

CalEPA Unified Program State Surcharge Increase for FY 2023/2024

The Unified Program state surcharge is an assessment on each entity regulated under the Unified Program and is used to fund the necessary and reasonable costs of all state agencies responsible for program implementation, ongoing maintenance, and oversight of the Unified Program.

Since its inception in 1997, the Unified Program has matured into a robust program with established standards and a fully integrated environmental reporting system, raising increasingly numerous and complex legal issues. In 2021, the Legislature transferred to CalEPA the responsibility for managing the California Accidental Release Prevention (CalARP) Program and the Hazardous Materials Business Plan (HMBP) Program. And effective July 1, 2023, the Legislature expanded CalEPA's inspection and enforcement responsibilities and authorities with respect to the HMBP and CalARP programs. The necessary and reasonable costs of state agencies responsible for program implementation, ongoing maintenance and oversight of the Unified Program have expanded substantially over the years.

In recognition of the actual needs of the Unified Program, the FY 2023-24 Budget Act authorized four permanent positions for CalEPA, to support its administration of the Unified Program, including its responsibilities for the HMBP and the CalARP programs.

To support the necessary and reasonable costs of the program, CalEPA has revised the state surcharge as follows. Effective October 13, 2023, the CalARP program component of the state surcharge, which has only been increased once, 15 years ago, will be increased from \$270 to \$370 per regulated business annually and the Unified Program Oversight component of the surcharge will be increased from \$84 to \$94 per regulated business annually.

The Underground Storage Tank, Aboveground Petroleum Storage Act, and Refinery Safety components of the state surcharge remain unchanged.

Certified Unified Program Agencies (CUPAs) are responsible for collecting the new Unified Program Oversight and CalARP State Surcharge commencing 60 day after the October 13, 2023, publication of the final surcharge in the California Regulatory Notice Register, that is, on December 12, 2023. CUPAs, however, are encouraged to begin assessing the new Unified Program Oversight and CalARP state surcharges prior to that time, to ensure collection by December 12, 2023.

Under California Code of Regulation, Title 27 (27 CCR), all CUPAs are responsible for collecting the new surcharge. CUPAs that have not yet sent out invoices for FY 23-24 will be responsible for collecting and remitting to CalEPA the new surcharge this fiscal year. CUPAs that have already sent out invoices for FY 23-24 are not authorized to completely forego collection of the surcharge for FY 23-24; doing so would constitute an impermissible waiver of the state surcharge in violation of 27 CCR 15250(a)(3)(A). Recognizing that some CUPAs have already sent out invoices for FY 23-24, CalEPA will extend a grace period to those CUPAs and will not seek remittance from them of the new surcharge for FY 23-24 until FY 24-25. CUPAs that do not invoice the new FY 23-24 surcharge increase until FY 24-25 will still, however, be

responsible for collecting the uncollected FY 23-24 increase, as well as the full amount of the new state surcharge for FY 24-25.

Please direct all questions concerning the surcharge increases to CalEPA at the following email address: cupa@calepa.ca.gov.