



State of Oregon Department of Environmental Quality

Draft Fiscal Impact Statement

Cleaner Air Oregon CPI 2024

June 18, 2024, Advisory Committee Meeting

Fiscal and economic impact

The increase in Cleaner Air Oregon fees would affect approximately 2,565 Title V Permit and Air Contaminant Discharge Permit holders directly and increase annual program revenue by approximately 3.00 percent in the 2025 fiscal year. The direct impact of the fee increase on permit holders is based on an assumption that emissions will remain the same in future years.

Statement of cost of compliance

State agencies

State and federal agencies

Direct Impacts: Oregon Health Sciences University is an example of a state and federal agency that is subject to the Cleaner Air Oregon Program and paid annual Cleaner Air Oregon Program fees of \$5,085 in 2023. The proposed rules would increase their permit fees by about \$153 for 2024.

Indirect Impacts: Changes to Cleaner Air Oregon Program fees could affect state and federal agencies indirectly if businesses subject to the program change the price of goods and services to offset any increased costs from paying increased program fees.

Department of Environmental Quality

Direct Impacts: DEQ has no facilities that are subject to the Cleaner Air Oregon Program. The proposed fee increases would affect DEQ directly by providing funding necessary to perform requisite program services.

Indirect Impacts: Changes to Cleaner Air Oregon Program fees could affect DEQ indirectly if businesses subject to the program change the price of goods and services to offset any increased costs from paying increased program fees.

Local governments

Direct Impacts: Oregon county and city local governments subject to Cleaner Air Oregon Program include municipal waste landfills. The following is a summary of Cleaner Air Oregon Program fees increases for three landfills operated by local governments:

Translation or other formats

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- Metropolitan Service District, St. Johns Landfill paid annual Cleaner Air Oregon Program fees of \$2,989 in 2023. The proposed rules would increase their 2024 fees by about \$90.
- Deschutes County Solid Waste Department, Knott Landfill paid annual Cleaner Air Oregon Program Title V annual permit fees of \$4,112 in 2023. The proposed rules would increase their 2024 fees by about \$124.
- Douglas County Public Works Department, Roseburg Landfill paid annual Cleaner Air Oregon Program fees of \$3,205 in 2023. The proposed rules would increase their 2024 fees by about \$96.

Indirect Impacts: Changes to Cleaner Air Oregon Program fees could affect county and city local governments indirectly if businesses subject to the program change the price of goods and services to offset any increased costs from paying increased program fees.

Public

Direct Impacts: Air pollution creates public health problems that can have negative economic impacts. The proposed rules could affect the public directly and positively if the proposed fee increases provide adequate resources for compliance and technical assistance and help avoid public health costs associated with lower compliance and increased air pollution.

Indirect Impacts: Changes to Cleaner Air Oregon Program fees could affect the public indirectly if businesses subject to the program change the price of goods and services to offset any increased costs from paying increased program fees. DEQ expects any such price increases to be small and lacks available information upon which it could accurately estimate actual potential increases.

Large businesses - businesses with more than 50 employees

Direct Impacts: Approximately 1,600 large businesses are subject to the Cleaner Air Oregon Program and a fee increase would affect these businesses directly. Estimated impacts are based on the assumption that DEQ identified all facilities subject to the Cleaner Air Oregon Program and that the number of affected businesses and facility emissions remain constant.

The proposed annual Cleaner Air Oregon Program base and emission fees are provided in the following table. Cleaner Air Oregon Program specific activities, which represent approximately 14% of program revenues, would also increase by 3% in 2024.

Fee Category	2023 Fees	Proposed 2024 Fees (to be invoiced)	Increase over 2023 Fees
Basic ACDP (A)	\$151	\$156	\$5
Basic ACDP (B)	\$302	\$311	\$9
General ACDP – Class One	\$302	\$311	\$9
General ACDP – Class Two	\$544	\$560	\$16
General ACDP – Class Three	\$786	\$810	\$24

Fee Category	2023 Fees	Proposed 2024 Fees (to be invoiced)	Increase over 2023 Fees
General ACDP – Class Four	\$151	\$156	\$5
General ACDP – Class Five	\$50	\$52	\$2
General ACDP – Class Six	\$100	\$103	\$3
Simple ACDP – Low Fee	\$806	\$830	\$24
Simple ACDP – High Fee	\$1,612	\$1,660	\$48
Standard ACDP	\$3,215	\$3,322	\$97
Title V – Annual Base Fee	\$2,859	\$2,945	\$86
Title V – Annual Emission Fee	\$21.61/ton	\$22.26/ton	\$0.65/ton

The requirement for a Title V permit is most often based on quantity of emissions from a facility. In general, lower emitting sources with less complex permits would experience a smaller annual dollar impact from the proposed fee increases. The table below shows the effect of the proposed fees on invoices issued to sources emitting 50, 250, 500 or 5,000 tons per year.

Emissions per calendar year	2023 Fees	Proposed 2024 Fees (to be invoiced)	Increase in fees
50 tons/yr.	\$3,940	\$4,058	\$119
250 tons/yr.	\$8,262	\$8,510	\$249
500 tons/yr.	\$13,664	\$14,075	\$411
5,000 tons/yr.	\$110,909	\$114,245	\$3,336

Indirect Impacts: Changes to Cleaner Air Oregon Program fees could affect large businesses indirectly if businesses subject to the program change the price of goods and services to offset any increased costs from paying increased program fees.

Small businesses – businesses with 50 or fewer employees

Cost of Compliance for Small Businesses

Direct Impacts: Generally, facilities with less complex permits would experience a smaller economic impact from Cleaner Air Oregon Program fee increases than larger facilities with more complex permits. Small businesses often fall into the Basic or General Air Contaminant Discharge Permit categories (about 87 percent of permittees), where the cost of the Cleaner Air Oregon Program fee increases range from about \$5 to \$24 per year based on the industry or activity type. Examples of these small businesses are dry cleaners, automotive body shops, chrome plating facilities, and sawmills. Some small businesses (about 68), that hold more complex Simple and Standard Air Contaminant Discharge Permits and Title V permits, would experience higher fee increases per year, but none of the small businesses subject to the Cleaner Air Oregon Program emit more than 250 tons per year in a typical year. Businesses emitting 250 tons per year would experience a fee increase of \$249 in 2024 over existing fees. Additional proposed fee increases would affect small businesses required to apply for a new permit or a modification to an existing permit, by increasing most specific activity fees by 3 percent.

Indirect Impacts: Changes to Cleaner Air Oregon Program fees could affect small businesses indirectly if businesses subject to the program change the price of goods and services to offset any increased costs from paying increased program fees.

a. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.

DEQ estimates that approximately 38 percent of sources subject to the Cleaner Air Oregon Program (about 966 businesses) are small businesses with 50 or fewer employees, such as such as dry cleaners and gasoline dispensing facilities.

b. Projected reporting, recordkeeping and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.

The proposed rule amendments do not establish any additional reporting, recordkeeping or other administrative activities.

c. Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.

The proposed rule amendments do not require any additional equipment, supplies, labor or increased administration.

d. Describe how DEQ involved small businesses in developing this proposed rule.

DEQ provided notice of the proposed rules to all sources subject to the Cleaner Air Oregon Program, including those that are small businesses.

Documents relied on for fiscal and economic impact

Document title	Document location
2023-2025 Legislatively approved budget	Oregon Legislature Website
Oregon Revised Statutes – Air Quality	Oregon Laws Website
U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index	Bureau of Labor Statistics Website

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would have an effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-squarefoot detached, single-family dwelling on that parcel.

While the costs associated with the fee increases could be passed through by businesses providing products and services for such development and construction, the possible impact of these potential changes appears to be minimal. DEQ has determined the proposed rules would have little to no effect on development costs. DEQ cannot accurately quantify the impact at this time because the available information does not indicate whether the costs would be passed on to consumers and any such estimate would be speculative.

Racial equity

ORS 183.335(2)(a)(F) requires state agencies to provide a statement identifying how adoption of this rule will affect racial equity in this state.

Adoption of the proposed rule would affect Cleaner Air Oregon program fees statewide - across various sectors, public and private. Since the fee increase will apply equally across all permit categories and tiers, and there are no expected changes to practical implementation of the program activities as a result of this rule adoption, and there is no expected impact on racial equity in the state. Increasing the fees, as proposed, will help maintain program services critical to protecting public health and the environment (such as permit compliance assurance, inspections and enforcement) which may be particularly important in BIPOC or historically underserved communities.

Environmental justice considerations

ORS 182.545 requires natural resource agencies to consider the effects of their actions on environmental justice issues.

Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, culture, education or income with respect to the development, implementation and enforcement of environmental laws, regulations and policies. DEQ is committed to incorporating environmental justice best practices into its programs and decision-making, to ensure all people in Oregon have equitable environmental and public health protections.

The Cleaner Air Oregon program is designed to regulate and reduce emissions from major and non-major sources of toxic air contaminants in Oregon. Environmental justice communities are often fence-line communities near these toxic air contaminant sources. Adopting the fee increases provides the necessary funding for DEQ to regulate these facilities in traditionally overburdened communities.

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities.

Visit DEQ's [Civil Rights and Environmental Justice page](#).