

Staff Report

June 1, 2026

Air Contaminant Discharge Permit Fee 2026

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DEQ recommendation to the EQC

The Oregon Department of Environmental Quality recommends that the Director, as delegated by then Environmental Quality Commission, adopt the proposed rules in Attachment A as part of Chapter 340 of the Oregon Administrative Rules.

Introduction

As part of the Department of Environmental Quality's 2025-2027 Legislatively Approved Budget, the Oregon Legislature authorized a fee increase in the Air Contaminant Discharge Permit program to generate additional revenue beyond current service levels, provide funding for five new positions and sustain the program for the next two biennia.

The proposed rules would update the cost of the fees associated with implementing the ACDP program to increase total fee revenue by 20% or \$1,384,000. The increase in Air Contaminant Discharge Permit fees would be sufficient to restore adequate funding for, and administration of, Oregon's ACDP program. The proposed rules would:

- Increase all ACDP annual fees according to variable schedules in the proposed rules; and
- Increase most ACDP specific activity fees.
- Add ceramic tile manufacturing to the Simple Low Fee payer list

Statement of need

What need would the proposed rule address?

The Air Contaminant Discharge Permit program serves two important purposes.

First, an Air Contaminant Discharge Permit is a permit required under the Federal Clean Air Act to ensure that new and modified facilities have required emission control technology, and that emissions from new facilities will not violate air quality standards or other federal requirements. The construction approval process ensures the correct and required emission controls are designed into the project at the time of new construction, rather than a modification after construction is complete, which is more complex and costly to accomplish. The approval process ensures that emissions from new and modified facilities will not cause or contribute to violations of federal air quality standards, which can have area-wide health and economic consequences. Timely construction permitting is important because permit applicants may not begin construction until construction approvals are issued.

Second, an Air Contaminant Discharge Permit is a state operating permit for facilities that are not subject to the federal Title V operating permit program. This includes facilities with emissions that fall below Title V permitting thresholds, as well as facilities that request emission limits that ensure that they will stay below Title V permitting thresholds. Facilities are subject to a variety of federal and state air quality emission standards that help ensure that Oregonians breathe clean and healthy air. Air Contaminant Discharge Permits ensure that permittees comply with these standards.

The Air Contaminant Discharge Permit program is funded by a combination of permit fees, general fund and federal funds. Since the 1990s, general and federal funds have declined to the point at which permit fees now account for approximately 90 percent of program revenue. In addition, Air Contaminant Discharge Permit fees have not kept pace with inflation because the law does not base fees on a price index.

With legislative approval, DEQ raised ACDP fees in 2020 by 70% to maintain current service levels and address some of the key recommendations of the 2018 Secretary of State Audit. At that time DEQ estimated it would need another, smaller, increase within three biennia.

Over the course of engagement with the regulated community, DEQ was asked to consider adding a source category to the list of sources that can pay a Simple Low Fee. In response to public comment, DEQ revised the proposed rule to include ceramic coating operations in the Simple Low Fee category.

How would the proposed rule address the need?

The proposed rule generates revenue to hire five staff and provide adequate program funding through the 2027-2029 biennium.

The proposed rule also addresses needs identified during stakeholder engagement for the ceramic tile manufacturing industry. DEQ is eliminating its Ceramic Tile Manufacturing General

Permit and moving two sources to a Simple ACDP. Given the low complexity of these permits, a Simple Low fee is recommended for these two sources.

How will DEQ know the rule addressed the need?

The proposed rule will address the need if the increased fees provide adequate program funding through the 2027-2029 biennium.

Federal relationship

ORS 183.332, 468A.327 and OAR 340-011-0029 require the Environmental Quality Commission to attempt to adopt rules that correspond with existing equivalent federal laws and rules unless there are reasons not to do so. This section complies with those statutes and rules to clearly identify the relationship between the proposed rule changes and applicable federal requirements.

Federal law requires states to have both a Title V permit program and a permit program for non-major facilities, DEQ's ACDP permitting program. The proposed rules fund the ACDP program. While there is a federal requirement for Oregon to fully fund its Title V operating permit program through TV permit fees, there is no similar requirement for the ACDP program.

Rules affected, authorities, supporting documents

Lead division

Air Quality Division

Program or activity

Air Contaminant Discharge Permit Program

Chapter 340 action: Amend

- 340-216-0064
- 340-216-8020

Statutory Authority – ORS

- 468.020
- 468.065
- 468A.025
- 468A.035
- 468A.050
- 468A.070
- 468A
- 468A.040
- 468A.055
- 468A.310

Statutes Implemented – ORS

- 468
- 468A.025
- 468A.035
- 468A.050
- 468A.070
- 468A.135
- 468A.040
- 468A.055
- 468A.310
- 468A

Legislation

- House Bill 5520 (2025)
- Policy Option Package 110 (2025)

Rules summary

OAR chapter 340, division 216

Rule Number	Rule Title	Explanation
0064	Simple ACDP	During early engagement with stakeholders, the agency was asked to consider making a Simple/Low fee category for ceramic tile manufacturing. The DEQ seeks comment in support or against making such category changes. DEQ is opening these rules to reserve the option to make changes to these rules based on public and stakeholder comments.
8020	Table 2 – Air Contaminant Discharge Permits	Proposed 20% increase to annual fees applied across all categories.

Fee analysis

These proposed rules would increase existing fees. EQC authority to act on the proposed fees is ORS 468A, 468.020, 468A.025, 468A.040 and 468A.310.

Brief description of proposed fees

DEQ proposes to increase fees associated with the Air Contaminant Discharge Permit program sufficient to generate a 20% increase in revenue.

Reasons

The proposed fees address the legislatively approved changes to DEQ's budget. Policy Option Package 110, approved in the 2025 legislative session, authorizes increases to revenue effective in 2026 to maintain service levels and establish five positions (5.00 FTE).

The proposed fees would also address increased program and staff costs including cost of living adjustments, step increases and benefits. Air Contaminant Discharge Permit fees were last raised in 2020.

Fee proposal alternatives considered

DEQ considered the following alternatives:

- No fee increases, which does not allow DEQ to maintain current service levels and would require an even larger percentage increase in the future.
- Increasing all annual fee categories a proportionately equivalent amount to the complexity of review.

Fee payer

Fee payers would be air quality permit-holders from across the state including, but not limited to, the activities and operations listed in Oregon Administrative Rules Chapter 340 Division 216 Table 1.

Affected party involvement in fee-setting process

DEQ convened a Rules and Fiscal Advisory Committee that included appointees representing a variety of industries directly and indirectly affected by the proposed rules. The RAC/FAC met on Jan. 06, 2026, and Feb. 06, 2026, to discuss ways to establish fees that would allow DEQ to generate the required revenue.

Summary of impacts

Annual fees

The impacts of the proposed rules include annual fee increases in the following way:

Basic ACDP categories 1-7

Would incur an annual fee increase of 20% due December 2026.

- Current fee: \$648
- New fee: \$777

New Basic ACDP category 8

Would incur an annual fee increase of 20%.

- Current fee: \$1,469
- New fee: \$1,762

General ACDPs

Would incur an increase of 20%:

- Fee Class one: current fee of \$1,469 and proposed fee of \$1,762.
- Fee Class two: current fee of \$2,644 and proposed fee of \$3,172.
- Fee Class three: current fee of \$3,818 and proposed fee of \$4,581.
- Fee Class four: current fee of \$734 and proposed fee of \$880.
- Fee Class five: current fee of \$245 and proposed fee of \$294.
- Fee Class six: current fee of \$490 and proposed fee of \$588.

Simple ACDPs

Would incur an increase of 20%:

- Simple Low: current fee of \$3,917 and proposed fee of \$4,700.
- Simple High: current fee of \$7,834 and proposed fee of \$9,400.

Standard ACDPs

Would incur an increase of 20%:

- Current fee of \$15,759 and proposed fee of \$18,910.

Initial permitting application fees

The impacts of the proposed rules include initial permitting application fee increases in the following way:

Initial permitting fees

Would incur an increase of 20%:

- Short Term Activity ACDP: current fee of \$4,500 and proposed fee of \$5,400.
- Basic ACDP: current fee of \$180 and proposed fee of \$216.
- General ACDP: current fee of \$1,800 and proposed fee of \$2,160.
- Simple ACDP: current fee of \$9,000 and proposed fee of \$10,800.
- Construction ACDP: current fee of \$14,400 and proposed fee of \$17,280.
- Standard ACDP: current fee of \$18,000 and proposed fee of \$21,600.
- Standard ACDP (Major NSR or Type A State NSR): current fee of \$63,000 and proposed fee of \$75,600.

Specific activity fees

The impacts of the proposed rules include specific activity fee increases in the following way:

Specific activity fees

Would incur an increase of 20%:

- Notice of Intent to Construct Type 2: current fee of \$720 and proposed fee of \$864.
- Non-Technical Modification: current fee of \$432 and proposed fee of \$518.
- Basic Technical Modification: current fee of \$540 and proposed fee of \$648.
- Simple Technical Modification: current fee of \$1,800 and proposed fee of \$2,160.
- Moderate Technical Modification: current fee of \$9,000 and proposed fee of \$10,800.
- Complex Technical Modification: current fee of \$18,000 and proposed fee of \$21,600.
- Major NSR or Type A State NSR Modification: current fee of \$63,000 and proposed fee of \$75,600.
- Modeling Review: current fee of \$9,000 and proposed fee of \$10,800.
- Public Hearing at Source's Request: current fee of \$3,600 and proposed fee of \$4,320.
- State MACT Determination: current fee of \$9,000 and proposed fee of \$10,800.
- Compliance Order Monitoring (monthly): current fee of \$180 and proposed fee of \$216.

Greenhouse gas reporting fee

Approximately 133 of the 2525 Air Contaminant Discharge Permit holders are subject to Oregon's greenhouse gas reporting program (GHG RP) which has a greenhouse gas reporting fee equal to 7.31% of the applicable Air Contaminant Discharge Permit annual fee in Part 2. This rulemaking does not affect the GHG RP fee rules. However, any Air Contaminant Discharge Permit holders subject to the GHG RP fee that exceed the \$500 minimum fee, but that do not already meet the GHG RP cap, would also pay higher greenhouse gas reporting fees of between \$106 and \$631 as a result of this rulemaking.

Fee payer agreement with fee proposal

DEQ encourages fee payers and other stakeholders to provide public comments on the proposed fee changes.

Links to supporting documents for proposed fees

[Oregon Administrative Rules Chapter 340 Division 216 Table 2](#)

[Oregon Administrative Rules Chapter 340](#)

DEQ Budget (2025): [2025-27 Budget Review – Department of Environmental Quality](#)

[Oregon Revised Statutes 468A, 468.020, 468A.025, 468A.040 and 468A.310](#)

How long will the current fee sustain the program?

Current revenue is expected to sustain the program through the 2025-2027 biennium.

Current fees

Fees last changed September 2020

Program costs covered by fees	\$13,827,000	86.6%
Program costs covered by General Fund	\$1,415,000	8.9%
Program costs covered by Federal Funds	\$725,000	4.5%

Proposed fees

Expected effective date September 2026

Expected change in program revenue (+/-)	\$1,384,000	8.7%
Main GF required by statute/rule to fund program	\$1,415,000	N/A
Proposed fee allows General Fund replacement	\$0	0%

Transactions and revenue

Biennium	Number of transactions	Number of fee payers	Impact on fee revenue (+/-)	Total fee revenue (+/-)
Current biennium 2025-27	5,678	2,525	\$1,384,000	\$15,211,00
Next biennium	5,744	2,549	\$2,842,000	\$17,088,00

Fee schedule

OAR Chapter 340 Division 216 Table 2:

OAR 340-216-8020 Table 2 Air Contaminant Discharge Permits		
Part 1. Initial Permitting Application Fees: (in addition to first annual fee)		
Short Term Activity ACDP		\$5,400
Basic ACDP		\$216
Assignment to General ACDP ¹		\$2,160
Simple ACDP		\$10,800
Construction ACDP		\$17,280
Standard ACDP		\$21,600
Standard ACDP (Major NSR or Type A State NSR)		\$75,600
1. DEQ may waive the assignment fee for an existing source requesting to be assigned to a General ACDP because the source is subject to a newly adopted area source NESHAP as long as the existing source requests assignment within 90 days of notification by DEQ.		
Part 2. Annual Fees: (Due date 12/1¹ for 1/1 to 12/31 of the following year)		
Short Term Activity ACDP		\$0
Basic ACDP	(A) #1-7 OAR 340-216-8010 Table 1 Part A	\$777
	(B) #8 OAR 340-216-8010 Table 1 Part A	\$1,762
General ACDP	(A) Fee Class One	\$1,762
	(B) Fee Class Two	\$3,172
	(C) Fee Class Three	\$4,581
	(D) Fee Class Four	\$880
	(E) Fee Class Five	\$294

	(F) Fee Class Six	\$588
Simple ACDP	(A) Low Fee	\$4,700
	(B) High Fee	\$9,400
Standard ACDP		\$18,910
Greenhouse Gas Reporting, as required by OAR 340, Division 215		7.31% of the applicable ACDP annual fee in Part 2
1. DEQ may extend the payment due date for dry cleaners or gasoline dispensing facilities until March 1st.		
Part 3. Cleaner Air Oregon Annual Fees: (Due date 12/1¹ for 1/1 to 12/31 of the following year)		
Basic ACDP	(A) #1-7 OAR 340-216-8010 Table 1 Part A	\$159
	(B) #8 OAR 340-216-8010 Table 1 Part A	\$316
General ACDP	(A) Fee Class One	\$315
	(B) Fee Class Two	\$569
	(C) Fee Class Three	\$823
	(D) Fee Class Four	\$159
	(E) Fee Class Five	\$53
	(F) Fee Class Six	\$105
Simple ACDP	(A) Low Fee	\$844.
	(B) High Fee	\$1,687
Standard ACDP		\$3,377
1. DEQ may extend the payment due date for dry cleaners or gasoline dispensing facilities until March 1st.		
Part 4. Specific Activity Fees:		
Notice of Intent to Construct Type 2 ¹		\$864
Permit Modification	(A) Non-Technical ²	\$518
	(B) Basic	\$648

	Technical	
	(C) Simple Technical	\$2,160
	(D) Moderate Technical	\$10,800
	(E) Complex Technical	\$21,600
Toxic Air Contaminant Permit Addendum Modification	(A) Non-Technical	\$452
	(B) Basic Technical	\$452
	(C) Simple Technical	\$1,507
	(D) Moderate Technical	\$7,538
	(E) Complex Technical	\$15,118
Major NSR or Type A State NSR Permit Modification		\$75,600
Modeling Review (outside Major NSR or Type A State NSR)		\$10,800
Public Hearing at Source's Request		\$4,320
State MACT Determination		\$10,800
Compliance Order Monitoring ³		\$216/month
Part 5. Late Fees:		
8-30 days late		5%
31-60 days late		10%
61 or more days late		20%
1. The Type 2 Notice of Intent to Construct does not apply to existing Basic ACDP or General ACDP sources. 2. This is a one-time fee payable when a compliance order is established in a permit or a DEQ order containing a compliance schedule becomes a final order of DEQ and is based on the number of months DEQ will have to oversee the order. NOTE: See history of this table under OAR 340-216-0020.		

Statement of fiscal and economic impact

Fiscal and economic impact

Increases in Air Contaminant Discharge Permit fees would affect approximately 2,525 permit holders and registrants directly and increase program revenue by \$1,384,000 in the 2025 to 2027 biennium. Increases in Air Contaminant Discharge Permit fees would also indirectly affect approximately 133 of the 2,525 permit holders subject to Oregon's greenhouse gas reporting program and increase program revenue by \$55,000.

Statement of cost of compliance

State agencies

Federal and state agencies hold approximately 28 Air Contaminant Discharge Permits. The permit fee increases and new fees for construction would affect these permit holders directly. Adjustments to the calculation of greenhouse gas reporting fees would also affect any permit holders subject to the fees indirectly. Changes to fees could also affect these agencies indirectly if businesses change the price of goods and services to offset any increased or decreased costs from paying a permit fee.

Local governments

Local governments hold approximately 60 Air Contaminant Discharge Permits. The permit fee increases and new fees for construction would affect these permit holders directly. Adjustments to the calculation of greenhouse gas reporting fees would also affect any permit holders subject to the fees indirectly. Changes to fees could also affect local governments indirectly if businesses change the price of goods and services to offset any increased or decreased costs from paying a permit fee.

Public

The proposed rules could affect the public if businesses change the price of goods and services to offset any increased or decreased costs from paying a permit fee.

Large businesses - businesses with more than 50 employees

Approximately 1,508 large businesses hold Air Contaminant Discharge Permits. The permit fee increases would affect these permit holders directly. Adjustments to the calculation of greenhouse gas reporting fees would also affect any permit holders subject to the fees indirectly. The type of permit required for a facility determines the permit fees regardless of the number of employees.

Changes to fees could also 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.

Small businesses – businesses with 50 or fewer employees

ORS 183.336 - Cost of Compliance for Small Businesses

Approximately 964 small businesses (with 50 or fewer employees) have an Air Contaminant Discharge Permit. Generally, smaller facilities with less complex permits experience a lower economic impact from fee increases than larger facilities with more complex permits.

The proposed rules would increase annual fees for small businesses. Examples of these small businesses are dry cleaners, automotive body shops, crematories, and coffee roasters.

Some small businesses that hold more complex simple and standard permits could experience higher fee increases per year.

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 20%.

Adjustments to the calculation of greenhouse gas reporting fees would also affect any permit holders subject to the fees indirectly, additional by increasing greenhouse gas reporting fees by 20% for those permit holders subject to the applicable Air Contaminant Discharge Permit annual fee.

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

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

Based on existing permittee's self-reporting on the number of employees, these proposed rules could affect approximately 964 small businesses.

- Basic ACDP: 147
- General ACDP: 753
- Simple ACDP: 47
- Standard ACDP: 17

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

The proposed rules will not require any additional resources. All permittees already pay annual and specific activity fees.

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

The proposed rules will not require any additional resources. All permittees already pay annual and specific activity fees.

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

DEQ included a notification of the proposed rulemaking to all permitted businesses, small and large.

The Fiscal Advisory Committee and Rules Advisory Committee meetings included representatives from a variety of large and small industry types including asphalt pavers and industry representatives that voiced concerns particular to fiscal impact on small businesses.

Documents relied on for fiscal and economic impact

Document title	Document location
DEQ YDO air quality database reports	DEQ Headquarters Office 700 NE Multnomah St. Suite 600 Portland, OR 97232
2025-2027 Legislatively approved budget	Oregon Legislature Website
Oregon Revised Statutes – Air Quality	Oregon Laws Website
Senate Bill 5520	Oregon Legislature Website
SB 5520a Budget Report and Measure Summary	Oregon Legislature Website

Advisory committee fiscal review

DEQ appointed a fiscal and rules advisory committee.

As ORS 183.333 requires, DEQ asked 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 reviewed the draft fiscal and economic impact statement, and its findings are stated in the approved minutes dated Feb. 06, 2026. Requests for the minutes can be made to the contact for this rulemaking; Graham Bates at graham.bates@deq.oregon.gov

The committee determined the proposed rules would not have a significant adverse impact on small businesses in Oregon.

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

Racial equity

ORS 183.335(2)(a)(F) requires state agencies to provide a statement identifying how adoption of this rule will affect racial equity in this state. Adoption of the proposed rule would affect ACDP fees statewide - across various sectors, public and private. Since the fee increase will apply equally across all ACDP permit categories, and there are no expected changes to practical implementation of the program activities because 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 which may be particularly important in BIPOC or historically underserved communities.

Environmental justice considerations

ORS 182.545 requires natural resource agencies to consider the effects of their actions on environmental justice issues. Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, culture, education or income with respect to the development, implementation and enforcement of environmental laws, regulations and policies. DEQ is committed to incorporating environmental justice best practices into its programs and decision-making, to ensure all people in Oregon have equitable environmental and public health protections. The DEQ Air Contaminant Discharge Permit program is designed to regulate and reduce emissions from facilities of air emissions in Oregon. Environmental justice communities are often fence-line communities that are disproportionately affected by pollution. Adopting the fee increases provides the necessary resources for DEQ to regulate these facilities in traditionally overburdened communities.

Land use

Land-use considerations

In adopting new or amended rules, ORS 197.180 and OAR 340-018-0070 require DEQ to determine whether the proposed rules significantly affect land use. If so, DEQ must explain how the proposed rules comply with statewide land-use planning goals and local acknowledged comprehensive plans.

Under OAR 660-030-0005 and OAR 340 Division 18, DEQ considers that rules affect land use if:

- The statewide land use planning goals specifically refer to the rule or program, or
- The rule or program is reasonably expected to have significant effects on:
 - Resources, objects, or areas identified in the statewide planning goals, or
 - Present or future land uses identified in acknowledge comprehensive plans

DEQ determined whether the proposed rules involve programs or actions that affect land use by reviewing its Statewide Agency Coordination plan. The plan describes the programs that DEQ determined significantly affect land use. DEQ considers that its programs specifically relate to the following statewide goals:

Goal	Title
5	Natural Resources, Scenic and Historic Areas, and Open Spaces
6	Air, Water and Land Resources Quality
11	Public Facilities and Services
16	Estuarine Resources
19	Ocean Resources

Statewide goals also specifically reference the following DEQ programs:

- Nonpoint source discharge water quality program – Goal 16
- Water quality and sewage disposal systems – Goal 16
- Water quality permits and oil spill regulations – Goal 19

Determination

DEQ determined that the proposed rule changes in the following rules divisions, listed under the Rules affected, authorities, supporting documents section above, affect programs or activities that the DEQ State Agency Coordination Program considers a land-use program.

OAR 340-216 Air Contaminant Discharge Permits

The air quality permit programs require that a new business provide a Land Use Compatibility Statement from local government when applying for a permit. This assures that the business has an approved use for the property where it is located. Existing permittees have provided Land Use Compatibility Statements, which are on file with DEQ. The proposed rule changes do not include any changes to land use procedures in the air quality permitting program.

DEQ's statewide goal compliance and local plan compatibility procedures adequately cover the proposed rule changes.

- OAR 340-018-0040(1) - compliance with statewide planning goals achieved by ensuring compatibility with acknowledged comprehensive plans.
- OAR 340-018-0050(2)(a) - ensuring compatibility with acknowledged comprehensive plans may be accomplished through a Land Use Compatibility Statement.

EQC prior involvement

DEQ presented to EQC on March 12, 2026, for the purpose of receiving delegation for director approval of the proposed rules.

Advisory committee

Background

DEQ convened the ACDP Fee advisory committee. The committee included representatives that reflect the range of entities that are both directly and indirectly affected by proposed rule and met 2 times. The committee's web page is located at [Air Contaminant Discharge Permit Fees 2026](#).

The committee members were:

Name	Representing
Krystal Abrams	Beyond Toxics
Dennis Bell	Meduri Farms, Inc
Gregg Hayward	City of Gresham Sustainability Outreach Coordinator
John Hickey	Asphalt Pavement Association of Oregon
Dan Kloucek	AB Mauri Food, Inc.
Jaycob Padron	Multnomah Public Health
Ryan Ramage	Valley Environmental
Garrett Wohlsein	Flint Group Packaging Inks, North America LLC

Meeting notifications

To notify people about the advisory committee's activities, DEQ:

- Sent GovDelivery bulletins, a free e-mail subscription service, to the following lists:
 - Rulemaking
 - Air Quality Permit Fee Increases
 - Air Quality Permits
 - DEQ Public Notices
 - New Source Performance Standards
 - National Emissions Standards for Hazardous Air Pollutants
- Added advisory committee announcements to DEQ's calendar of public meetings at [DEQ Calendar](#).

Committee discussions

In addition to the recommendations described under the Statement of Fiscal and Economic Impact section above, the committee reviewed fiscal data and charts developed by staff to consider multiple fee increase options available to the agency to achieve the 20% increase in

revenue. The committee initially sought more information on the complexity assessed fee increase that had been applied during the 2020 fee rulemaking. After reviewing the committee concluded that specifying fee increases based on complexity of application review was an unnecessary step for the agency to take given the prior efforts to account for the complexity of the application review. The committee agreed with the need for the 20% increase in fee revenue but also encouraged the agency to find a stable and predictable rate of increase in the future. They also encouraged searching for more ways of increasing revenue beyond increasing fees.

Public engagement

DEQ provided notice of the proposed rulemaking and rulemaking hearing on:

- On Feb. 27, 2026, filed notice with the Oregon Secretary of State for publication in the March 2026 Oregon Bulletin;
- Notified the EPA ;
- Posted the notice, invitation to comment and draft rules on the rulemaking web page.
- Emailed approximately 19,392 interested parties on the following DEQ lists through GovDelivery:
 - Rulemaking
 - Air Quality Permit Fee Increases
 - Air Quality Permits
 - DEQ Public Notices
 - New Source Performance Standards
 - National Emissions Standards for Hazardous Air Pollutants
 - Title V Permit Program
- Emailed the following key legislators required under [ORS 183.335](#):
 - Senator Kate Lieber, Co-Chair, Ways and Means
 - Representative Tawna Sanchez, Co-Chair Ways and Means
 - Senator Lew Frederick, Co-Chair, Subcommittee on Natural Resources
 - Representative Emerson Levy, Co-Chair, Subcommittee on Natural Resources
- Emailed advisory committee members
- Posted on the [DEQ event calendar](#)

Public hearing

DEQ held a public hearing. DEQ received no comments at the hearing. Later sections of this document include a summary of the 4 comments received during the open public comment period, DEQ's responses, and a list of the commenters. Original comments are on file with DEQ.

Presiding officers' record

Date: March 19, 2026

Place: teleconferenced through zoom

Start time: 6:03 p.m.

End time: 6:20 p.m.

Presiding officer: Graham Bates

Presiding officer

The presiding officer convened the hearing, summarized procedures for the hearing, and explained that DEQ was recording the hearing. The presiding officer asked people who wanted to present verbal comments to sign the registration list, or if attending by phone, to indicate their intent to present comments. The presiding officer advised all attending parties interested in receiving future information about the rulemaking to sign up for GovDelivery email notices.

As Oregon Administrative Rule 137-001-0030 requires, the presiding officer summarized the content of the rulemaking notice.

No person presented any oral testimony or written comments.

Summary of public comments and DEQ responses

Public comment period

DEQ accepted public comment on the proposed rulemaking from Feb. 27 until 4 p.m. on March 31, 2026.

For public comments received by the close of the public comment period DEQ's response follows the summary. Original comments are on file with DEQ.

DEQ changed the proposed rules in response to comments described in the response sections below.

Comments received by close of public comment period

The table below lists people and organizations that submitted public comments about the proposed rules by the deadline. Original comments are on file with DEQ.

Commenter 1 Anthony Asch

Affiliation Pratt Larson

This commenter submitted comments supporting the change for ceramics manufacturing to a Simple/Low fee category. The commenter highlights the financial burden of the Simple/High fee.

DEQ response

DEQ has changed the proposed rules to reflect the comments received from the public. DEQ revised the proposed rule to include ceramic coating operations in the Simple Low Fee

Commenter 2 Kirsten Aird

Affiliation Multnomah County Health Department

This commenter representing Multnomah County Health Department (MCHD) submitted comments in support of the increase to the ACDP fee price across all categories. MCHD explains that the ACDP program helps to safeguard public welfare by regulating pollutant levels deemed harmful. MCHD comments that most permits issued under the ACDP rules in Multnomah County are for auto body repair shops. Due to current efforts, MCHD comments that community exposure to harmful pollutants by as much as 90%.

DEQ response

DEQ appreciates the support this rulemaking has received from MCHD.

Commenter 3 Brian Earls

Affiliation Small Business Owner

This commenter submitted comments in opposition to the price increase of the ACDP fees. The commenter highlights that taxes to businesses have increased in recent years and that in addition to the challenges facing the small business sector, in particular gas stations, increasing fees on these permits is creating a challenging environment in which small businesses can compete.

DEQ response

DEQ appreciates the commenter's time and attention to the issue and their participation in the comment process. In the 2025 session, the Oregon Legislature approved DEQ to increase ACDP revenue through the adoption of higher fees to meet the increased costs of operating the program and to add additional resources to meet demand. If adopted, these proposed fee increases will allow DEQ to hire additional staff and maintain existing resources to review and process the large number of ACDP permits in a shorter time and will be able to provide a better quality of service that reflects the increase in cost.

Implementation

Notification

The Environmental Quality Commission delegated approval authority to DEQ Director Feldon. The proposed rule changes become effective upon Director approval and filing with the Oregon Secretary of State on approximately June 1, 2026. DEQ will notify affected parties by:

- GovDelivery: DEQ will submit a GovDelivery communication to all subscribers of AQ ACDP permit related content.
- Website: DEQ will update its ACDP and Rulemaking web pages with adopted rule changes.
- Compliance and enforcement: No impact.
- DEQ staff: The Air Quality Operations Team will notify permitting staff of the fee changes and provide support on answering questions from permittees as they are received.

Systems

Website – DEQ will update its website to reflect adopted rule and fee changes.

Database – DEQ will update fees in the Your DEQ Online permitting platform. The ACDP 20% fee increase will be applied in YDO and reflected in ACDP annual and permitting activity fees.

Invoicing – The fee increase will be applied to the YDO fall annual invoice process.

Training

No training is needed. While our listed fees will reflect the increase, all processes remain the same.

Five-year review

Requirement

Oregon law requires DEQ to review new rules within five years after EQC adopts them. The law also exempts some rules from review. DEQ determined whether the rules described in this report are subject to the five-year review. DEQ based its analysis on the law in effect when EQC adopted these rules.

Exemption from five-year rule review

The Administrative Procedures Act exempts all of the proposed rules from the five-year review because the proposed rules would:

- Amend or repeal an existing rule. ORS 183.405(4)
- Implement legislatively approved fee changes. ORS 183.405(5)(c)

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.

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