cubic yard of uncompacted shredder residue; or \$3.00 per cubic yard of compacted shredder residue; or \$4.00 per ton

Table 2 shows the amount from each of these fees received during the 2007 – 2008 fiscal year and an estimate of the total that would be received during the 2008 – 2009 fiscal year under this rule. For the estimate, revenues from the solid waste facility plan review and special waste fee amounts were calculated on a nine month prorated basis. The revenues from the landfill registration fee were doubled from fiscal year 2008 figures. Table 2 shows the estimated revenues the Department expects will result from this rulemaking.

Table 2. Estimated revenues from new fee structure

<b>Fee description</b>	<b>Amount received during the 2007 – 2008 fiscal year (rounded to the nearest dollar)</b>	<b>Estimate of the amount to be received during the 2008 – 2009 fiscal year under this rule (rounded to the nearest dollar)</b>
Solid Waste Facility Plan Review Fee authorized by A.R.S. § 49-762.03(F) and set forth in R18-13-702(A)	\$127,997.00	\$192,728.00
Landfill Registration Fee set forth in A.R.S. § 49-747	\$134,750.00	\$269,500.00
Special Waste Management Fee authorized and capped by A.R.S. § 49-855 and A.R.S. § 49-863 and set forth in A.A.C. R18-13-1307(F)	\$151,086.00	\$251,810.00
Sum of the fees proposed to be changed	\$413,833.00	\$714,038.00
Additional revenue (fiscal year 2008 – 2009 total minus fiscal year 2007 – 2008 total)		\$300,205.00

Notices of Exempt Rulemaking

The Department does not track the number of entities who pay fees that are small businesses. The Department did not explore options for lessening the impact to small businesses. The Department does not believe that lessening the impact on small businesses would serve the intent of the legislature in passing the bill, and of the Governor in signing this bill into law.

The Department estimates \$300,205.00 additional revenues will be generated by these fee increases. Laws 2008, Ch. 291, § 12 allows that Department to generate \$600,000.00 from increased fees. The Department may make additional fee increases under Laws 2008, Ch. 291, § 12 that are not addressed in this rulemaking. The amounts in this paragraph are rounded to the nearest dollar.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

Not applicable

**11. A summary of the comments made regarding the rule and the agency response to them:**

Not applicable. According to Laws 2008, § 12, Department rulemakings to raise fees are exempt until one year from the effective date of Laws 2008, § 12 (which effective date is September 26, 2008), from the rulemaking requirements of A.R.S. Title 41, Chapter 6, including the requirement for public notice and comment described in A.R.S. § 41-1023.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**13. Incorporations by reference and their location in the rules:**

Not applicable

**14. Was this rule previously adopted as an emergency rule?**

No

**15. The full text of the rules follows:**

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 13. DEPARTMENT OF ENVIRONMENTAL QUALITY  
SOLID WASTE MANAGEMENT

**ARTICLE 26. BUDGET RECONCILIATION FEES**

Section

R18-13-2601. Effective Date

R18-13-2602. Solid Waste Facility Plan Review Fees

R18-13-2603. Landfill Registration Fees

R18-13-2604. Special Waste Management Fee

**ARTICLE 26. BUDGET RECONCILIATION FEES**

**R18-13-2601. Effective Date**

This Article is effective from the date and time affixed by the Secretary of State upon filing pursuant to A.R.S. § 41-1032(A)(3) until June 30, 2009.

**R18-13-2602. Solid Waste Facility Plan Review Fees**

**A.** The initial fees set forth in subsection (B) apply to all initial solid waste facility plan review applications received from the effective date of this Article through June 30, 2009. The maximum fees set forth in subsection (B) apply to solid waste plan review services rendered from the effective date of this Article through June 30, 2009. The hourly rate set forth in subsection (C) applies to solid waste facility plan review services rendered from the effective date of this Article through June 30, 2009.

**B.** The solid waste facility plan review fee amounts set forth in R18-13-702(A), Schedules A, B and C shall be replaced with the amounts set forth in Schedules A, B and C of this subsection.

**Notices of Exempt Rulemaking**

<u>Schedule A</u> <u>New – Solid Waste Facility Plan Review Fees</u>		
	<u>Initial</u>	<u>Maximum</u>
<u>Solid Waste Facilities Plans:</u>		
<u>MSWLF</u>	<u>\$11,872.00</u>	<u>\$170,700.00</u>
<u>C &amp; D Landfill and Other Non-MSWLF</u>	<u>\$ 5,974.00</u>	<u>\$105,000.00</u>
<u>Other Solid Waste Facilities</u>	<u>\$ 3,218.00</u>	<u>\$ 71,400.00</u>
<u>Special Waste Management Plan Component</u>	<u>\$ 1,112.00</u>	<u>\$ 11,100.00</u>

<u>Schedule B</u> <u>Change and Update of Demonstration of Financial Responsibility – Solid Waste Facility Plan Review Fees</u>		
	<u>Initial</u>	<u>Maximum</u>
<u>Change to Solid Waste Facilities Plans:</u>		
<u>MSWLF</u>	<u>\$1,532.00</u>	<u>\$85,200.00</u>
<u>C &amp; D Landfill and Other Non-MSWLF</u>	<u>\$1,194.00</u>	<u>\$52,500.00</u>
<u>Other Solid Waste Facilities</u>	<u>\$ 644.00</u>	<u>\$35,700.00</u>
<u>Change to Special Waste Management Plan Component</u>	<u>\$ 556.00</u>	<u>\$5,400.00</u>
<u>Update of Demonstration of Financial Responsibility</u>	<u>\$ 556.00</u>	<u>\$5,400.00</u>

<u>Schedule C</u> <u>Closure – Solid Waste Facility Plan Review Fees</u>		
	<u>Initial</u>	<u>Maximum</u>
<u>Solid Waste Facilities Plans:</u>		
<u>MSWLF</u>	<u>\$2,758.00</u>	<u>\$45,000.00</u>
<u>C &amp; D Landfill and Other Non-MSWLF</u>	<u>\$3,064.00</u>	<u>\$48,000.00</u>
<u>Other Solid Waste Facilities</u>	<u>\$2,452.00</u>	<u>\$54,900.00</u>
<u>Special Waste Management Plan Component</u>	<u>\$ 222.00</u>	<u>\$ 2,100.00</u>

- C.** The solid waste facility plan review fee hourly rate set forth in R18-13-702(F) shall be replaced with the hourly rate of \$105.00.

**R18-13-2603. Landfill Registration Fees**

- A.** The fees set forth in this Section apply to landfill registration fees due from the effective date of this Article through June 30, 2009.
- B.** The landfill registration fee amounts set forth in A.R.S. § 49-747 shall be replaced with the amounts in this Section.
- C.** At the time of registration the owner of a solid waste landfill shall pay to the Department an annual fee for each site registered which is determined according to the population that the landfill serves based on Schedule A of this subsection.

<u>Schedule A</u> <u>Solid Waste Landfill Annual Registration Fee</u>	
<u>Landfill Description</u>	<u>Fee</u>
<u>Solid waste landfills that serve fewer than 10,000 people</u>	<u>\$1,000.00</u>
<u>Solid waste landfills that serve at least 10,000 people but less than 25,000 people</u>	<u>\$1,500.00</u>
<u>Solid waste landfills that serve at least 25,000 people but less than 50,000 people</u>	<u>\$2,000.00</u>
<u>Solid waste landfills that serve at least 50,000 people but less than 100,000 people</u>	<u>\$4,000.00</u>
<u>Solid waste landfills that serve at least 100,000 people but less than 200,000 people</u>	<u>\$6,000.00</u>
<u>Solid waste landfills that serve 200,000 people or more</u>	<u>\$10,000.00</u>
<u>Solid waste landfills that are open to the public and that accept demolition waste</u>	<u>\$3,000.00</u>
<u>Solid waste landfills that are closed to the public and that accept nonhazardous waste</u>	<u>\$3,000.00</u>

**Notices of Exempt Rulemaking**

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**R18-13-2604. Special Waste Management Fee**

- A.** The fees set forth in this Section apply to special waste management fees paid under A.R.S. §§ 49-855 and 49-863 for special wastes received from the effective date of this Article through June 30, 2009.
- B.** The special waste management fee maximums set forth in A.R.S. § 49-855 shall be replaced with the amounts in subsection (C), and the special waste management fee amounts set forth in R18-13-1307(F) shall be replaced with the amounts in subsection (D).
- C.** The fee for special waste established pursuant to A.R.S. § 49-855 shall be not more than \$4.00 per ton and not more than \$40,000.00 per generator site per year for special waste that is transported to a facility in this state for treatment, storage or disposal.
- D.** The owner or operator of a special waste facility shall pay, to the Department, the fees required by A.R.S. §§ 49-855 and 49-863 in the amount of \$1.32 per cubic yard of uncompacted shredder residue, \$3.00 per cubic yard of compacted shredder residue received or \$4.00 per ton.