

Draft Fiscal Impact Statement

Water Quality Fees 2026

Introduction

The Oregon Department of Environmental Quality invites public input on proposed rule amendments to Chapter 340 of the Oregon Administrative Rules. Not more than once per year, DEQ proposes rule amendments for adoption by the Environmental Quality Commission to update water quality fees provided by ORS 468B.051. The EQC has authority to annually adjust fees by 3% per year for fees associated with:

- Stormwater Permitting Program
- Water Pollution Control Facility Permitting Program
- National Pollution Discharge Elimination Systems Permitting Program
- General Permits
- 401 Dredge and Fill Water Quality Certification Program
- Wastewater System Operator Certification Program
- Underground Injection Control - Rule Authorizations
- Onsite Wastewater Management Program (septic systems)

DEQ is proposing a 3% increase and also proposes increasing some of the above program fees by more than 3% as authorized by the 2025 Oregon Legislature with the adoption of policy option package 120 in DEQ's 2025-27 Legislatively Approved Budget. DEQ proposes amending rules to increase water quality fees by the following amounts above the 2026 fees:

- 3% for NPDES/WPCF fees effective November 2026
- 3% for Onsite fees; plus an additional 30% (for a total of 33%) recalibration increase authorized by legislature under POP 120. Effective July 2026
- 3% for 401 Dredge and Fill fees; plus an additional 20% (for a total of 23%) recalibration increase authorized by legislature under POP 120. Effective July 2026
- 3% for Wastewater Operator Certification fees; plus a two-phase fee increase captured in two tables in the fee rulemaking: a 17% fee increase plus the annual 3% increase (total 20%) effective July 2026, and a 12% fee increase effective July 2027
- 3% for Underground Injection Control fees; plus an additional 15% (for a total of 18%) recalibration increase authorized by legislature under POP 120. Effective July 2026

In addition, this rulemaking includes a minor revision updating the OAR 340-049-0055 (10) The current language states, "A minimum score of 70 percent is required to pass an examination," and DEQ is proposing to update this rule to read: "A minimum score of 70 percent is required to pass an examination **or as determined by the examination contractor**".

The Water Quality Program's mission is to protect and improve Oregon's water quality. This is accomplished through the cohesive teamwork of DEQ water quality staff. Starting with the collection and evaluation of water quality data to develop water quality standards and clean water plans, providing grants and technical assistance to reduce nonpoint pollution sources, lending to communities to build and upgrade treatment facilities, assuring wastewater operators are certified to ensure wastewater treatment facilities run smoothly and effectively, protecting waters during and after construction, and finishing the cycle by implementing the Clean Water Act and Oregon Revised Statutes through the issuance of water quality permits to publicly owned treatment systems and industrial dischargers. Protecting and improving Oregon's rivers, lakes, streams and groundwater quality keeps Oregon's waters safe for drinking water, fish habitat, recreation and irrigation.

Until recently, the EQC had authority to adjust fees for some, but not all water quality fee types by 3% per year to accommodate inflation-based increases to the cost of providing services. In 2023, the Legislature enacted HB 3208 which expands EQC authority to allow for 3% annual adjustments to a broader range of water quality fee categories, including fees related to: Onsite Septic Program, Wastewater Operator Certification Program, Section 401 Dredge & Fill Water Quality Certifications, and Underground Injection Control Program. This 3% authority was implemented for all eligible water quality fee types beginning in November 2024. However, the four programs that have recently received authority for annual 3% increases have not had any fee increases in 6 to 12 years. Moreover, while a 3% annual increase serves to provide predictability to feepayers, it is often not sufficient to keep pace with actual increases to the cost of providing services. As a result, DEQ must periodically seek legislative approval to recalibrate fees in order to maintain current service level staffing.

Fee funded programs require periodic fee increases to keep pace with rising costs to support current service levels. DEQ program fee-payers have clearly indicated a preference for more frequent fee adjustments of a smaller magnitude, rather than infrequent adjustments that require larger magnitude increases. Without periodic recalibration of fees, in addition to 3% fee increases per year, these programs will need to reduce staffing levels – seriously jeopardizing program services – and/or request higher percentage fee increases in the 2027-2029 biennium to establish sufficient revenue to support program services.

Acronym	Complete Phrase
FTE	Full Time Equivalent
LAB	Legislatively Adopted Budget
RAC	Rules Advisory Committee
EPA	U.S. Environmental Protection Agency
EQC	Environmental Quality Commission
NPDES	National Pollutant Discharge Elimination System
OAR	Oregon Administrative Rules
POP	Policy Option Package
WPCF	Water Pollution Control Facility
UIC	Underground Injection Control

Fee analysis

DEQ will present a rulemaking package to the EQC in March 2026. If approved, existing fees will increase for NPDES and WPCF permits, Wastewater Operator Certifications along with its associated annual program support fee, Dredge and Fill 401 Water Quality Certifications, UIC permits, and applications and reporting for the Onsite Wastewater Management program.

ORS 468B.051 authorizes the EQC to act on the proposed fees below:

Fees for water quality programs and permits:

- 1) *Subject to subsection (2) of this section, the EQC may increase the fees established under:*
 - a) *ORS 448.410, 454.745, 454.755, 454.792, 468B.047 or 468B.195; or*
 - b) *ORS 468.065 for permits issued under ORS 468B.050.*
- 2) *The commission may not increase a fee described in subsection (1) of this section more than once each calendar year. The amount of the annual increase may not exceed the anticipated increase in the cost of administering the program to which the fee is applicable or 3%, whichever is lower, unless a larger increase is provided for in the Department of Environmental Quality's legislatively approved budget.*

Brief description of proposed fees

The fee increase rulemaking consists of the following:

a) Three percent increase for Water Quality fees effective Nov. 1, 2026:

OAR 340-071-0140:

- WPCF Permit Fees; Table 9D

OAR 340-045-0075:

- Industrial NPDES and WPCF Individual Permits Application and Modification Fees; Table 70A
- Industrial NPDES and WPCF Individual Permit Annual Fees; Table 70B
- Domestic NPDES and WPCF Individual Permits, Application, Annual Modification Fees; Table 70C
- Municipal Separate Storm Sewer System Permits, Application and Modification Fees; Table 70C
- Municipal Separate Storm Sewer System Permits; Annual Fees Table 70H
- Domestic NPDES and WPCF Annual Population Fees, Table 70D
- Annual Pretreatment Fees, Table 70E
- All NPDES and WPCF Permits, Technical Activity, Plan Review and Other Fees, Table 70F
- General NPDES and WPCF Permits, Application and Annual Fees, Table 70G, **excluding** 700PM fees under authority ORS 468B.118

- Underground Injection Control Permits Application Fees, Annual Fees, and Surcharges, Table 70I, UIC fees authorized by rule, ORS 468B.195 and ORS 468B.196
- b) Eighteen percent increase for Underground Injection Control Permits and Surcharges effective July 1, 2026**
 OAR 340-045-0075
 Fees authorized by rule shown in table 70I would be increased by 18%.
- c) Twenty-three percent increase for 401 Dredge and Fill Water Quality Certification Program Support effective July 1, 2026**
 OAR 340-048-0055
 All fees described in this section would be increased by 23%.
- d) Thirty-three percent increase for Onsite Wastewater Management Septic Program effective July 1, 2026**
 OAR 340-071-0800
 All fees in Tables 9 A – F would be increased by 33%
- e) Twenty-percent increase for Wastewater Operator Certification Program effective July 1, 2026**
 OAR 340-049-0065
 Tables A and B
 All fees described in these tables would be increased by 20% effective July 2026
 In addition, this rulemaking will have a small update to current language for OAR 340-049-0055 (10) which states: “A minimum score of 70 percent is required to pass an examination” and DEQ recommends updating this rule to read as follows: “A minimum score of 70 percent is required to pass an examination **or as determined by the examination contractor**”.
- f) Twelve percent increase for Wastewater Operator Certification Program effective July 1, 2027**
 OAR 340-049-0065
 Tables D and E
 All fees described in these tables would be increased by 12% effective July 2027

Reasons

ORS 468B.051 gives the EQC authority to adjust permitting fees by 3% per year to accommodate inflation-based increases to the cost of providing services. Until recently, the EQC had authority to adjust fees for some, but not all program areas. In 2023, the Legislature enacted HB 3208 which expands EQC authority to allow for 3% annual adjustments to a broader range of water quality fee categories, including fees related to: Onsite Wastewater Management Program, Wastewater Operator Certification Program, Section 401 Dredge & Fill Water Quality Certifications, and Underground Injection Control Program. The EQC authorized a 3% increase for all eligible water quality fee types beginning in November 2024. However, the four programs that recently received authority for the annual 3% increases did not have any fee increases in preceding 6-12 years. Moreover, while a 3% annual increase serves to provide

predictability to fee payers, it is often not sufficient to keep pace with actual increases to the cost of providing services. Without recalibration of fees, in addition to the 3% fee increase per year, these programs will need to reduce staffing levels – seriously jeopardizing program services. The following paragraphs summarize specific circumstances associated with each program area necessitating the fee increase:

NPDES and WPCF Permitting Programs associated with fees in OAR 340-045-0075

The proposed fees will cover costs associated with implementing the permitting programs and delivering services to regulated entities. In 2018, the Water Quality Permitting Program agreed in a settlement to update 90% of significantly backlogged NPDES permits by 2028. Without this increase, DEQ would have to reduce permitting staff and would not reach this deadline. The NPDES and WPCF permitting program oversees 307 NPDES Individual permits, 199 WPCF Individual permits, and 1062 General Permit registrants. The stormwater program oversees 22 MS4 permits and 2,316 General Permit registrants.

UIC Program associated with fees in OAR 340-045-0075

The proposed fee increase will enable DEQ's UIC Program to continue protecting Oregon's underground drinking water sources and aquifers by preventing groundwater contamination, as required under the Safe Drinking Water Act. The UIC Program regulates systems that inject fluids below the ground surface—such as drywells, geothermal return wells, aquifer storage and recovery wells, and remediation wells—to ensure these activities do not threaten groundwater quality or public health. The fee revenue supports critical program functions including inspections, complaint response, and technical assistance to environmental consultants and local governments. Currently, 2.4 FTE staff oversee approximately 45,000 registered UICs and process hundreds of new applications each year. DEQ proposes a 3% plus an additional 15% increase (18% total) effective July 2026 to address rising operational costs and maintain current service levels. Without this increase, the program could face a funding shortfall by 2028, resulting in delayed permit processing, reduced oversight and potential risks to Oregon's groundwater resources. These adjustments will stabilize the program's revenue, ensure consistent staffing, and uphold the state's commitment to safe and sustainable groundwater management.

401 Dredge and Fill Program associated with fees in OAR 340-048-0055

The proposed fee increase will allow the 401 program to continue reviewing and evaluating water quality compliance under Section 401 of the Clean Water Act for projects that require a federal license or permit to conduct activities that may result in a discharge to waters of the U.S. Section 401 of the CWA requires states to certify that such federally licensed or permitted activities will comply with state water quality standards and other applicable requirements. The proposed fee increase will assist in the retention of the 4.0 FTE in the 401 Dredge and Fill Certification program statewide that provide education and customer service to applicants and review approximately 250 application requests and applications for modifications for 401 water quality certifications per year.

Onsite Wastewater Management Program with fees in OAR 340-071-0800

The proposed fee increases will help maintain current program service levels. The annual 3% fee increase includes WPCF-OS fees for larger commercial systems, permitting and related

activities. The additional 30% recalibration increase includes site evaluations, construction-installation permits, alterations, repairs, authorization notices, residential and small commercial applications for onsite septic systems, sewage disposal service licensing and reporting, and materials plan review and product approvals. The Onsite Program oversees 662 WPCF Individual Permits and 70 General Permit registrants.

Wastewater Operator Certification Program with fees in OAR 340-049-0065

The Operator Certification program is self-supported and relies on fees from permitting, licensing and surcharges to support 2.3 FTE to carry out statewide efforts. The proposed fee increase will help maintain current program service levels, a portion of costs for the maintenance of the new data systems and user interfaces, and inflation of contracts for services (certification test creators and administrators). Staff are responsible for educating operators, processing applications and renewals, evaluating course curricula for continuing education units, and coordinating with the Oregon Health Authority to ensure coordinate between the state's drinking water and wastewater operator certification efforts. DEQ's Operator Certification Program has not had a significant fee increase in over 10 years. There are approximately 1,400 operators with wastewater collection and/or treatment certifications in the program, and almost 400 classified systems of varying sizes that are invoiced for the annual program support fee.

Fee proposal alternatives considered

Not increasing fees

Without the fee increase, water quality programs will be unable to provide ongoing permit, licensing and certification program functions at current service levels. This could result in the programs struggling to maintain staffing at current levels and struggling to process the volume of permits and certifications required to fulfill DEQ's mission. Ancillary expenses (electronic infrastructure, exam administration, e-Permitting) may also be significantly impacted. The reduction of staffing and ancillary budget may result in a restructuring of services, delays in permitting and certifications, improper maintenance of systems and facilities, permit violations, and subsequent harm to the environment and public health.

Fee payer

The proposed fees would affect individuals, businesses and government agencies that hold, apply for, or renew the following permits, licenses and/or certifications:

- National Pollutant Discharge Elimination System permits (Individual and General)
- Water Pollution Control Facility permits (Individual and General)
- Wastewater System Operator Certifications
- WPCF UIC Permit holders
- UIC rule authorization applicants
- Facilities with "high" risk rule authorized UICs
- Dredge and Fill 401 Water Quality Certifications
- Onsite Wastewater Management Program applications

Affected party involvement in fee-setting process

A Fiscal Advisory Committee will convene for this rulemaking with interested parties representing the impacted communities including business, industries and municipalities.

Summary of impacts

With existing data, the Water Quality Program cannot determine the extent to which the proposed fees would affect each consumer. Some indirect impact on the public is anticipated if the permit holder increases the cost of goods and services or fees charged to ratepayers to offset the fee increase.

Examples: The annual fee for stormwater construction activity performed by public agencies under a 1200-CA permit in OAR 340-045-0075, Table 70G would increase by an estimated \$47, divided by the population served by the public agency. For WPCF UIC Individual permit holders (large municipalities typically with populations exceeding 10,000 people), the fee would increase by approximately \$88. The cost of an application for a residential home builder for a medium risk UIC to drain a driveway area would increase from \$142 to \$167. The annual fee for a UIC General Permit holder would increase from \$884 to \$910.

How long will the current fee sustain the program?

Current fees are not sufficient to sustain the water quality programs covered by the 3% fee increase. The cost to administer the programs increases every biennium while the total amount of fees paid remains relatively constant, with some fluctuation in fees paid for activities that are influenced by economic conditions. In addition, Cost of Living Adjustments (COLAs) from the 2023 state collective bargaining reflect the recent high inflation and will result in increased costs. During the 2025-27 biennium, the increased salary costs from COLAs will exceed the amount of revenue generated from existing fees plus the amount of new revenue generated from the 3% increases. The full impact of the 2023-25 COLAs will be experienced in the 2025-27 biennium.

Table 1 below outlines the Budgeted Costs justification for the 3% fee increase. Over two years, the average cost per FTE covered by the fee increase has risen 13.51%, or approximately 6.76% per year. This rate of increase is based on a comparison of the current service level in the 2025-27 Legislatively Adopted Budget, or LAB, with the 2023-25 LAB.

Table 1. Budget Cost Increases, Oct. 22, 2025

Budget Period	Cost per FTE
2023-25 Legislatively Adopted Budget	\$375,976
2025-27 Governor's Recommended Budget	\$426,788
Percent increase over two-year period	13.51%

Cost per FTE calculations exclude one-time enhancements from both the biennia and the 2025-2027 enhancements.

NPDES and WPCF Individual and General Permits and Stormwater General and MS4 Permits

Budgeted expenditures in the 2025-2027 LAB exceed projected revenues, including those from this proposed fee increase, by approximately five percent. Without the annual 3% fee increase and assuming inflation remains steady, the Water Quality Permitting Program would need to implement a fee adjustment exceeding 3% in fiscal year 2028 or 2029 to sustain an adequate fund balance and maintain current staffing levels.

Wastewater Operator Certification

The 2.3 FTEs of the Wastewater Operator Certification Program are 100% fee funded. Budgeted expenditures in the 2025-27 LAB exceed projected revenues even after including additional revenue from the proposed 3% fee increase that goes into effect Nov. 1, 2025. To prevent a shortfall, fees need to raise an additional 30 percent. Without this increase, current projections indicate the program would lack a sufficient ending balance for Fiscal Year 2027 to start the 2027-2029 biennium and may need to reduce expenditures below the current service level in the 2025-2027 budget.

Onsite Wastewater Management Program (septic systems)

DEQ is requesting a 33% fee increase, as authorized by ORS 468B.051 (up to 3%) and Policy Option Package 120 (up to 30%), to help fund increases in the cost of administering the program along with recalibrating current fees to align with expenditures of administering the program. The approved budget includes these fee increases as part of the 2025-2027 biennium and restores two of the three positions in the program that were previously part of a revenue shortfall package. The LAB modified the current service level budget by eliminating three FTE from the program; two of these FTE were restored by Policy Option Package 120.

Underground Injection Control Rule Authorization

Budgeted expenditures in the 2025-2027 LAB exceed projected revenue based on the current fees and will exceed revenue by a greater margin if a 3% fee increase is not authorized. The UIC rule authorization program will need to reset fees by greater than 3% in Fiscal Year 2027 to maintain an adequate fund balance and existing staff levels. A 3% fee increase in 2025 will reduce the size of the fee reset needed in the fee rulemaking planned for 2026.

Clean Water Act Section 401 Water Quality Certifications – Dredge and Fill

DEQ is proposing an 18% fee increase as authorized by ORS 468B.051 (up to 3%) and POP 120 (up to 15%) to help fund the increasing cost of administering the program and to reset the fees to support the existing staff level. Without the 18% increase, current projections show the program ending the 2025-27 biennium with an inadequate ending fund balance that would require expenditure reductions in the 2027-29 biennium.

Statement of fiscal and economic impact

Fiscal and economic impact

Increasing permitting fees will help the Water Quality Program sustain its current level of service. This change increases costs for entities that hold the affected permits or require fee-based services.

Statement of cost of compliance

State agencies

The effect of the proposed fee increases on state agencies depends on the permit type. Oregon state agencies hold approximately 123 active water quality permits.

Examples of the increase on selected permit types include:

- Industrial NPDES fee permits for Tier 2 sources, dairies and fish hatcheries, and facilities that dispose of wastewater only by evaporation from watertight ponds or basins, will increase between \$110 and \$126. This affects approximately four state agencies (OAR 340-045-0075, Table 70B).
- Annual fees for WPCF individual permits will increase between \$21 and \$657. This affects approximately six state agencies (OAR 340-045-0075, Table 70C).
- Annual fees for general NPDES and WPCF permits will increase between \$15 and \$27. This affects approximately ten state agencies (OAR 340-045-0075, Table 70G).
- Annual compliance determination fees for WPCF permits will increase between \$2 and \$47. This affects approximately eight state agencies (OAR 340-071-0140, Table 9D).
- Annual fees for WPCF UIC Individual permit holders will increase \$122.
- Annual fees for WPCF UIC General Permit holders will increase by \$26(OAR 340-045-0075 –Table 70I). This affects two state agencies.
- Annual fees for 401 Dredge and Fill Water Quality Certification permit holders will increase between \$246 and \$3,420. This affects approximately four state agencies and six federal agencies (OAR 340-048-0055 – Table 9G).
- Some federal facilities, for example campgrounds on U.S. Forest Service Land, have DEQ permitted wastewater systems and DEQ certified operators. If a state agency operates a facility that manages sewage, they too would need a certified operator. Depending upon the level and type of certification needed, the federal or state agency would see a 20% increase July 1, 2026 and a 15% increase July 1, 2027 in cost to apply or renew the person's certification, if they cover that cost for employees. For example, a federal facility would see an increase in the fee to apply for or renew an operators' certificate of \$26 to \$52 beginning July 1, 2026, and an additional \$20 to \$40 beginning July 1, 2027.
- The impact to state or federal agencies is the same as for individuals seeking to obtain an approval, permit or license (making an application) from the Onsite Wastewater Management Program.

Local governments

The effect of the increase of permitting fees on local governments depends on the permit type. Oregon local governments hold approximately 600 total active water quality permits.

Examples of local government entities include water districts, irrigation districts, cities, towns, ports, sanitary districts, library districts, counties and school districts. For this fiscal analysis, DEQ considered ports and school districts as separate local governments from the city or county government they are contained within.

Examples of the fee increase on selected permit types include:

- Industrial NPDES fee permits for Tier 2 sources, dairies and fish hatcheries, and facilities that dispose of wastewater only by evaporation from watertight ponds or basins, will increase between \$110 and 126. This affects approximately 11 local governments and their permit co-permittees (OAR 340-045-0075, Table 70B).
- Domestic NPDES and WPCF individual permit annual fee increases will range from \$19 to \$638 (OAR 340-045-0075, Table 70C).
- Annual fees for general NPDES and WPCF permits will increase between \$15 and \$45. This will affect an approximate total of 88 local government permits (OAR 340-045-0075, Table 70G).
- Annual permit processing fees for onsite systems and compliance determination fees for WPCF permits will increase between \$2 for holding tanks to \$47 for an on-site sewage lagoon with no discharge. This will affect approximately 84 local government permits (OAR 340-071-0140, Table 9D).
- Annual fees for WPCF UIC Individual permit holders will increase \$122, annual fees for WPCF UIC General Permit holders will increase by \$26 (OAR 340-045-0075 –Table 70I). This affects 37 local governments and public entities.
- Annual fees for 401 Dredge and Fill Water Quality Certification permit holders will increase between \$246 and \$3,420. (OAR 340-048-0055) This affects approximately 400 local governments and public entities.
- Local governments and public entities that have wastewater treatment facilities that treat sewage will see a 20% increase (ranging from \$29-\$50) in the cost to apply or renew a person's certification, if they cover that cost for employees. They would also see 20% increase in their annual fee to support the program ranging from \$16 to \$7,129, based on the size of the facility.
- The onsite surcharge increases from \$120 to \$159 will not be paid directly by local government entities (unless they apply for a license or submit a septic application then they would pay 33% more, which is the same as what an individual would pay). The local entities will collect the surcharge from fee payers in their jurisdiction and remit those fees to DEQ. Thirty-three out of 36 counties are run by local government entities.

Public

Large businesses - businesses with more than 50 employees

The 3% fee increase would affect approximately 150 wastewater permit holders that are large businesses. For example, large businesses that require an Industrial NPDES Tier 1 permit (pulp, paper, or other fiber pulping industries) would pay an additional \$1,003 in annual fees.

The 3% fee increase would affect approximately 21 WPCF UIC Individual Permit holders that are large businesses. For example, a grocery chain with an individual UIC permit would pay an annual fee increase of \$122.

Few large businesses have wastewater treatment systems requiring a certified operator and many keep their employee restrooms and break rooms plumbed separately from their industrial wastewater discharge. However, facilities that combine sewage with industrial wastewater or operate separate sewage systems, and cover the cost of an employee's operator certification, would experience a 20% cost increase ranging from \$29 to \$50. Additionally, their annual program support fee would rise by 20%, ranging from \$15 to \$6,416, depending on the facility's average dry weather flow.

Onsite Wastewater Management Program (septic systems)

A few large businesses will be impacted by this fee increase. Product manufacturers of alternative treatment technologies (secondary treatment systems used in some septic systems) applying for product review approval and listing will pay about \$655 to \$1,310 more in application fees and annually \$204 more per model to renew their listing. Applying for a one-time tank approval will cost about \$235 more in increased application and surcharge fees. For a large business obtaining a permit for a large onsite system, the additional fiscal impact on the development would be about \$830. That estimate is in addition to fees for a site evaluation application, alternative treatment technology permit and a commercial plan review fee for up to 2,500 gallons per day (an increase from \$4,016 to approximately \$5,340). There is also a surcharge applied to all applications that will increase from \$120 to \$159 per application.

Some licensed sewage disposal services are considered large businesses. Below is the expected impact:

Sewage Disposal Service License Fees

License Type	Current Fees	Proposed Fees
Onsite Surcharge for each three-year license application	\$120	\$159
Site Disposal Service 3-year license - NEW	\$527 per year	\$700 per year
Site Disposal Service 3-year license - RENEWAL	\$397 per year	\$528 per year

Small businesses – businesses with 50 or fewer employees

According to 2023 data from the Oregon Employment Department, the fee increase may affect approximately 3,300 small businesses. However, no information is available to determine how the fee increases would affect each permit holder. For example, if a small business is categorized as a Tier 2 facility for food or beverage processing, including produce, meat, poultry, seafood, or dairy for human, pet, or livestock consumption, then under OAR 340-045-0075, fee Table 70B, their annual permit fee would increase by an estimated \$208 over the previous year's annual fee. For example: a small business having five, rule-authorized, high risk UICs (e.g. a truck sales and repair operation), the annual fee would increase from \$565 (currently \$113 per UIC x 5 UICs) to \$665 (\$133 per UIC x 5 UICs). Small businesses having

wastewater treatment facilities requiring a certified operator, would experience a 20% increase (ranging from \$29 to \$50) in the cost of the certification, if they cover that cost. Additionally, small businesses would experience a 20% increase in their annual fee ranging from \$16 to \$7,129, based on the size of the facility.

ORS 183.336 Cost of Compliance Effect on Small Businesses

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

DEQ estimates the fee increases would affect approximately 3,300 small businesses. Examples of small businesses are food processors, mining operations, dairies, fish hatcheries, smelting and refining operations, timber processors, wood products manufacturers, retail operations, seafood processors, gravel mining, wineries, construction companies, petroleum hydrocarbon cleanup operations, and vehicle and equipment wash water operations.

Some small businesses such as recreational vehicle camps, mobile home parks, and resorts, have wastewater systems for their sewage. These businesses are required to have a certified operator, and some pay the annual cost of certification. There are about 50 businesses in this category.

There are about 800 licensed onsite sewage disposal businesses, and most are small businesses. Annual costs for a new three-year sewage disposal service license will increase from \$527 to \$700 per year. A renewal license annual costs will increase from \$397 to \$528 per year. There is also a surcharge applied to all applications that will increase from \$120 to \$159 per application. Oregon-based septic tank manufacturers are also primarily small businesses and obtain a one-time product approval that will cost about \$235 more than current fees; application fee would increase from \$594 to \$790, in addition to a surcharge increase from \$120 to \$159 per application.

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

No additional activities are required to comply with the proposed rules.

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

No additional resources are required to comply with the proposed rules.

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

The Water Quality Program will meet with a rules advisory committee on Nov. 19, 2025. The committee is composed of a diverse group of interested parties representing a wide cross section of permit and certification holders. During and after the meeting, committee members' input will be requested concerning potential impacts to small businesses and how impacts can be reduced. During the public comment period, the Water Quality Program will request input on whether to consider other options for achieving the rules' substantive goals while reducing the rules' negative economic impact on small businesses.

Documents relied on for fiscal and economic impact

Document title	Document location
Fee increase calculations	DEQ Headquarters
Recommendations and Implementation Plan	DEQ web page
DEQ 2025-2027 Legislatively Adopted Budget	DEQ Headquarters
DEQ's water quality permit database	DEQ Headquarters
Businesses by size or firm of 50 or fewer employees	Oregon Employment Department website reports 875 Union Street NE Salem, OR 97311 A Snapshot of Oregon Firms by Size Class, 2023 - A Snapshot of Oregon Firms by Size Class, 2023 - QualityInfo

Advisory committee fiscal review

DEQ appointed an advisory committee. 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
- Whether the proposed rules would have a significant adverse impact on small businesses
- Whether, if there is a significant adverse impact on small businesses, if DEQ has reduced the impact on small businesses as ORS 183.540 requires

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

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would affect 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.

DEQ determined the proposed fee increase could affect the development cost through:

- Requiring the builder to pay an additional \$471 for a construction stormwater permit if the parcel is part of a common plan of development disturbing one or more acres. Assuming the 33% increase, this would raise the fee from \$1,429 to \$1,900.

- Requiring the builder to pay an additional \$246 to \$3,420 for a dredge-fill 401 water quality certification if the parcel contains wetlands and/or waters proposed for impact.
- Increasing Systems Development Charges for implementing local stormwater or wastewater programs.

DEQ does not anticipate the proposed fee increase to affect the development cost through:

- Building costs that could be passed on to the home buyer.
- Parcels that are not part of a common plan of development disturbing one or more acres due to these types of parcels not requiring a construction stormwater permit from DEQ.

Onsite Wastewater Management Programs (septic systems)

Having adequate area for a septic system on a 6,000 square foot lot for new construction would be challenging due to the areas needed for a drainfield and well setbacks. However, an additional treatment unit that provides a higher quality effluent and thus allowing for a smaller drainfield and community water system, may be possible. The estimated increased costs for DEQ to evaluate and permit the lot would be approximately \$861.

Total cost of an alternative treatment technology system for new construction

Fee	Current Fees	Proposed Fees
Onsite Surcharge	\$120	\$159
Site Evaluation*	\$843	\$1,121
Onsite Surcharge	\$120	\$159
Type D Permit*	\$1,532	\$2,037
Total	\$2,615	\$3,476

* These fees would apply in Curry, Jackson, and Josephine counties. The other 33 Oregon counties are administered by a local government agency that sets the permit fees.

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 wastewater permitting fees and Operator Certification 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 permitting program activities as a result of this rule adoption, 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. DEQ considered these effects by acknowledging that this is a statewide fee increase that affects many different entities including federal, state, and local governments. DEQ provides this information in the Advisory Committee Meetings, the Fiscal Impact Statement, the Public Notice, and the Staff Report. The fee increase is a statutory authorization and directed at permit holders/fee payers, so there is not a broad policy change or projected change.

Adoption of the proposed rule would affect wastewater permitting and wastewater operator certification 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 permitting program activities as a result of this rule adoption, 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.

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.

For translation and alternate formats, visit DEQ's [Civil Rights and Environmental Justice page](#).