NOTICE OF INTENT

Department of Environmental Quality

Office of the Secretary

Legal Affairs Division

Regulatory Permit for Storage Vessels

(LAC 33:III.321) (AQ401)

 Under the authority of the Environmental Quality Act, R.S. 30:2001 et seq., and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the secretary gives notice that rulemaking procedures have been initiated to amend the Air regulations, LAC 33:III.321 (AQ401).

 This Rule will add 40 CFR 60 Subpart Kc to the list of federal regulations to which a storage vessel may be subject. It will also clarify that a storage vessel can store either organic or inorganic materials. LAC 33:III.321.A.2.d specifies that the regulatory permit for storage vessels can only be used to authorize storage vessels that are subject to the federal regulations listed in LAC 33:III.321.D.

On October 15, 2024, the U.S. Environmental Protection Agency promulgated new regulations for storage vessels (i.e., 40 CFR 60 Subpart Kc – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After October 4, 2023).

This Rule will add 40 CFR 60 Subpart Kc to the federal regulations listed in LAC 33:III.321.D so that new storage vessels can be authorized under the regulatory permit, where appropriate. The Rule will also clarify that a *storage vessel* as defined in LAC 33:III.321.B can store either organic or inorganic materials. The basis and rationale for this Rule are to allow storage vessels subject to 40 CFR 60 Subpart Kc to be eligible for the regulatory permit for storage vessels. This Rule meets an exception listed in R.S. 30:2019(D)(2) and R.S. 49:963.B(3); therefore, no report regarding environmental/health benefits and social/economic costs is required.

**Family Impact Statement**

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

**Poverty Impact Statement**

This Rule has no known impact on poverty as described in R.S. 49:973.

**Small Business Analysis**

This Rule has no known impact on small business as described in R.S. 49:974.1 - 974.8.

**Provider Impact Statement**

This Rule has no known impact on providers as described in HCR 170 of 2014.

**Public Comments**

 All interested persons are invited to submit written comments on the proposed Rule. Persons commenting should reference this proposed Rule by AQ401. Such comments must be received no later than June 10, 2025, at 4:30 p.m., and should be sent to William Little, Attorney Supervisor, Office of the Secretary, Legal Affairs Division, P.O. Box 4302, Baton Rouge, LA 70821-4302, by fax (225) 219-4068, or by E-mail to DEQ.Reg.Dev.Comments@la.gov. Copies of the proposed regulation can be purchased by contacting the LDEQ Public Records Center at (225) 219-3168. Check or money order is required in advance for each copy of AQ401. The proposed Rule is available on the Internet at https://deq.louisiana.gov/page/rules-regulations.

**Public Hearing**

A public hearing will be held on June 3, 2025, at 1:30 p.m. in the Galvez Building, Oliver Pollock Conference Room, 602 N. Fifth Street, Baton Rouge, LA 70802. Interested persons are invited to attend in person or via Zoom at https://deqlouisiana.zoom.us/j/6836133613?omn=94258719092 or by telephone by dialing (646) 255-1997 using the meeting ID 683 613 3613. Should individuals with a disability need an accommodation in order to participate, contact Doug Bordelon at the address given below or at (225) 219-1325.

 The proposed Rule is available for inspection at the following LDEQ office locations from 8 a.m. until 4:30 p.m.: 602 N. Fifth Street, Baton Rouge, LA 70802; 508 Downing Pines Road, West Monroe, LA 71292; State Office Building, 1525 Fairfield Avenue, Shreveport, LA 71101; 1301 Gadwall Street, Lake Charles, LA 70615; 111 New Center Drive, Lafayette, LA 70508; 110 Barataria Street, Lockport, LA 70374; 201 Evans Road, Bldg. 4, Suite 420, New Orleans, LA 70123.

 Aurelia S. Giacometto

 Secretary

**Title 33**

**ENVIRONMENTAL QUALITY**

**Part III. Air**

**Chapter 3. Regulatory Permits**

**§321. Regulatory Permit for Storage Vessels**

 A. — B. …

 *Storage Vessel—*any tank, reservoir, or container used for the storage of ~~volatile~~ organic or inorganic compounds. Storage vessels do not include:

 a. process tanks as defined in 40 CFR 60.111b; and

 b. vessels permanently attached to motor vehicles such as trucks, railcars, barges, or ships.

 C. — D.1. …

 2. 40 CFR 60, subparts Kb and Kc;

 D.3. — I. …

 AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

 HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 44:42 (January 2018), amended by the Office of the Secretary, Legal Affairs Division, LR 52:

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**FOR ADMINISTRATIVE RULES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Person Preparing Statement:  | Corbet Mathis |  | Dept.:  | Environmental Quality |
| Phone:  | (225) 219-3437 |  | Office:  | Environmental Services |
| Return Address:  | 602 North Fifth Street |  | Rule Title:  | Regulatory Permit for Storage |
|  | Baton Rouge, LA 70802 |  |  | Vessels (LAC 33:III.321.B and D.2) |
|  |  |  | Date Rule Takes Effect:  | Upon Promulgation |

SUMMARY

(Use complete sentences)

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

1. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There are no anticipated implementation costs or savings to state or local governmental units as a result of the proposed rule.

 The proposed rule will modify the definition of a “Storage Vessel” in LAC 33:III.321.B to remove “volatile” and add “or inorganic” and add “and Kc” to LAC 33:III.321.D.2. This change will allow facilities to add a storage vessel that stores inorganic chemicals or is subject to 40 CFR 60 Subpart Kc regulations.

1. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

To the extent that the Department of Environmental Quality (DEQ) increases the number of permits issued, a corresponding rise in revenue is anticipated. Additional application and permit fees are anticipated as a result of the proposed rule change. Facilities purchasing a permit for the first time will be subject to an initial fee of $832 and an annual fee of $250. DEQ currently issues approximately 20 regulatory permits for storage tanks per year. The number of new entities that would be required to obtain this permit is indeterminable.

1. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

Owners and operators wanting to permit a storage tank that stores an inorganic chemical or is subject to 40 CFR 60 Subpart Kc by a regulatory permit will be directly affected by the proposed rule change. Additional application and permit fees are anticipated as a result of the proposed rule change. Facilities purchasing a permit for the first time will be subject to an initial fee of $832 and an annual fee of $250.

1. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no estimated effect on competition or employment in the public or private sector as a result of the proposed rule.

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Signature of Head or Designee |  | Legislative Fiscal Officer or Designee |
| Aurelia S. Giacometto, Secretary |  |  |
| Typed Name & Title of Agency Head or Designee  |  |  |
|  |  |  |
| Date of Signature  |  | Date of Signature  |

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

1. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The proposed rule will modify the definition of a “Storage Vessel” in LAC 33:III.321.B to remove “volatile” and add “or inorganic” and add “and Kc” to LAC 33:III.321.D.2. This change will allow facilities to add a storage vessel that stores inorganic chemicals or is subject to 40 CFR 60 Subpart Kc regulations.
2. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

The basis for this rule is to allow facilities to add a storage vessel that stores inorganic chemicals or is subject to 40 CFR 60 Subpart Kc regulations.
3. Compliance with Act 11 of the 1986 First Extraordinary Session
4. Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No, the proposed rule change will not result in any increase in the expenditure of funds.

(2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

 (a) YES. If yes, attach documentation.

(b) NO. If no, provide justification as to why this rule change should be published at this time

 This question is not applicable.

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**WORKSHEET**

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

No costs or savings to state agencies are anticipated as a result of the proposed rule change.

|  |  |  |  |
| --- | --- | --- | --- |
| **COSTS** | **FY 25** | **FY 26** | **FY 27** |
| PERSONAL SERVICES | $0 | $0 | $0 |
| OPERATING EXPENSES | $0 | $0 | $0 |
| PROFESSIONAL SERVICES | $0 | $0 | $0 |
| OTHER CHARGES | $0 | $0 | $0 |
| EQUIPMENT | $0 | $0 | $0 |
| MAJOR REPAIR & CONSTR. | $0 | $0 | $0 |
| **TOTAL** | **$0** | **$0** | **$0** |
| **POSITIONS (#)** | **0** | **0** | **0** |

1. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

There are no anticipated costs to implement the proposed rule change.

1. Sources of funding for implementing the proposed rule or rule change.

|  |  |  |  |
| --- | --- | --- | --- |
| **SOURCE** | **FY 25** | **FY 26** | **FY 27** |
| STATE GENERAL FUND | $0 | $0 | $0 |
| AGENCY SELF-GENERATED | $0 | $0 | $0 |
| DEDICATED | $0 | $0 | $0 |
| FEDERAL FUNDS | $0 | $0 | $0 |
| OTHER (Specify) | $0 | $0 | $0 |
| **TOTAL** | **$0** | **$0** | **$0** |

1. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

No additional funds are required to implement the proposed rule change.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

No impact on local governmental units is anticipated.
2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

There are no anticipated costs or savings to local governmental units, no funding sources will be affected as a result of the proposed rule change.

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**WORKSHEET**

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

1. What increase (decrease) in revenues can be anticipated from the proposed action?

 An increase in revenues to state and local governmental units may occur, depending on the increase of permits accordingly.

|  |  |  |  |
| --- | --- | --- | --- |
| **REVENUE INCREASE/DECREASE** | **FY 25** | **FY 26** | **FY 27** |
| STATE GENERAL FUND | $0 | $0 | $0 |
| AGENCY SELF-GENERATED | Increase | Increase | Increase |
| DEDICATED | $0 | $0 | $0 |
| FEDERAL FUNDS | $0 | $0 | $0 |
| LOCAL FUNDS | $0 | $0 | $0 |
| **TOTAL** | Increase | Increase | Increase |

\*Specify the particular fund being impacted.

1. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

To the extent that the Department of Environmental Quality (DEQ) increases the number of permits issued, a corresponding rise in revenue is anticipated. Additional application and permit fees are anticipated as a result of the proposed rule change. Facilities purchasing a permit for the first time will be subject to an initial fee of $832 and an annual fee of $250. DEQ currently issues approximately 20 regulatory permits for storage tanks per year. The number of new entities that would be required to obtain this permit is indeterminable.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS

 A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

Owners and operators wanting to permit a storage tank that stores an inorganic chemical or is subject to 40 CFR 60 Subpart Kc by a regulatory permit will be directly affected by the proposed action. Additional application and permit fees are anticipated as a result of the proposed rule change. Facilities that are purchasing a permit for the first time will be subject to $832 initially and $250 annually for this permit.

1. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

No impact on receipts or income of the directly affected persons or non-governmental groups is anticipated as a result of the proposed rule change.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment

 in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

There will be no effect on competition or employment in the public or private sector as a result of the proposed rule change.