



State of Oregon Department of Environmental Quality

# Draft Fiscal Impact Statement

## Cleaner Air Oregon, Title V and Asbestos Program

### Fee 2025 Advisory Committee Meeting 1

## Fee analysis

The proposed rule changes would increase existing fees. The Environmental Quality Commission met on Jan. 10, 2025, and delegated authority to DEQ's director to adopt a fee increase for the Asbestos, Title V and Cleaner Air Oregon programs. ORS 468A.315(2), 468A.345(3) and 468A.750(4) authorize these fee increases.

### Title V

ORS 468A.315(2) authorizes EQC to act on the proposed fees below:

(2) Not more than once each calendar year, the commission may increase the fees established under this section. The amount of the annual increase may not exceed the anticipated increase in the cost of administering the federal operating permit program or three percent, whichever is lower, unless a larger increase is provided for in the department's legislatively approved budget.

### Cleaner Air Oregon

ORS 468A.345(3) authorizes EQC to act on the proposed fees below:

(3) Not more than once each calendar year, the Environmental Quality Commission may increase the fees authorized under this section. The amount of the annual increase may not exceed the anticipated increase in the cost of implementing ORS 468A.335 to 468A.343 and section 7, chapter 102, Oregon Laws 2018, or three percent, whichever is lower, unless a larger increase is provided for in the Department of Environmental Quality's legislatively approved budget.

### Asbestos

ORS 468A.750(4) authorizes EQC to act on the proposed fees below:

(4) Not more than once each calendar year, the commission may increase the fees established under this section. The amount of the annual increase may not exceed the anticipated increase in the cost of carrying out the asbestos abatement program or three percent, whichever is lower, unless a larger increase is provided for in the department's legislatively approved budget.

## Brief description of proposed fees

DEQ is proposing a fee increase to support air quality program fees for Fiscal Year 2025 by 3% above the FY 2024 fees for the Title V and Asbestos programs, and by 1.65% above FY 2025 fees for the Cleaner Air Oregon program.

The fee increase rulemaking consists of the following:

OAR 340-220-0030, 340-220-0040 and 340-220-0050

### Translation or other formats

Español | 한국어 | 繁體中文 | Русский | Tiếng Việt | العربية  
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- Title V Operating Permit Program Fees

OAR 340-216-8020, 340-216-8030 and 340-220-0050

- Cleaner Air Oregon Program Fees

OAR 340-248-0180 and 340-248-0260:

- Asbestos Program Fees

## Reasons

The proposed fee increase is necessary to maintain current service levels for the Title V, CAO and Asbestos programs. DEQ's goal is to incrementally raise fees annually, when appropriate, rather than adopt larger fee adjustments less frequently. However, the regular 3% fee increase does not always keep pace with inflation and the increasing cost of services, especially for programs that are all or predominantly fee funded. Therefore, DEQ may periodically seek larger fee increases.

Services the fee increase would support include a portion of air quality monitoring, planning and agency central services, such as accounting and human resources. The fees would also address increased program and staff costs to maintain current service and staff levels.

## Fee proposal alternatives considered

DEQ considered the following alternatives:

- No fee increases, which could require DEQ to reduce program staffing. Without a fee increase, the program will eliminate legislatively approved positions over the next few years, impacting the agency's ability to deliver on core responsibilities.
- Increasing annual fees at differing rates and in differing amounts in order to reduce fiscal impacts to source categories that have lower emissions levels.
- Increasing all annual fee categories a proportionately equivalent amount equal to the change in the Consumer Price Index.

## Fee payer

### Title V

Fee payers are Title V permit holders from across the state including many of the largest industrial facilities in the state and are the largest point sources of air pollution in the state. These facilities are mainly large employers and produce items for local, regional and national consumption. Title V permit holders are an important part of the Oregon economy.

### Cleaner Air Oregon

Fee payers are air quality permit-holders from across the state including, but not limited to, large industrial facilities subject to the Title V operating permitting program, and other facilities, activities and operations listed in Oregon Administrative Rules Chapter 340 Division 216 Table 1.

### Asbestos

Fee payers for asbestos program are asbestos abatement contractors, certified asbestos workers and supervisors, and accredited asbestos training providers.

Fee payers may also include homeowners and/or property owners who are indirectly affected when hiring asbestos abatement contractors if contractors decide to pass fee on to customers.

## **Affected party involvement in fee-setting process**

DEQ is convening a Rulemaking Advisory Committee which includes appointees representing a variety of industries directly and indirectly affected by the proposed fee increase. The RAC will evaluate the accuracy of the Fiscal Impact Statement and discuss ways to employ the fee increase to allow DEQ to generate the required revenue.

## **Summary of impacts**

The proposed Title V fee increase would affect the 105 facilities that currently have a Title V permit and any facility that applies for this type of permit in the future. This increase applies to the annual base fee, annual emission fees, and specific activity fees associated with permit modification fees.

The proposed Cleaner Air Oregon fee increases would affect the 2,668 facilities that currently have an Air Contaminant Discharge Permit or a Title V permit and are therefore subject to the CAO program, and any facility that applies for this type of permit in the future. This increase applies to annual fees, specific activity fees associated with completing a Risk Assessment, and permit modification fees.

The proposed Asbestos program fee increases would affect approximately 75 licensees, 6 training providers, and 750 certificate holders directly by increasing all fee categories by 3%. This includes project notification fees, asbestos worker and supervisor certification fees, contractor licensing fees, and training provider accreditation fees.

## **Fee payer agreement with fee proposal**

DEQ has increased Title V fees by the change in the Consumer Price Index regularly since the Title V program began in the early nineties. Fee payers have generally not opposed this annual fee increase equal to the rate of inflation.

This is the second rulemaking in which Cleaner Air Oregon and Asbestos program fees would be increased to account for inflation.

## **How long will the current fee sustain the program?**

Current fees are not sufficient to sustain the Title V, Cleaner Air Oregon and Asbestos programs. The cost to administer the programs increases every biennium while the total amount of fees paid remains relatively constant, with some fluctuation in fee revenue for activities that are influenced by economic conditions. In addition, Cost of Living Adjustments from the 2023 state collective bargaining reflect the recent high inflation and will result in increased costs. During the 2023-25 biennium, the increased salary costs from these COLAs will exceed the amount of revenue generated from existing fees plus the amount of new revenue generated from the proposed fee increases. There was one COLA implemented in December 2023 and there was a second COLA in January 2025. While some of these costs will be borne in this biennium, the full impact of the 2023-25 COLAs will be experienced in the 2025-27 biennium.

The Title V program's average cost per full-time employee has increased by 8% over a two-year period. This rate of increase is based on a calculation using the current service level from the 2023-2025 legislatively adopted budget as compared to the 2025-27 modified current service level in the Governor's Recommended Budget.

The Cleaner Air Oregon program's average cost per full-time employee has increased by 3.3% over a two-year period. This rate of increase is based on a calculation using the current service level from the 2023-2025 legislatively adopted budget as compared to the 2025-27-modified current service level in the Governor's Recommended Budget.

The Asbestos program's average cost per full-time employee has increased by 6.4% over a two-year period. This rate was also calculated using the current service level from the 2023-25 legislatively adopted budget as compared to the 2025-73 modified current service level in the Governor's Recommended Budget.

Budgeted Cost Increase – Title V	
Budget Period	Costs Per FTE
2023-25 Legislatively Adopted Budget	\$434,043
2025-27 Modified Current Service Level in Governor’s Recommended Budget	\$468,676
Budget increase over two- year period	8%

Current Fees – Title V		
Program costs covered by fees	\$5,907,000	100%
Program costs covered by General Fund	\$0	0%
Fee Last Changed	01/25/2024	

Proposed Fees – Title V		
Expected change in revenue (+/-) (FY2026)	\$177,000	3.00%
Main General Fund required by statute/rule to fund program	\$0	0%
Proposed fee allows General Fund replacement	\$0	0%
Expected effective date	August 2025	

Transactions and Revenue				
Fiscal Year	Number of transactions	Number of fee payers	Impact on revenue (+/-)	Total revenue (+/-)
FY2024-2025	138	105		\$5,907,000
FY2025-2026	138	105	\$177,000	\$6,084,000

Budgeted Cost Increase – Cleaner Air Oregon	
Budget Period	Costs Per FTE
2023-25 Legislatively Adopted Budget	\$514,089
2025-27 Modified Current Service Level in Govenor’s Recommended Budget	\$530,856
Budget increase over two- year period	3.3%

Current Fees – Cleaner Air Oregon		
Program costs covered by fees	\$2,768,000	100%
Program costs covered by General Fund	\$0	0%
Fee Last Changed	09/02/2024	

Proposed Fees – Cleaner Air Oregon		
Expected change in revenue (+/-) (FY2026)	\$45,000	1.65%
Main General Fund required by statute/rule to fund program	\$0	0%
Proposed fee allows General Fund replacement	\$0	0%
Expected effective date	August 2025	

Transactions and Revenue – Cleaner Air Oregon				
Biennium	Number of transactions	Number of fee Payers	Impact on revenue (+/-)	Total revenue (+/-)
FY2024-25	2,791	2,668		\$2,768,000
FY2025-26	2,791	2,668	\$45,000	\$2,813,000

Budgeted Cost Increase – Asbestos Program	
Budget Period	Costs Per FTE
2023-25 Legislatively Adopted Budget	\$406,911
2025-27 Modified Current Service Level in Governor's Recommended Budget	\$432,937
Budget increase over two- year period	6.4%

Current Fees – Asbestos Program		
Program costs covered by fees	\$1,475,000	100%
Program costs covered by General Fund	\$0	0%
Fee Last Changed	2024 (Notifications, Licensing, Certification, Training Provider Accreditation)	

Proposed Fees – Asbestos Program		
Expected change in revenue (+/-)	\$44,000	3%
Main General Fund required by statute/rule to fund program	\$0	0%
Proposed fee allows General Fund replacement	\$0	0%
Expected effective date	August 2025	

Transactions and Revenue* - Asbestos Program				
Biennium	Number of transactions	Number of fee payers	Impact on revenue (+/-)	Total revenue (+/-)
FY2024-25	2,813	2,813		\$1,475,000
FY2025-26	2,813	2,813	\$44,000	\$1,519,000

## Fee schedule

Proposed Fees – Title V		
Fee category	2024 Fees	Proposed 2025 Fees
<b>Annual Title V Fees</b>		
Emission Fee	\$121	\$124.63
Annual Base Fee	\$16,002	\$16,482
<b>Specific Activity Fees</b>		
Administrative Amendment	\$975	\$1,004
Simple Modification	\$3,903	\$4,020
Moderate Modification	\$29,276	\$30,154
Complex Modification	\$58,552	\$60,308
Air Monitoring Review	\$7,807	\$8,041

Proposed Fees – Cleaner Air Oregon		
Fee Category	Current 2024 Fees	Proposed 2025 Fees
<b>Annual Fees</b>		
Basic ACDP (A)	\$156	\$159
Basic ACDP (B)	\$311	\$316
General ACDP – Class One	\$310	\$315
General ACDP – Class Two	\$560	\$569
General ACDP – Class Three	\$810	\$823
General ACDP – Class Four	\$156	\$159
General ACDP – Class Five	\$52	\$53
General ACDP – Class Six	\$103	\$105
Simple ACDP – Low Fee	\$830	\$844
Simple ACDP – High Fee	\$1,660	\$1,687
Standard ACDP	\$3,322	\$3,377
Title V – Annual Base Fee	\$2,945	\$2,994
Title V – Annual Emission Fee	\$22.26/ton	\$22.63/ton
<b>Toxic Air Contaminant Permit Addendum Modification Fees</b>		
(A) Non-Technical	\$445	\$452
(B) Basic Technical	\$445	\$452
(C) Simple Technical	\$1,483	\$1,507
(D) Moderate Technical	\$7,416	\$7,538
(E) Complex Technical	\$14,873	\$15,118

Specific Activity Fees – Cleaner Air Oregon								
ACTIVITY	Permit Type							
	Title V		Standard ACDP		Simple ACDP		General or Basic ACDP	
	2024	2025	2024	2025	2024	2025	2024	2025
(1) Existing Source Call-In Fee	\$10,300	\$10,470	\$10,300	\$10,470	\$1,030	\$1,047	\$515	\$523
(2) New Source Consulting Fee	\$12,360	\$12,564	\$12,360	\$12,564	\$1,957	\$1,989	\$1,030	\$1,047
(3) Submittal Document Modification Fee	\$2,575	\$2,617	\$2,575	\$2,617	\$515	\$523	\$258	\$262
(4) Level 1 Risk Assessment - de minimis (no permit required)	\$1,545	\$1,570	\$1,545	\$1,570	\$1,030	\$1,047	\$824	\$838
(5) Level 1 Risk Assessment – not de minimis	\$2,060	\$2,094	\$2,060	\$2,094	\$1,545	\$1,570	\$1,133	\$1,152

Specific Activity Fees – Cleaner Air Oregon								
ACTIVITY	Permit Type							
	Title V		Standard ACDP		Simple ACDP		General or Basic ACDP	
	2024	2025	2024	2025	2024	2025	2024	2025
(6) Level 2 Risk Assessment - de minimis (no permit required)	\$3,193	\$3,246	\$3,193	\$3,246	\$2,369	\$2,408	\$2,060	\$2,094
(7) Level 2 Risk Assessment – not de minimis	\$3,708	\$3,769	\$3,708	\$3,769	\$2,884	\$2,932	\$2,369	\$2,408
(8) Level 3 Risk Assessment - de minimis (no permit required)	\$9,064	\$9,214	\$8,446	\$8,585	\$5,459	\$5,549	\$4,635	\$4,711
(9) Level 3 Risk Assessment – not de minimis	\$20,497	\$20,835	\$11,639	\$11,831	\$7,931	\$8,062	\$6,489	\$6,596
(10) Level 4 Risk Assessment - de minimis (no permit required)	\$22,042	\$22,406	\$19,055	\$19,369	\$12,051	\$12,250	NA	NA
(11) Level 4 Risk Assessment – not de minimis	\$35,638	\$36,226	\$26,574	\$27,012	\$15,965	\$16,228	NA	NA
(12) Risk Reduction Plan Fee	\$6,901	\$7,015	\$6,901	\$7,015	\$2,678	\$2,722	\$2,678	\$2,722
(13) Air Monitoring Plan Fee (includes risk assessment)	\$25,900	\$26,327	\$25,900	\$26,327	NA	NA	NA	NA
(14) Postponement of Risk Reduction Fee	\$4,532	\$4,607	\$4,532	\$4,607	\$4,532	\$4,607	\$2,060	\$2,094
(15) TBACT/TLAER Review (per Toxic Emissions Unit and type of toxic air contaminant)	\$3,090	\$3,141	\$3,090	\$3,141	\$1,545	\$1,570	\$1,545	\$1,570
(16) TEU Risk Assessment – no permit mod	\$1,030	\$1,047	\$1,030	\$1,047	\$515	\$523	\$515	\$523
(17) TEU Risk Assessment – permit mod	\$4,120	\$4,188	\$4,120	\$4,188	\$2,060	\$2,094	\$1,030	\$1,047
(18) Level 2 Modeling review	\$1,957	\$1,989	\$1,339	\$1,361	\$824	\$838	\$721	\$733



Specific Activity Fees – Cleaner Air Oregon								
ACTIVITY	Permit Type							
	Title V		Standard ACDP		Simple ACDP		General or Basic ACDP	
	2024	2025	2024	2025	2024	2025	2024	2025
only for TEU approval								
(19) Level 3 Modeling review only for TEU approval	\$3,914	\$3,979	\$3,914	\$3,979	\$3,605	\$3,664	\$3,605	\$3,664
(20) Community Engagement Meeting Fee – high	\$8,240	\$8,376	\$8,240	\$8,376	\$8,240	\$8,376	\$8,240	\$8,376
(21) Community Engagement Meeting Fee – medium	\$4,120	\$4,188	\$4,120	\$4,188	\$4,120	\$4,188	\$4,120	\$4,188
(22) Community Engagement Meeting Fee - low	\$1,030	\$1,047	\$1,030	\$1,047	\$1,030	\$1,047	\$1,030	\$1,047
(23) Source Test Review Fee (plan and data review) – complex	\$6,180	\$6,282	\$6,180	\$6,282	\$6,180	\$6,282	\$6,180	\$6,282
(24) Source Test Review Fee (plan and data review) – moderate	\$4,326	\$4,397	\$4,326	\$4,397	\$4,326	\$4,397	\$4,326	\$4,397
(25) Source Test Review Fee (plan and data review) – simple	\$1,442	\$1,466	\$1,442	\$1,466	\$1,442	\$1,466	\$1,442	\$1,466

Asbestos Fees		
Notification Fee	Current Fee	3% Fee Increase
Residential	\$130	\$133
Non-Friable	\$130	\$133
<40 linear feet <80 square feet	\$130	\$133
40-259 linear feet 80-159 square feet	\$260	\$267
260-1299 linear feet 160-799 square feet	\$519	\$534
1300-2599 linear feet 800-1599 square feet	\$682	\$702
2600-4999 linear feet 1600-3499 square feet	\$1,168	\$1,203
5000-9999 linear feet 3500-5999 square feet	\$1,363	\$1,403
10,000-25,999 linear feet 6000-15,999 square feet	\$2,206	\$2,272
26,000-259,999 linear feet 16,000-159,999 square feet	\$3,634	\$3,743
>260,000 linear feet >160,000 square feet	\$4,542	\$4,678
Annual Friable Notification for <40 linear feet or <80 square feet	\$973	\$1,002
Annual Nonfriable Notification for Schools, Colleges, Facilities	\$649	\$668
Worker and Supervisor Cards	Current Fee	3% Fee Increase
Initial Worker Certification	\$59	\$60
Refresher Worker Certification	\$59	\$60
Initial Supervisor Certification	\$84	\$86
Refresher Supervisor Certification	\$84	\$86
Abatement Contractor License	Current Fee	3% Fee Increase
New Contractor License	\$1,308	\$1,347
Contractor License Renewal	\$1,308	\$1,347
Contractor License Modification	\$1,308	\$1,347
Training Provider Accreditation	Current Fee	3% Fee Increase
Initial Worker Training	\$406	\$418
Refresher Worker Training	\$406	\$418
Initial Supervisor Training	\$406	\$418
Refresher Supervisor Training	\$406	\$418

# Statement of fiscal and economic impact

## Fiscal and economic impact

Increasing permitting fees will benefit the Title V, Cleaner Air Oregon and Asbestos programs through increased financial support, helping the program maintain current service levels. The fee change will increase costs for entities that hold the affected permits or require fee-based services.

### Title V

The increase in Title V permit fees would affect approximately 105 permit holders directly and increase annual program revenue by approximately \$177,000 in the 2026 fiscal year. The direct impact of the fee increase on permit holders is based on an assumption that emissions remained the same in 2024 as they were in 2023 and reflects adjustments to Plant Site Emission Limit changes in recently amended and renewed Title V permits.

Title V permit holders are subject to Oregon's greenhouse gas reporting program. The greenhouse gas reporting fee is equal to 15 percent of their Title V annual base and emission fees, up to a maximum greenhouse gas reporting fee of \$4,500. Because the greenhouse gas reporting fee calculation is a percentage of the Title V fees, the proposed increase in Title V permit fees would also result in a 15 percent increase in the greenhouse gas reporting fees in the invoices DEQ will issue in 2025. The cap of \$4,500 for greenhouse gas program fees remains unchanged.

### Cleaner Air Oregon

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 \$45,000 in the 2026 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.

### Asbestos

For the Asbestos program, an increase in asbestos notification fees, certification fees, accreditation fees, and licensing fees would affect approximately 75 licensees, 6 training providers, and 750 certificate holders directly. This fee increase would result in approximately \$50,000 of additional program revenue annually.

## Statement of cost of compliance

### State agencies

#### Title V

**Direct Impacts:** Oregon Health Sciences University is an example of a state and federal agency that is subject to the Title V Program and paid annual Title V Program fees of \$26,045 in 2024. The proposed rules would increase their permit fees by about \$781 for 2025.

**Indirect Impacts:** Changes to Title V 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.

#### Cleaner Air Oregon

**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 Cleaner Air Oregon Program fees of \$4,793 in 2024. The proposed rules would increase fees by about \$79 for 2025.

**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.

## **Asbestos**

Federal and state agencies should not be affected by this fee increase rulemaking unless they employ asbestos staff or require asbestos abatement work in an agency building.

## **Local governments**

### **Title V**

**Direct Impacts:** Oregon county and city local governments subject to the Title V Program include municipal waste landfills. The following is a summary of fee increases for three landfills operated by local governments:

- Metropolitan Service District, St. Johns Landfill paid annual Title V Program fees of \$16,728 in 2024. The proposed rules would increase their 2025 fees by about \$502.
- Deschutes County Solid Waste Department, Knott Landfill paid Title V annual permit fees of \$22,899 in 2024. The proposed rules would increase their 2025 fees by about \$687.
- Douglas County Public Works Department, Roseburg Landfill paid annual Title V Program fees of \$17,938 in 2024. The proposed rules would increase their 2025 fees by about \$538.

**Indirect Impacts:** Changes to Title V 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.

## **Cleaner Air Oregon**

**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 fee increases for three landfills operated by local governments:

- Metropolitan Service District, St. Johns Landfill paid annual Cleaner Air Oregon Program fees of \$3,079 in 2024. The proposed rules would increase their 2025 fees by about \$51.
- Deschutes County Solid Waste Department, Knott Landfill paid annual Cleaner Air Oregon Program fees of \$4,214 in 2024. The proposed rules would increase their 2025 fees by about \$70.
- Douglas County Public Works Department, Roseburg Landfill paid annual Cleaner Air Oregon Program fees of \$3,301 in 2024. The proposed rules would increase their 2025 fees by about \$55.

**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.

## **Asbestos**

Local government should not be affected by this fee increase rulemaking unless they employ asbestos staff or require asbestos abatement work in a government building, in which case, the cost of these fees may be passed on and show up as marginal increases in service line items.



Public

Title V

**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 Title V 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.

Cleaner Air Oregon

**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.

Asbestos

For Asbestos program, the proposed rules may affect the public indirectly. Homeowners, property owners, and facility owners/operators hire asbestos abatement contractors to perform asbestos abatement projects during renovation or demolition activities.

Large businesses - businesses with more than 50 employees

Title V

**Direct Impacts:** Approximately 91 large businesses hold Title V permits and a fee increase would affect these permit holders directly. Estimated impacts are based on the assumption that DEQ identified all facilities subject to the Title V program and that the number of Title V permits and facility emissions remain constant.

The proposed annual base fees and emission fees are provided in the following table. The annual base fee is small in comparison to the emission fees paid by most sources. The rulemaking would also increase specific activity fees. Specific activity fees contribute a small portion of Title V program revenue.

Proposed Title V Fees For 2025			
Fee Category	2024 Fees	2025 Fees	Increase over 2024 Fees
Annual Base Fee	\$16,002	\$16,482	\$480
Emission Fee	\$121.00	\$124.63	\$3.63

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	2024 Fees	2025 Fees	Increase in fees
<b>50 tons/yr.</b>	\$22,052	\$22,714	\$662
<b>250 tons/yr.</b>	\$46,252	\$47,640	\$1,388
<b>500 tons/yr.</b>	\$76,502	\$78,797	\$2,295
<b>5,000 tons/yr.</b>	\$621,002	\$639,632	\$18,630

**Indirect Impacts:** Changes to fees could affect businesses indirectly if other businesses change the price of goods and services to offset any increased or decreased costs from paying a permit fee.

## Cleaner Air Oregon

**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 sources subject to the Cleaner Air Oregon Program and that the number of affected businesses and source 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 1.65% in 2025.

Fee Category	2024 Fees	Proposed 2025 Fees (to be invoiced)	Increase over 2024 Fees
Basic ACDP (A)	\$156	\$159	\$3
Basic ACDP (B)	\$311	\$316	\$5
General ACDP – Class One	\$310	\$315	\$5
General ACDP – Class Two	\$560	\$569	\$9
General ACDP – Class Three	\$810	\$823	\$13
General ACDP – Class Four	\$156	\$159	\$3
General ACDP – Class Five	\$52	\$53	\$1
General ACDP – Class Six	\$103	\$105	\$2
Simple ACDP – Low Fee	\$830	\$844	\$14
Simple ACDP – High Fee	\$1,660	\$1,687	\$27
Standard ACDP	\$3,322	\$3,377	\$55
Title V – Annual Base Fee	\$2,945	\$2,994	\$49
Title V – Annual Emission Fee	\$22.26/ton	\$22.63/ton	\$0.37/ton

Cleaner Air Oregon Fees are based on the type of permit, and for Title V sources, the quantity of emissions from a source. 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 Title V sources emitting 50, 250, 500 or 5,000 tons per year.

Emissions per calendar year	2024 Fees	Proposed 2025 Fees (to be invoiced)	Increase in fees
50 tons/yr.	\$4,058	\$4,126	\$68
250 tons/yr.	\$8,510	\$8,652	\$142
500 tons/yr.	\$14,075	\$14,309	\$234
5,000 tons/yr.	\$114,245	\$116,144	\$1,899

**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.

## Asbestos

Most asbestos abatement contractors and training providers are small businesses, however there are some that employ more than 50 individuals. Those businesses will be directly affected by the asbestos notification fee increase, worker and supervisor certification fee increase, licensing fee increase, and in some cases, the training provider accreditation fee increase.

Large businesses who require asbestos abatement may be affected indirectly by the increase of asbestos fees. Because training providers and asbestos abatement contractors will be required to pay higher fees, these entities may increase prices to offset costs.

## Small businesses – businesses with 50 or fewer employees

The fee increases will not have a significant adverse effect on small businesses.

## Title V

**Direct Impacts:** Most Title V permit holders are large businesses, but the requirement to hold a Title V permit is most often based on potential emission levels rather than business size. Approximately 11 small businesses are required to hold Title V permits because their potential emissions exceed Title V applicability thresholds. None of the small businesses holding Title V permits emit more than 250 tons per year in a typical year. Businesses emitting 250 tons per year would experience a fee increase of \$1,388 in 2025 over existing fees.

**Indirect Impacts:** Changes to fees could affect small businesses if other businesses holding Title V permits change the price of goods and services to offset any increased costs from paying a permit fee.

## Cleaner Air Oregon

**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 \$3 to \$13 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 \$142 in 2025 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.

## **Asbestos**

Most asbestos abatement contractors are small businesses. The increase in worker and supervisor certification fees, licensing fees, and notification fees will affect them directly. Most accredited asbestos training providers are also small businesses, and the increase of training provider fees will affect them directly.

Small businesses who require asbestos abatement may be affected indirectly by the increase of asbestos fees. Because training providers and asbestos abatement contractors will be required to pay higher fees, these entities may increase prices to offset costs.

## **ORS 183.336 - Cost of Compliance for Small Businesses**

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

#### **Title V**

DEQ estimates that approximately 10 percent of sources subject to the Title V Program (about 11 businesses) are small businesses with 50 or fewer employees.

#### **Cleaner Air Oregon**

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 dry cleaners and gasoline dispensing facilities.

## **Asbestos**

Based on the list of existing licensed asbestos abatement contractors, accredited asbestos training providers, and the number of issued worker and supervisor certification cards, 81 small businesses and approximately 750 individuals will be subject to the fee increase.

- 75 asbestos abatement contractors
- 6 accredited asbestos training providers
- 750 worker and supervisor certification cards

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

#### **Title V**

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

#### **Cleaner Air Oregon**

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

**Asbestos**

The proposed rules should not require any additional administrative activities. All affected parties already have systems in place to comply with the proposed fee increase.

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

**Title V**

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

**Cleaner Air Oregon**

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

**Asbestos**

The proposed rules will not require any additional resources. There should be no changes to administration requirements to comply with the proposed fee increase.

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

**Title V**

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

**Cleaner Air Oregon**

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

**Asbestos**

The Fiscal Advisory Committee includes representatives from a variety of asbestos industry types, including abatement contractors, training providers, local government agencies, and community organizations.

**Documents relied on for fiscal and economic impact**

**Title V and Cleaner Air Oregon**

Document title	Document location
2023-2025 Legislatively approved budget	<a href="#">Oregon Legislature Website</a>
Oregon Revised Statutes – Air Quality	<a href="#">Oregon Laws Website</a>
U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index	<a href="#">Bureau of Labor Statistics Website</a>

**Asbestos**

Document title	Document location
List of Accredited Training Providers	<a href="https://www.oregon.gov/deq/FilterDocs/asb-Trainers.pdf">https://www.oregon.gov/deq/FilterDocs/asb-Trainers.pdf</a>
List of Licensed Asbestos Abatement Contractors	<a href="https://www.oregon.gov/deq/FilterDocs/asb-contr.pdf">https://www.oregon.gov/deq/FilterDocs/asb-contr.pdf</a>

## Advisory committee fiscal review

As ORS 183.333 requires, DEQ will ask for the committee's recommendations on:

- Whether the proposed rules would have a fiscal impact,
- The extent of the impact, and
- Whether the proposed rules would have a significant adverse impact on small businesses; if so, then how DEQ can comply with ORS 183.540 reduce that impact.

The committee will review the draft fiscal and economic impact statement. .

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# 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-square-foot detached, single-family dwelling on that parcel.

## Title V and Cleaner Air Oregon

DEQ has determined, 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.

## Asbestos

DEQ has determined the proposed rules might influence development costs. A vacant parcel would not be affected, but a parcel with required demolition would be affected as the standing structure may be subject to the asbestos regulations in OAR 340-248. Property owners may be subject to potentially increased costs due to fee increases paid by asbestos abatement service providers. Any estimate of possible financial impact would be speculative as individual abatement contractors set their own pricing for services.

# Racial equity

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

## Title V

Adoption of the proposed rule would affect Title V program fees statewide - across various sectors, public and private. Since the fee increase will apply equally across all permit holders, 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.

## Cleaner Air Oregon

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.

## Asbestos

DEQ has determined that the increase of fees may affect racial equity in the state. Many certified asbestos workers and certified asbestos supervisors are BIPOC. Frequently, they are responsible for their own certification fees. To minimize the impact of the fee increase, DEQ consulted the Rulemaking Advisory Committee and the Fiscal Advisory Committee June 18, 2024.

# Environmental justice considerations

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

**182.545 Duties of natural resource agencies.** In order to provide greater public participation and to ensure that all persons affected by decisions of the natural resource agencies have a voice in those decisions, each natural resource agency shall:

- (1) In making a determination whether and how to act, consider the effects of the action on environmental justice issues.
- (2) Hold hearings at times and in locations that are convenient for people in the communities that will be affected by the decisions stemming from the hearings.
- (3) Engage in public outreach activities in the communities that will be affected by decisions of the agency.
- (4) Create a citizen advocate position that is responsible for:
  - (a) Encouraging public participation;
  - (b) Ensuring that the agency considers environmental justice issues; and
  - (c) Informing the agency of the effect of its decisions on communities traditionally underrepresented in public processes.

## Environmental justice analysis

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.

## Title V

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

## Cleaner Air Oregon

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.

## Asbestos

The Asbestos Program conducts public outreach to inform communities and associations about asbestos hazards. This outreach utilizes various communication channels, including social media, local media, and educational workshops/information sessions in affected communities.

Program staff also serve as community advocates by providing education, conducting outreach, and ensuring the agency is informed about the impacts on communities that are traditionally underrepresented in the public process.

# Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age, sex, religion, sexual orientation, gender identity, or marital status in the administration of its programs and activities. Visit DEQ's [Civil Rights and Environmental Justice page](#).