

APPENDIX D

Socioeconomic Impacts Analysis of Proposed Amendments to Regulation 5

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Final Report

Socio-economic Analysis for Amendments to Regulation 5: Open Burning

Submitted to:
Bay Area Air Quality Management District

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Executive Summary

ERG conducted a socio-economic analysis of the proposed amendments to Regulation 5: Open Burning to determine whether the proposed amendments would have a significant impact on affected entities or on the regional economy in the Bay Area Air Quality Management District (BAAQMD). ERG determined that the proposed administrative amendments to Regulation 5 have no socio-economic impact and that the proposed amendment to the prescribed burning limited exemption has no significant impact. This amendment would eliminate operation fees for all prescribed burning projects and would result in cost savings for private entities, which include both private landowners and non-profits, conducting prescribed burns. While BAAQMD will lose some revenue by expanding the fee exemption to private entities, this loss represents a very small percentage of BAAQMD's total operating budget. There is therefore no significant impact on affected entities, small businesses, or the regional economy from these amendments.

Introduction

This report discusses the socio-economic impact of the proposed amendments to Regulation 5 on affected entities in the Bay Area. This report outlines the entities affected by the proposed amendments and the impact on those affected entities.

Description of Proposed Amendments to Regulation 5

Prescribed Burning Limited Exemption Amendment

Regulation 5: Open Burning helps manage emissions from open air burning activities but includes exemptions for certain types of open burning activities. One of these exemptions is for “prescribed burning,” which refers to a planned, controlled fire conducted for the purpose of natural resource management. These prescribed burns help maintain ecosystem health and reduce the severity of potential wildfires by burning excess vegetation that would otherwise help fuel a larger, unplanned wildfire. Prescribed burns produce less smoke and have fewer environmental consequences than an unplanned wildfire, so conducting periodic planned burns to reduce the severity of wildfires results in less overall ambient pollution and supports the District’s emission reduction goals (BAAQMD, 2019).

To conduct a prescribed burning effort, entities must submit a smoke management plan and pay a fee intended to cover plan review. The applicant’s smoke management plan is reviewed by BAAQMD staff to determine if it complies with Air District requirements. Prescribed burning is only permitted on days with adequate weather conditions as determined by BAAQMD meteorologists. The fees associated with prescribed burning are listed in Table 1.

Table 1. Prescribed burn operation fees

Acres of prescribed burn	Operation fee (per project)
0 – 50 acres	\$796
51 – 150 acres	\$1,079
151+	\$1,404
Average fee	\$1,093

Source: BAAQMD, 2024.

A proposed amendment to Regulation 5 removes the operation fee associated with prescribed burning. A 2019 amendment exempted public agencies from this fee, and this amendment would extend that exemption to all prescribed burning projects. This amendment is designed to limit barriers for both public and private entities to conduct managed, controlled burns that reduce the likelihood of large-scale wildfires.

Administrative Amendments

Regulation 5 has an exemption for firefighters that conduct burns for the purposes of fire training. A proposed amendment to Regulation 5 would shorten the advance notice requirement for fire training exercises to three working days. There are also proposed administrative amendments that would:

1. Add to and reorganize the definitions in Section 5-200;
2. Rename “Prior District Notification” to “Prior Open Burn Notification” in Section 5-406;
3. Remove the reference to specific professions in the Wildland Vegetation Management Burn Requirements Section 5-408 to broaden eligibility and better reflect the range of professionals who can certify that proposed burning is necessary to meet management objectives; and
4. Add an Applicability section to improve clarity on the regulation’s scope.

Affected Populations

Prescribed Burning Limited Exemption Amendment

Private entities

Private entities, including private landowners and non-profits, conducting prescribed burns would be positively impacted by this proposed amendment since they would not incur fees for prescribed burns. Public entities are unaffected since fees for prescribed burning have been waived since 2019.

Between 2020 and 2024, BAAQMD received 239 smoke management plans: 188 from public entities and 51 from private entities. Public entities conducted the majority (79 percent) of prescribed burn projects in the Bay Area – these public entities, as mentioned previously, will not be impacted by the proposed amendments. Public entities also burned the majority of acres (68 percent of total acres burned). Private entities, which conducted 21 percent of projects, will see cost savings from the proposed amendment. Table 2 shows the number of projects and the total burn acreage by entity type.

Table 2. Number of smoke management plan submitted and size of project,

	Public entities		Private entities	
Year	Number of smoke management plans	Acres	Number of smoke management plans	Acres
2020	18	663	4	170
2021	31	507	13	388
2022	31	476	13	1,069
2023	54	1,651	7	607
2024	54	2,469	14	432
Total (2020 - 2024)	188	5,766	51	2,666
Average (2020 - 2024)	38	1,153	10	533

Source: BAAQMD

BAAQMD

BAAQMD would be affected by this proposed amendment since they would lose the revenue from prescribed burn fees. BAAQMD does not anticipate a substantial increase in applications following these amendments or the need to hire additional staff to manage applications. The number of applications is expected to increase with or without fee exemptions, as the proposed fee exemptions are designed to reduce barriers for small projects rather than dramatically increase the number of projects occurring (BAAQMD Staff Report, 2025).

Administrative Amendments

The proposed amendment to shorten the advance notice requirement for fire training burns has no socio-economic impact, as it does not change any costs associated with the regulation. Additionally, the proposed amendments to reorganize and add to the definitions in Section 5-200, rename “Prior District Notification” to “Prior Open Burn Notification” in Section 5-406, remove the references to specific professions in the Wildland Vegetation Management Burn Requirements, and to add an applicability section have no socio-economic impact because they do not change any costs associated with the regulation or the population subject to the regulation. Therefore, none of the administrative amendments have an impact on any population in the District.

Impacts

Prescribed Burning Limited Exemption Amendment

Private entities

The proposed amendments impact only a small portion of prescribed burning projects in the District, and their impact on this group will be positive. Between 2022 and 2024, BAAQMD recovered \$26,933 in fees from private entities (private landowners and non-profits), an average of just less than \$9,000 in fees a year. The proposed fee exemption would thus result in savings of nearly \$9,000 annually across all private entities conducting prescribed burning. However, annual savings will depend on the number of projects conducted. Since the proposed amendments result in savings and impose no costs on regulated entities, there is no socio-economic impact on private entities from the proposed change.

BAAQMD

With the expanded fee exemption, BAAQMD can expect a reduction in revenue of about \$9,000 per year. With an expected revenue in 2025 of \$165 million, this represents 0.005% of BAAQMD revenue. Of BAAQMD's revenue, revenue from permits and fees is \$68.7 million (BAAQMD, 2025). The expected reduction in revenue accounts for just 0.01% of permit and fee revenues. Even considering just the permit and fee revenue portion of BAAQMD's revenue, the loss from the proposed amendments is negligible. Furthermore, the fee recovery percentage from the labor cost of reviewing applications and plans for prescribed burns is just 3.8 percent, meaning that fees do not cover review costs, so eliminating fees will not have a detrimental impact on funding for BAAQMD's open burn program (fee data provided by BAAQMD). BAAQMD also does not expect any change in staffing needs as a result of this amendment (BAAQMD Staff Report, 2025). Because the reduction in revenue BAAQMD is negligible, there is no socio-economic impact on the District from these amendments.

Private sector and industry

The proposed amendments have no impact on the private sector, and no small businesses are impacted by the proposed change. According to California Government Code 14835, a business is considered a small business if it meets all of the following requirements:

- Must be independently owned and operated.
- Cannot be dominant in its field of operation.
- Must have its principal office located in California.
- Must have its officers domiciled in California.
- Together with affiliates, it must have 100 or fewer employees and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years.

ERG does not expect any macroeconomic or regional economic impacts from the proposed amendments. The only socio-economic impacts from the regulation are savings at nonprofits and among private landowners. Since the number of impacted entities is very small, any savings will not have any meaningful impact on the regional economy, regardless of whether these entities save or spend all the savings.

Administrative Amendments

As described in the Affected Populations section, the administrative amendments have no socio-economic impact.

Discussion

ERG's analysis shows that there will be no socio-economic impact from the proposed amendments to Regulation 5. The only cost associated with this proposed amendment is a reduction in fee revenue at BAAQMD. However, this reduction will have a negligible impact on BAAQMD budget. Other impacts from the proposed amendment are savings to private entities conducting prescribed burns.

References

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BAAQMD. (2025). Staff Report. Proposed Amendments to Woodsmoke Rules Regulation 6, Rule 3: Wood-burning devices and Regulation 5: Open Burning