

TOXIC CATASTROPHE PREVENTION ACT (TCPA) PROGRAM

ANNUAL TCPA FEE SCHEDULE REPORT FOR FISCAL YEAR (FY) 2024

In accordance with N.J.A.C. 7:31-1.11A(c)6, the New Jersey Department of Environmental Protection has prepared this Annual TCPA Fee Schedule Report for FY 2024. The TCPA rule at N.J.A.C. 7:31-1.11A(b) requires the Department to assess an annual fee to each owner/operator of a TCPA regulated facility, which consists of three elements: a base (or facility) fee, a covered process-derived fee, and an inventory-derived fee. All three fee components are recalculated annually. Pursuant to the rule, the base fee represents 20% of the total amount billed and the process fee and the inventory fee each represent 40% of the total annual billing.

The base fee unit rate, the covered process-derived fee unit rate and the inventory-derived fee unit rate are adjusted using the data from the TCPA database as of October 1, 2023. The unit rates adopted for FY 2024 are:

Base fee	\$4,797.62
Process-derived fee	\$6,615.47/process
Inventory-derived fee	\$18.49/hazard unit (HU)

The inventory-derived fee is established in accordance with N.J.A.C. 7:31-1.11A(c)3. A hazard unit is defined in N.J.A.C. 7:31-1.5 as the measure of inventory of an extraordinarily hazardous substance (EHS) expressed as multiples of its threshold quantity. The threshold quantity for each EHS is set forth in N.J.A.C. 7:31-6.3. The inventory-derived fee is 40% of the total billed to the owner/operators of regulated sources.

The Department determines the base fee and the covered process-derived fee unit rates according to the steps set forth in N.J.A.C. 7:31-1.11A(c) 1 through 5. *Table 1* summarizes data and inputs used by the Department and details the calculations performed to obtain these annually adjusted fee elements. As shown at *A* of *Table 1*, the TCPA database as of October 1, 2023, includes the following census for determination of the base fee unit rate, the covered process-derived fee unit rate, and the inventory-derived fee unit rate.

	<u>Census</u>
Facilities (full fee equivalents)	88.25
Processes (all full fee registrants)	128
EHS inventory, total for all full fee registrants	45,804.68 hazard units

Table 1 also presents the staff level and budget of the TCPA program for FY 2024 at *B* and *C*, respectively.

The example below illustrates the computation used by the Department to determine the total annual fee to an owner/operator with a registered facility that includes two covered processes in EHS service and 10 hazard units of EHS inventory using the FY 2024 adopted fees unit rates:

Base fee	\$4,797.62
Covered process-derived fee, (Two covered processes @ \$6,615.47 per process)	13,230.94
Inventory-derived fee, (Ten hazard units @ \$18.49 per HU)	<u>184.90</u>
TOTAL	\$18,213.46

The FY 2024 values of adopted annually adjusted fee unit rates differ from the values adopted

by the Department for FY 2023. In the annual Fee Schedule Report for FY 2024, the Department adopted annually adjusted unit fee rates which compare with those adopted here as follows:

	<u>Base</u>	<u>Covered Process</u>	<u>Inventory</u>
Adopted FY 2023	\$4,590.55	\$6,357.55	\$18.40/HU
Adopted FY 2024	\$4,797.62	\$6,615.47/process	\$18.49/HU

The process-derived fee rate increased by \$257.92, the base unit fee rate increased by \$207.07 the inventory-derived fee rate increased by \$0.09. The increases in the annually adjusted base, process-derived and inventory-derived unit fees for FY 2024 are the result of an increase in the projected budget of \$2,116,950 for FY 2024 from \$2,002,627.84 in FY 2023 due to increases in the salaries and fringe benefits and slight changes in the numbers of facilities, processes, and hazard units.

The adopted budget of the TCPA program for FY 2024 is increased from that adopted for FY 2023, as shown in *Table 2*.

The Department will send each registrant a bill stating the fee for 2024. The registrant shall pay the fee by check or money order, payable to "Treasurer, State of New Jersey" prior to the end of the month following the issuance of the bills. For example, if bills are issued in January 2024, payment is due by February 28, 2024. The check or money order shall be submitted to:

New Jersey Department of the Treasury
Division of Revenue
P.O. Box 417
Trenton, New Jersey 08625-0417

Table 1 - Determination of Annually Adjusted TCPA Fee Elements for Fiscal Year (FY) 2024

A. Registrant, Process and Inventory Data, October 1, 2023

1. Full fee equivalents based on Registrant census ⁽¹⁾	88.25
2. Process census	128
3. EHS inventory, hazard units	45,804.68

B. Staff (funded, full time equivalents (FTE)) of the TCPA program, FY 2024: 8.0

C. Spending Plan (Budget)

1. Salaries ⁽²⁾	\$906,000
2. Fringe benefits ⁽³⁾	698,979
3. Indirect expense ⁽⁴⁾	312,971
4. <u>Operating expense (including cost of legal services)</u>	<u>199,000</u>
TOTAL	\$2,116,950

D. Budget Expenditure Variance ⁽⁵⁾ 0

E. Spending Plan (Budget) Less Budget Expenditure Variance (C. less D.) \$2,116,950

F. Inventory Derived Fee aggregate (40% of E.) \$846,780

G. Inventory Derived Fee unit rate, per hazard unit (F. /A.3) \$18.49

H. Process Derived Fee aggregate (40% of E.) \$846,780

I. Process derived fee unit rate, per process (H. /A.2.) \$6,615.47

J. Base fee aggregate (20% of E.) \$423,390

K. Base fee unit rate per owner/operator (J. /A.1.) \$4,797.62

Table 1 Notes

⁽¹⁾ Registrant census, October 1, 2023

	<u>Census</u>	<u>Full fee equivalent</u>
Full fee	89	8
Twenty five percent fee, EHS temporary discontinuance	1	<u>0.25</u>
Total, full fee equivalents		88.25

⁽²⁾ Salaries of TCPA program staff listed at C

⁽³⁾ Fringe benefits is 77.15% of salaries

⁽⁴⁾ Indirect expense is 19.5% of salaries plus fringe benefits

⁽⁵⁾ No longer applicable, TCPA program is on budget; fees go to reimburse the general treasury.

Table 2 - TCPA Program Budget (\$1,000)

	<u>Adopted FY 2023</u>	<u>Adopted FY 2024</u>	<u>Increase (Decrease)</u>
Salaries	896	906	10
Fringe benefits	613	698	85
Indirect expense	294	312	18
Operating costs ⁽¹⁾	199	199	0
Total	2,002	2,116	114
Budget expenditure variance ⁽²⁾	0	0	0
Net Budget	2,002	2,116	114

Table 2 Notes:⁽¹⁾ Operating expense plus cost of legal services⁽²⁾ No longer applicable, TCPA program is on budget; fees go to reimburse the general treasury.**Table 3 - Census of Registrants**

	<u>Actual FY 2023 October 2022</u>	<u>Actual FY 2024 October 2023</u>
Fee paying registrants	87.25	88.25
Full base fee	87	88
25% Full base fee ⁽¹⁾	1	.25
Full base fee equivalent ⁽²⁾	87.25	88.25
Hazard Units, Fee paying, (thousands)	43.5	45.8
Number of Processes Subject to Process-derived fee ⁽³⁾	126	128

Table 3 Notes:⁽¹⁾ 25 percent full base fee + no process fee + no inventory fee [N.J.A.C. 7:31-1.11A(o)].⁽²⁾ Full Base Fee Equivalent value equals number of full base fee registrants plus 0.25 times number of 25-percent-full-base-fee-registrants.⁽³⁾ Processes at facilities temporarily discontinued are not subject to process fee.**Table 4 - Staff of the TCPA Program**

	<u>Actual Budgeted FY 2023</u>	<u>Actual Budgeted FY 2024</u>
Total FTE	8.0	8.0