

# Surviving a Challenging Market

This column will answer the most pressing questions we receive from members struggling in today's challenging market.

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**Q:** The Department of Ecology hiked stormwater permit fees. Is there any break for small businesses who can't afford to pay thousands of dollars to the state?

**A:** Yes, you can get your fees cut in half or more, you just have to know how to navigate Ecology's fee system. This article will explain how.

### Desperate times call for desperate measures

Unfortunately, these desperate measures shouldn't include pleading with the State Department of Ecology to reduce excessive stormwater fees in a time of economic strife, but, hey, it is Washington State.

For construction stormwater projects, Ecology charges an annual fee of \$454 to \$1695, depending on the disturbed acreage. Adding to the pain, Ecology just passed a rule that eliminates back-end proration. So you may pay the full annual fee despite terminating your permit one or two months into Ecology's fiscal year.

BIAW is working to pass a bill that will reinstitute the back-end proration. We are also pushing for legislation that will institute reasonable one-time fees for construction. In the meantime, we have made some progress with Ecology in creating new fee reductions and making the reduction process easier to navigate.

When it comes to the construction stormwater permit, you have three options to reduce your fee: (1) apply for a small business fee reduction; (2) apply for an extreme hardship fee reduction; or (3) file a change of status form.

### Small Business or Extreme Hardship Fee Reductions

To qualify for a small business reduction, you must be a for-profit legal entity (e.g., corporation or sole proprietorship), independent (not a subsidiary), have annual sales under \$1 million, and pay an annual fee over \$500. Thus, only larger projects—those disturbing over five acres—will qualify for a small business reduction. For

an extreme hardship fee reduction, you must prove the hardship and show earnings under \$100,000. If you can do so, Ecology will drop your annual fee to \$112.

The application form for the small business and extreme hardship fee reduction is the same. You will need to include documentation of the amount of gross revenue from total sales in 2009, such as tax records, profit/loss statements, and accounting receipts. Ultimately what Ecology is looking for is proof that your company did not gross over \$1 million in construction sales during 2009 for small business or \$100,000 for extreme hardship.

You have 45 days after you receive your fee billing from Ecology to apply for the reductions. However, Ecology's billing department has been flexible about receiving applications at any time and answering questions about the process and/or reductions.

### Change of Status

When the economy really started to tumble in 2007, BIAW asked Ecology to change its billing for idle lots. The billing department agreed and posted a "Change of Status" form on its website. When a permit holder files this form with Ecology, indicates the site is stabilized and no construction will occur for 18 months, Ecology cuts the annual fee by 75%.

Unlike small business and extreme hardship, this reduction has no gross revenue limitations. If you resume construction during the 18 month window, there are no penalties; Ecology will simply bill the project as if the reduction hadn't occurred. You are responsible for letting Ecology know when you resume.

Copies of all three application forms and instructions for their use are available on the front page of BIAW's website at [www.BIAW.com](http://www.BIAW.com). You can also call me at 800-228-4229 with questions or help in filing these forms.