

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass and Rescind the Subsequent Referral to the Committee on Ways and Means and Be Placed on the Consent Calendar
Vote:	7 - 0 - 1
Yeas:	Bailey, Barnhart, Bentz, Gilliam, Jenson, Smith J., Cannon
Nays:	0
Exc.:	Boone
Prepared By:	Beth Patrino, Administrator
Meeting Dates:	4/30, 5/14

WHAT THE MEASURE DOES: Removes requirement that Environmental Quality Commission establish fee schedule every two years for sources subject to federal operating permit program under federal Clean Air Act. Aligns period for determining Consumer Price Index (CPI) with federal definition. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Need for technical correction
- Provisions of measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Title V of the 1990 Federal Clean Air Act requires each state to develop a comprehensive operating permit program for industrial facilities with the highest air pollution emission levels. The Title V Permit Program places a greater responsibility on businesses for monitoring, reporting and certifying compliance with the conditions of the permit. Federal and state law require that the Title V fees collected pay for 100 percent of the program's operating cost. It also allows for an annual fee increase based on the CPI. Approximately 130 sources are currently permitted under the Oregon Title V Operating Permit program.

During the 2007 session, the Legislative Assembly increased fees to provide funding for the Title V Permit Program. In a streamlining effort, the legislation changed the rulemaking schedule for CPI fee increases from once per year to once per biennium, resulting in the Environmental Quality Commission setting a two-year fee schedule. The Department of Environmental Quality (DEQ) has always increased fees and calibrated them to inflation by the percentage that the CPI for the calendar year exceeds the 1989 base-year CPI. The federal Clean Air Act identifies calendar year as the average CPI from September through August while Oregon's statute simply provides "calendar year," commonly understood to be January 1 through December 31. Senate Bill 104 allows DEQ to establish a two-year fee schedule and collect the fees as intended by 2007 legislation.