

Summary of Changes to Fee Rules Since July Advisory Group Meetings

General Changes:

-A preamble was added that includes information on new goals for quicker construction permit response time and quicker average issuance rates for Title V operating permits, and the addition of a cap on Title V fees. The time study was removed from the rulemaking and added to the preamble. Tentative dates and locations of scheduled public hearings were added. The job impact summary statement was also updated.

The proposal calls for a flat fee for new source review applications from minor sources, including registration permits, permit by rule, and permit templates, and for asbestos notifications. Billable, hourly review fees would be assessed during the application review process for new source review applications for major sources and for applications for initial and renewal Title V operating permits.

Comments are requested on alternative approaches to the billable hours approach for both major source construction permit applications and Title V initial and renewal applications. Additionally, if an alternative approach to billable hours for Title V initial and renewal applications is presented, comments are requested on whether the entire application fee for Title V operating permits should be included with the submittal of the application or whether the option should be made available for the fee to be paid in equal annual installments over a five-year time period, beginning when the application is submitted.

-Proposed changes to construction permitting rules, Title V rules, and the addition of new Chapter 30 were reordered to be in sequential order by rule numbers and IAC chapter numbers.

-Four items were removed from the rulemaking. These items pertained to provisions related to finding permit applications incomplete, and denying permit applications, for failure to pay fees as specified in Chapter 30.

-Descriptive comments were removed.

-Minor changes that did not affect the content or meaning of rule language were made throughout the draft rules by legal staff for conformity to the requirements of the Iowa Administrative Code Editor.

Significant Changes to Specific Rule Items:

Updated Item 3 to clarify for application submittals from major sources that the department shall not issue a permit until all required fees have been paid.

Removed Item 4 (To amend paragraph 22.2(1) "a" that an application without a fee would be incomplete.

Removed Item 5: (To amend subrule 22.3(4) to add that the Department shall deny an application based on the failure to provide an application fee.

Item 9 (formally Item 11): (New)- specifies requirement in subrule 22.101(1) that sources required to obtain an operating permit must also submit fees as required in Chapter 30.

Item 11 (formerly Item 13): (New)- clarifies the requirement that owners or operators required to obtain a Title V permit shall submit fees as required in Chapter 30 as part of the *Duty to Apply* in 22.105(1).

Item 12 (formerly Item 14): The phrase “Application fees for permits required in 22.105(1)”a” (1-4), (7-9) are set forth in 567 – Chapter 30,” is removed from 22.105(2). Fees will only apply to initial and renewal Title V operating permit applications.

Removed Item 16: This provision had originally added new language to 22.107(1)”d” (*Completeness of applications*) specifying DNR’s process and timeline for processing a Title V application that is submitted without the required fee.

Removed Item 17: To amend subrule 22.107(9) to add submittal of a Title V permit application without an application fee as a condition for denial of a permit application.

Item 16 (formerly Item 20) (Chapter 30):

30.1 The description for Rule 567-30.6 was updated to include the dollar caps on fee types.

30.1(2) *Duty to Correct Errors*. New language was added to address over payment of a fee. The word “established” was replaced with “assessed or collected” to clarify that the duty to correct errors pertains to correcting errors in invoices for fees and fee payments, not to correcting errors in the fee amounts established in rule.

30.1(4) (New) - *Refund of application fee minus administrative cost for permit applications at minor sources*. Language regarding refunds previously located in 30.2 was moved to this new subrule. This subrule only applies to refunds of application fees and longer applies to major sources since they would be billed at an hourly rate during, or following, completion of permit application review.

30.2 (455B) - Language regarding refunds moved to new subrule 30.1(4). Updated to apply to both a flat fee and billable hours approach. Fees are specified in the Fee Schedule approved by the commission and posted on the department’s website.

30.2(1) *Payment of regulatory applicability determination fee*. Updated to specify that fees for determinations are paid as specified in the Fee Schedule approved by the commission and posted on the department’s website.

30.2(2) (Reserved). Language regarding expedited permitting removed and subrule reserved for future use.

30.3(1) *Payment of fees established (for asbestos notifications)*. Updated to include language noting that the asbestos notification fee shall be paid as specified in the Fee Schedule approved by the commission and posted on the department’s website.

30.3(2) *Fee not required*. Cancelled and courtesy asbestos notifications were added to revised notifications in paragraph “c.” Clarification was also added regarding requirement to pay a fee for submittal of an original notification for a project notification previously submitted as a courtesy notification.

30.4(1) *Payment of Title V application fee*. Removed reference to 567 – 22.105 (1)”a” (1-4), (7-9) for permit modifications and replaced it language clarifying that the fees only apply to initial and renewal

applications. Language was also added noting that the fees shall be paid as specified in the Fee Schedule approved by the commission and posted on the department's website.

30.4(2) Added Title V fee cap language as follows: "The commission shall not set the fee higher than \$70 per ton without adopting the change pursuant to formal rulemaking."

Removed 30.5(5) (New) *New source review for major source permit applications and Title V operating permit applications time and cost study*. This subrule had specified that a time and cost study would be conducted associated with application review and permit issuance for major source construction permits and Title V operating permits. With the proposal to assess billable, hourly fees for these application types, completion of the time study is outside the scope of this rulemaking. Language discussing completion of the study has been moved to the rule preamble.

30.6(1) *Setting the fees*. Clarification added regarding the opportunity for public comment on fee proposals provided to the EPC. Added dates when fees adjusted by the Commission could become effective.

30.6(2) *Fee types and dollar caps on fee types*. Dollar caps on each fee type have been added. The commission may set fees for only the fee types and activities specified in this subrule. The Commission is restricted from setting a fee in the fee schedule higher than the levels specified in this subrule without adopting the change pursuant to formal rulemaking. Paragraphs a-e have been updated to list the cap on the flat fee or billable fee. Removed expedited permitting from paragraph "a." Removed list of different types of operating permit applications from paragraph "d" and replaced it with language that specifies initial or renewal Title V operating permit applications.

30.7(1) *New source review application fees from major sources*. Added language from the legislation stating that the calculated estimate of total revenues from new source review application fees from major sources shall not exceed \$1,500,000 during any state fiscal year.

30.7(2) *New source review application fees from minor sources*. Added language from the legislation stating that the calculated estimate of total revenues from new source review application fees from minor sources shall not exceed \$250,000 during any state fiscal year.

30.7(3) *Title V emissions*. Added language from the legislation stating that the calculated estimate of total revenues from emissions fees shall not exceed \$8,250,000 during any state fiscal year.

30.7(4) *Title V applications*. Added language from the legislation stating that the calculated estimate of total revenues from Title V application fees shall not exceed \$1,250,000 during any state fiscal year.

30.7(5) *Asbestos notification*. Added language from the legislation stating that the calculated estimate of total revenues from asbestos notification fees shall not exceed \$450,000 during any state fiscal year.