

## **SUBCOMMITTEE RECOMMENDATION**

### **HB 3229 Relating to fees for air pollution programs**

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To: Ways and Means Full Committee  
From: Capital Construction Subcommittee  
Carrier: Senator Dembrow

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HB 3229 modifies the fees charged by the Department of Environmental Quality to administer the Title V program, which is a federal compliance program relating to industrial air pollution. By federal and state law, the Title V program must be fee-supported, it cannot be backfilled by other revenue sources, and the fee revenue may only be spent on program administration. Currently, the Title V program is experiencing a significant revenue shortfall and operating with less than half of the authorized staff.

As amended, HB 3229 increases Title V program fees using a tiered approach with a 43% increase in 2023 and a 40% increase in 2024. It is anticipated fee revenue will be sufficient to pay for the cost of administering the federal operating permit program, and restoring a sufficient ending balance, of approximately four to six months of operating costs.

The measure, as amended by the -2, directs DEQ to evaluate alternative fee structures for Oregon's Title V program and report their findings and recommendations to the Legislative Assembly no later than December 31, 2023.

The Capital Construction Subcommittee recommends HB 3229 be amended by the –2 amendment and be reported out do pass, as amended.