

Air Quality Fees 2026

Draft Fiscal Impact Statement

Fee analysis

The proposed rule changes would increase fees for the Title V and Asbestos 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.

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 2026 by 3% above the FY 2025 fees for the Asbestos and Title V programs.

The fee increase rulemaking consists of the following:

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

- Title V Operating Permit 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 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.

The fee increase would support 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.

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 fees 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 98 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 Asbestos program fee increase would affect approximately 78 licensees, six training providers, and 825 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 third rulemaking in which 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 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. During the 2025-27 biennium, increased salary costs from implementing the COLA (2.5% in 2026 and 4% in 2027) will exceed the amount of revenue generated from existing fees plus the amount of new revenue generated from the proposed fee increases.

The Title V program's average cost per full-time employee has increased by 8.4% 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 11.9% 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 2025-27 legislatively adopted budget.

Current fees

Title V

Program costs covered by fees	\$6,241,477	100%
Program costs covered by General Fund	\$0	0%

Fees Last Changed Jan. 25, 2024

Asbestos

Program costs covered by fees	\$1,777,526	100%
Program costs covered by General Fund	\$0	0%

Fees Last Changed in 2025 (Notifications, Licensing, Certification, Training Provider Accreditation)

Proposed fees

Title V

Expected change in revenue (+/-) (FY2026)	\$187,244	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 2026

Budgeted Cost Increase

Budget Period	Costs Per FTE
2023-25 Legislatively Adopted Budget	\$434,043
2025-27 Legislatively Adopted Budget	\$470,393
Budget increase over two- year period	8.4%

Asbestos Program

Expected change in revenue (+/-)	\$53,326	3%
Main General Fund required by statute/rule to fund program	\$0	0%
Proposed fee allows General Fund replacement	\$0	0%

*FY 2026-27 are estimates based on FY 2025-26 transactions and revenue.

Expected effective date: August 2026

Budgeted Cost Increase

Budget Period	Costs Per FTE
2025-2027 Legislatively Adopted Budget	\$406,911
2027-2029 Legislatively Adopted Budget	\$455,563
Budget increase over two- year period	11.9%

Fee schedule

Title V

Fee category	2025 Fees	Proposed 2026 Fees
Annual Title V Fees		
Emission Fee	\$124.63	\$128.36
Annual Base Fee	\$16,482	\$16,976
Specific Activity Fees		
Administrative Amendment	\$1,004	\$1,034
Simple Modification	\$4,020	\$4,140
Moderate Modification	\$30,154	\$31,058
Complex Modification	\$60,308	\$62,117
Air Monitoring Review	\$8,041	\$8,282

Asbestos

Notification Fee	Current Fee	Fee After 3% Increase
Residential	\$133	\$136
Non-Friable	\$133	\$136

<40 linear feet <80 square feet	\$133	\$136
40-259 linear feet 80-159 square feet	\$267	\$275
260-1299 linear feet 160-799 square feet	\$534	\$550
1300-2599 linear feet 800-1599 square feet	\$702	\$723
2600-4999 linear feet 1600-3499 square feet	\$1,203	\$1,239
5000-9999 linear feet 3500-5999 square feet	\$1,403	\$1,445
10,000-25,999 linear feet 6000-15,999 square feet	\$2,272	\$2,340
26,000-259,999 linear feet 16,000-159,999 square feet	\$3,743	\$3,855
>260,000 linear feet >160,000 square feet	\$4,678	\$4,818
Annual Friable Notification for <40 linear feet or <80 square feet	\$1,002	\$1,032
Annual Nonfriable Notification for Schools, Colleges, Facilities	\$668	\$688
Worker and Supervisor Cards	Current Fee	3% Fee Increase
Initial Worker Certification	\$60	\$61
Refresher Worker Certification	\$60	\$61
Initial Supervisor Certification	\$86	\$88

Refresher Supervisor Certification	\$86	\$88
Abatement Contractor License	Current Fee	3% Fee Increase
New Contractor License	\$1,347	\$1,387
Contractor License Renewal	\$1,347	\$1,387
Contractor License Modification	\$1,347	\$1,387
Training Provider Accreditation	Current Fee	3% Fee Increase
Initial Worker Training	\$418	\$430
Refresher Worker Training	\$418	\$430
Initial Supervisor Training	\$418	\$430
Refresher Supervisor Training	\$418	\$430

Statement of fiscal and economic impact

Fiscal and economic impact

Increasing permitting fees will benefit the Title V 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 98 permit holders directly and increase annual program revenue by approximately \$187,244 in the 2027 fiscal year. The direct impact of the fee increase on permit holders is based on an assumption that emissions remained the same in 2026 as they were in 2025, 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 20 percent of their Title V annual base and emission fees, minimum of \$500 up to a maximum greenhouse gas reporting fee of \$9,000. 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 3% increase in the greenhouse gas reporting fees in the invoices DEQ will issue in 2026. The cap of \$9,000 for greenhouse gas program fees remains unchanged.

Asbestos

For the Asbestos program, an increase in asbestos notification fees, certification fees, accreditation fees, and licensing fees would affect approximately 78 licensees, six training providers, and 825 certificate holders directly. This fee increase would result in approximately \$53,326 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 \$26,826 in 2025. The proposed rules would increase their permit fees by about \$804 for 2026.

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.

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 \$17,230 in 2025. The proposed rules would increase their 2026 fees by about \$516.
- Deschutes County Solid Waste Department, Knott Landfill paid Title V annual permit fees of \$23,586 in 2025. The proposed rules would increase their 2026 fees by about \$707.
- Douglas County Public Works Department, Roseburg Landfill paid annual Title V Program fees of \$18,476 in 2025. The proposed rules would increase their 2026 fees by about \$554.

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.

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.

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 2026

Fee Category	2025 Fees	2026 Fees	Increase over 2025 Fees
Annual Base Fee	\$16,482	\$16,976	\$494
Emission Fee	\$124.63	\$128.36	\$3.73

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	2025 Fees	2026 Fees	Increase in fees
50 tons/yr.	\$22,052	\$23,394	\$1,342
250 tons/yr.	\$46,252	\$49,066	\$2,814
500 tons/yr.	\$76,502	\$81,156	\$4,654
5,000 tons/yr.	\$621,002	\$641,800	\$20,798

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.

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 \$2,814 in 2026 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.

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 in 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 Effect on 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 10 businesses) are small businesses with 50 or fewer employees.

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, 84 small businesses and approximately 825 individuals will be subject to the fee increase.

- 78 asbestos abatement contractors
- 6 accredited asbestos training providers
- 825 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.

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.

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.

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

- [2023-2025 Legislatively approved budget](#)

- [Oregon Revised Statutes – Air Quality](#)
- [U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index](#)

Asbestos

- [List of Accredited Training Providers](#)
- [List of Licensed Asbestos Abatement Contractors](#)

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.

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

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 state agencies to provide a statement identifying how adoption of this 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.

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 with the Rulemaking Advisory Committee and the Fiscal Advisory Committee.

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.

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.

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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 or other formats, visit DEQ's [Civil Rights and Environmental Justice page](#).