



IOWA DEPARTMENT OF NATURAL RESOURCES

LEADING IOWANS IN CARING FOR OUR NATURAL RESOURCES

2015 Legislative Session and Advisory Group Input

Presented to: Air Quality Advisory Groups

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2015 General Assembly

- Governor's Budget Recommendation included \$1,500,000 General Fund Appropriation
 - Report recommended \$2,000,000
- Legislators proposed bills to: establish dedicated fee fund and authorize permit fees.
- High level of legislative support. However, no support for general funds.
- Business and Industry verbalized program support at subcommittee meetings.
- Senate File 488 passed both legislative houses and was signed into law by Governor Branstad.

Senate File 488

To fund Title V Operating Permit program activities:

- Clarifies that the department may continue to assess fees on emissions of regulated air pollutants, and that those moneys may continue to be used for program costs not funded by other fees created by this bill;
- Prohibits collection of emission fees on greenhouse gases;
- Specifically grants authority for the assessment of Operating Permit Application Fees; and
- Creates two accounts in the existing Air Contaminant Source Fund into which those fees will be deposited:
 - Air Emission Fee Account
 - Operating Permit Application Fee Account

SF 488

To fund the Air Quality Construction Permit (aka New Source Review) Program and Asbestos Program Costs:

- Authorizes the collection of application fees for Major source construction permits, dispersion modeling, and regulatory determinations;
- Authorizes the collection of application fees for Minor source construction permits, including permit templates, registrations, and permits-by-rule; and
- Authorizes the collection of asbestos notification fees for projects regulated under the National Emission Standards for Hazardous Air Pollutants.

SF 488

Creates three accounts in a new Air Quality Fund into which those fees will be deposited:

- Major Source Account
- Minor Source Account
- Asbestos Account

SF 488

The use of the moneys in each account is governed by specifically detailed lists of authorized uses:

- Fees collected are restricted from being used to impose regulations that go beyond federal Clean Air Act requirements.
- Establishes a common process for setting each of the fees:

Annually convened, separate stakeholder meetings for each of the accounts for stakeholders to provide input on fee setting;

The department will calculate projections of permitting volumes and program costs; and

SF 488

The Environmental protection commission will review and approve fee levels and fee adjustments.

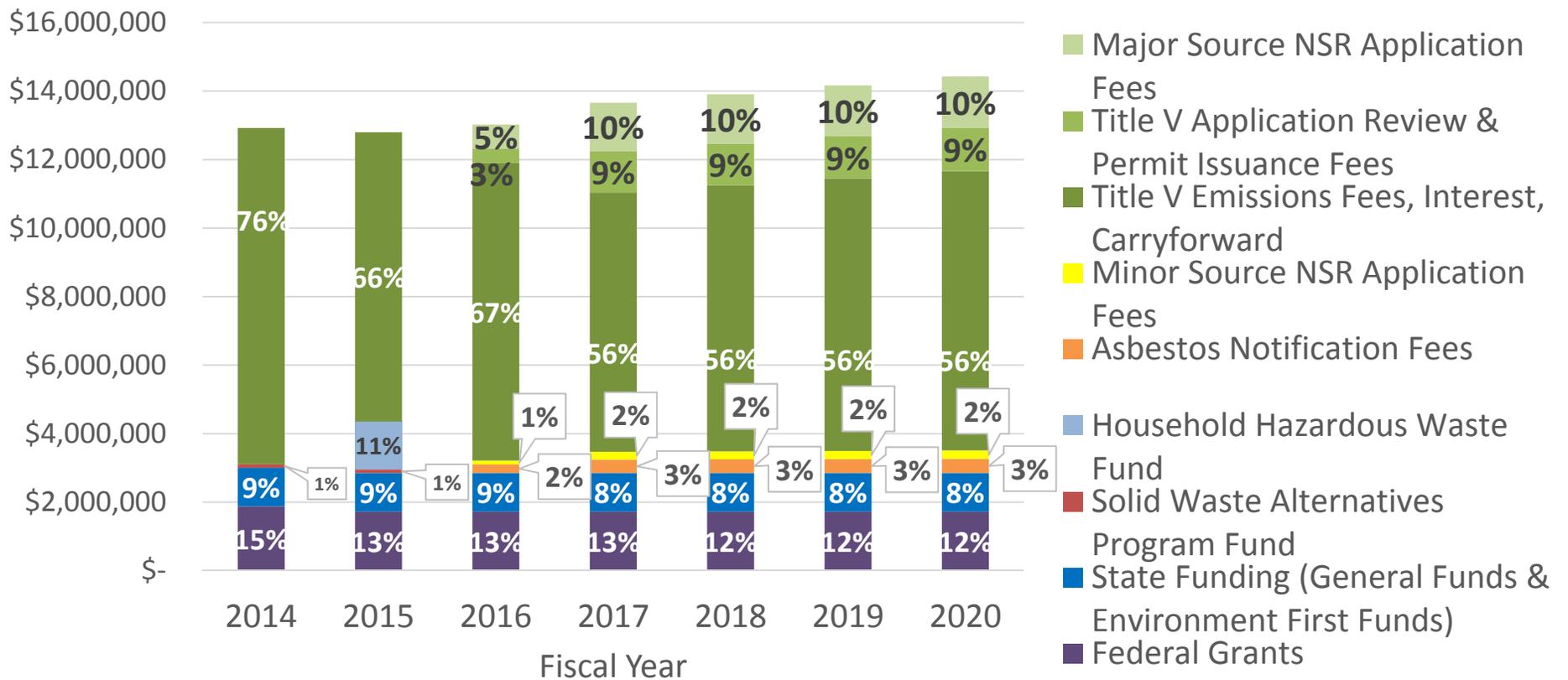
- The calculated projections used to establish the fees shall not exceed the following levels each fiscal year:
- Air Emissions fee: \$8,250,000
- Operating Permit Application fee: \$1,250,000
- Major Source Application fee: \$1,500,000
- Minor Source Application fee: \$250,000
- Asbestos Notification fee: \$450,000
- These projections are expected to adequately fund ongoing air quality program costs assuming an annual cost increase of 1.9% for up to 5 years (FY2016 – FY2020), depending on negotiated salary increases across state government.

SF 488

- Prohibits transferring moneys between accounts;
- Retains unexpended balances in the accounts for future year use; and
- Credits interest earned to each account.
- Application fees may be charged beginning January 1, 2016.
- Emission fees in the Air Contaminant Fund will be transferred into the Air Emission Fee Account, when it is created.
- The bill is effective upon enactment.

SF 488

Air Quality Funding FY 2014-2020



NSR (New Source Review): Construction Permits for New or Modified Sources of Air Pollution.

Summary

- Reductions in emissions have led to declining Title V fee revenues.
- Federal funding is stagnant and does not provide for increased program costs.
- Demand for services continues to grow.
- Cost savings and operational efficiencies have been undertaken.
 - Continue to look for ways to reduce costs for non-value added activities.
- Additional funds are needed to continue to provide the same level of services.

Advisory Groups

2015

- Provide input on:
 - Rules establishing mandates for fees and process for setting fees, and
 - Fee rates for recommendation to the Environmental Protection Commission.

Every year hereafter

- Provide input on:
 - Fee rates for recommendation to the Environmental Protection Commission.

Thank you

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