



SPONSOR: Rep. Heffernan & Sen. Paradee
Rep. Bolden; Sen. Hansen

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 171

AN ACT TO AMEND TITLE 7 OF THE DELAWARE CODE RELATING TO THE CLEAN AIR ACT TITLE V
OPERATING PERMIT PROGRAM.

1 WHEREAS, the federally implemented Title V and synthetic minor air quality permit program is required by
2 federal law to be fully funded by the holders of those permits; and

3 WHEREAS, the General Assembly has implemented a program to ensure that obligation is carried out, but to do
4 so, updates to the permit fees must be made regularly.

5 NOW, THEREFORE:

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all
7 members elected to each house thereof concurring therein):

8 Section 1. Amend § 6097, Title 7 of the Delaware Code by making deletions as shown by strike through and
9 insertions as shown by underline as follows:

10 § 6097. Fees.

11 (c) The Department shall collect annual fees, payable annually or in 2 installments, as set forth in subsection (i) of
12 this section, during calendar years ~~2021, 2022, and 2023~~, 2024, 2025, and 2026, from each source that is required to pay the
13 annual fee as set forth in subsection (a) of this section. The annual fee for each subject source will be determined by the
14 sum of 3 component fees: a base fee as set forth in subsection (d) of this section, a user fee as set forth in subsection (e) of
15 this section, and a program fee as set forth in subsection (g) of this section. For any source that becomes subject to the
16 Program after December 31, ~~2020~~ 2023, the base fee, user fee, and program fee shall be calculated as set forth in
17 subsections (f) and ~~(h)~~ (g) of this section.

18 (d) (1) The base fee relates to services that are common to all sources subject to the program. These services
19 include activities such as permit issuance and renewals; stationary source regulation development; ambient monitoring;
20 emission inventory; control strategy development; and administration of the Small Business Stationary Source Technical
21 and Environmental Compliance Program.

22 (2) In calendar years ~~2021, 2022, and 2023~~, 2024, 2025, and 2026, the Department will place each subject
23 source into 1 of the following categories:

24	Category A	Greater than 6,000 hours will pay \$277,020
25	Category B	from 5,001 to 6,000 hours will pay \$108,300
26	Category C	from 4,001 to 5,000 hours will pay \$93,480
27	Category D	from 3,001 to 4,000 hours will pay \$80,940
28	Category E	from 2,001 to 3,000 hours will pay \$57,000
29	Category F	from 1,501 to 2,000 hours will pay \$42,180
30	Category G	from 1,001 to 1,500 hours will pay \$28,500
31	Category H	from 667 to 1,000 hours will pay \$18,240
32	Category I	from 334 to 666 hours will pay \$9,120
33	Category J	up to 333 hours will pay \$5,700.

34 (3) The Department's category determination pursuant to paragraph (d)(2) of this section shall be based upon
35 5 years' data of engineering, compliance, and enforcement hours expended for each facility from ~~2015 to 2019~~ 2018 to
36 2022. The Department will continue to track the actual hours spent processing Title V permits and performing other
37 related services under the Title V program. This information may be used in the evaluations of the Title V program
38 associated with the expiration of this statute on December 31, ~~2023~~ 2026.

39 (e) (1) The user fee relates to activities not identified in subsection (d) of this section for the Program, such as:
40 administration of the compliance and enforcement program; implementation and enforcement of the terms of any Title V
41 Operating Permit or synthetic minor permit; permit revisions or amendments, including the development of an applicable
42 requirement as part of the processing of the permit issuance, revision or amendment; the supporting and tracking of data;
43 modeling; and adequate resources to determine which sources are subject to the Program. Such fees shall be based on the
44 emissions of each air contaminant, nitrogen oxides (NO_x); particulate matter less than 10 microns (PM₁₀); sulfur dioxides
45 (SO₂); volatile organic compounds (VOC), in whole tons and in the aggregate, excluding carbon monoxide (CO) and
46 particulate matter less than 2.5 microns (PM_{2.5}), as listed in the ~~2017~~ 2020 Delaware Point Source Emission Inventory of
47 Estimated Actual Regulated Air Contaminants.

48 (2) In calendar years ~~2021, 2022, and 2023,~~ 2024, 2025, and 2026, the Department will place each subject
49 source into 1 of the following categories:

50	Category 1	Greater than 2,000 tons will pay \$350,000
51	Category 2	from 1,001 to 2,000 tons will pay \$100,000
52	Category 3	from 501 to 1,000 tons will pay \$60,000
53	Category 4	from 201 to 500 tons will pay \$28,000

- 54 Category 5 from 101 to 200 tons will pay \$12,000
- 55 Category 6 from 51 to 100 tons will pay \$9,000
- 56 Category 7 from 26 to 50 tons will pay \$6,000
- 57 Category 8 from 6 to 25 tons will pay \$4,100
- 58 Category 9 up to 5 tons will pay \$3,950.

59 (f) The Department shall assess a base fee that is consistent with the categories and amounts specified in
 60 subsection (d) of this section for any source that becomes subject to the Program after December 31, ~~2020~~ 2023. The
 61 estimated hours on which the base fee assessment is calculated shall include an evaluation of specific regulatory
 62 applicability to the source. This shall include, but is not limited to, the following: new source review; new source
 63 performance standards; toxic requirements, to include maximum achievable control technology and National Emission
 64 Standards for Hazardous Air Pollutants; and continuous emission monitoring requirements. The Department shall assess a
 65 user fee based upon allowable emissions specified in the source's permit that is consistent with the categories and amounts
 66 specified in subsection (e) of this section for any source that becomes subject to the Program after December 31, ~~2020~~
 67 2023.

68 (g) The Department shall assess a program fee based on the source's combined base and user fees. In calendar
 69 years ~~2021, 2022, and 2023,~~ 2024, 2025, and 2026, the Department will place each subject source into 1 of the following
 70 categories:

- 71 Category PF1 Total base and user fees greater than \$125,000 will pay ~~\$28,250~~ \$6,250
- 72 Category PF2 Total base and user fees \$100,000 - \$124,999 will pay ~~\$34,425~~ \$5,625
- 73 Category PF3 Total base and user fees \$50,000 - \$99,999 will pay ~~\$22,950~~ \$3,750
- 74 Category PF4 Total base and user fees \$25,000 - \$49,999 will pay ~~\$11,475~~ \$1,875
- 75 Category PF5 Total base and user fees \$15,000 - \$24,999 will pay ~~\$6,120~~ \$1,000
- 76 Category PF6 Total base and user fees \$10,000 - \$14,999 will pay ~~\$3,825~~ \$625
- 77 Category PF7 Total base and user fees < \$10,000 will pay ~~\$3,060~~ \$500

78 (h) These fees may be increased on an annual basis by no more than the Federal Consumer Price Index for the
 79 previous calendar year. Any increases in fees are subject to review and approval by the committee established pursuant to §
 80 6099 of this title. After December 31, ~~2023~~ 2026, no fees shall be collected pursuant to this section unless authorized by a
 81 further act of the General Assembly. The Department shall consult with the Title V Operating Permit Program Advisory
 82 Committee prior to any proposed increase to the complement of full-time equivalent employees funded in whole or in part
 83 by the Program.

84 (i) Annual fees must be paid in full by June 30 of each calendar year ~~2021, 2022, and 2023~~ 2024, 2025, and 2026.
85 Installment payments, due March 31 and June 30, are allowed upon written request and Department approval. A subject
86 source is considered delinquent if payment is not received by the aforementioned due dates depending on the elected
87 payment option. Any delinquent subject source shall be subject to a 2% compounding monthly interest rate for each month
88 overdue. Each source is required to pay its annual fee. The Department has the authority to revoke a Title V or synthetic
89 minor permit on the sole basis that the annual fee has not been paid. Sources that have not paid their annual fee may be
90 given notice that their Title V or synthetic minor permit will be revoked for nonpayment of the fee. No permit shall be
91 revoked without 60 days written notice or prior to 3 months past the due date for the fee. Cancellation of the permit shall
92 not relieve the source of the obligation to pay the ~~last year's fee~~ delinquent fees and interest. The Department shall track
93 payment records of overdue and delinquent sources and shall document actions taken to recover delinquent fees. The
94 Department shall include a detailed summary of delinquent facilities in the Title V annual status report, including the
95 amount owed and the documented action taken by the Department to collect such fees.

96 (k) Any funds collected under this section shall be deposited in the account as described in § 6096 of this title,
97 shall be interest earning, and shall be used solely to ~~develop, administer and implement~~ the Program. The Secretary shall
98 cause an internal audit of the fiscal affairs to be made ~~annually~~ each calendar year and shall ~~furnish a copy of such~~
99 incorporate the audit report together with such additional information or data with respect to the affairs as the Secretary
100 may deem desirable to the Title V Operating Permit Program Advisory Committee via the requirements of subsection (l) of
101 this section.

102 (l) The Department will continue to track for each source the actual hours spent processing Title V permits and
103 performing other related services under the Title V program and shall, as part of the annual fee assessment, provide each
104 source with the number of said hours expended during the preceding year. The Division of Air Quality will develop an
105 annual report, by May 1 of each year, that includes the overall program costs, the fees collected, current staffing levels,
106 program accomplishments, and each subject source's total hours for the preceding calendar year ~~in report form~~ and present
107 this report at an annual meeting with the Title V Operating Permit Program Advisory Committee. The Division of Air
108 Quality shall publish a notice announcing the availability of the report in a paper of general circulation throughout the State.

109 Section 2. Amend § 6099, Title 7 of the Delaware Code by making deletions as shown by strike through and
110 insertions as shown by underline as follows:

111 § 6099. Title V Operating Permit Program Advisory Committee.

112 There shall be established a "Title V Operating Permit Program Advisory Committee," hereinafter referred to as
113 "Committee." The Committee members shall be appointed by the Governor and shall include, but not be limited to, the

114 Secretary of the Department of Natural Resources and Environmental Control, or the Secretary's duly appointed designee;
115 the Director of the Division of Air Quality, or the Director's duly appointed designee; 2 members who will represent
116 stationary sources; 1 to be a member of the Chemical Industry Council; a member of the Delaware State Chamber of
117 Commerce; a member representing a public utility; 2 members of a nationally affiliated or state environmental advocacy
118 group; and the chairpersons of the House Natural Resources and Energy Committee and the Senate Natural Resource
119 Committees Environment, Energy, and Transportation Committee. The Secretary of the Department of Natural Resources
120 and Environmental Control shall serve as the Chair of this Committee. The Committee shall review the annual report, as
121 required by § 6097 of this title by September 30 of each calendar year and provide accommodations as necessary.~~The~~
122 ~~Committee shall provide the Governor and the General Assembly with a report on or before February 1 of each year, for the~~
123 ~~previous calendar year, identifying the amounts and sources of fees collected pursuant to § 6097 of this title, the~~
124 ~~expenditures made by the Department to implement the Program, information regarding the performance of the Program,~~
125 ~~whether the fees collected by § 6097 of this title are adequate to ensure the effective implementation of the Program, and~~
126 ~~recommendations to remedy or improve any deficiencies or elements of the Program.~~

127 Section 2. This Act is effective January 1, 2024.

SYNOPSIS

This Act extends the Clean Air Act Title V Operating Permit Program annual fees for facilities in Delaware, which have historically expired and been reauthorized by the General Assembly every three years. Existing statutory authorization to collect fees sunsets on December 31, 2023. This legislation updates the fee assessments based on the work of the Title V Operating Permit Program Advisory Committee and makes additional clarifying updates. For 2024-2026, the total fee will be comprised of a base fee, user fee, and program fee. Base fees are based on the number of staff hours spent on the source's permitting, compliance, and enforcement activities, while the user fee is based on the source's air emissions. The program fee will be assessed based on the total base and user fees. This Act authorizes the Department of Natural Resources and Environmental Control to collect Title V annual fees for calendar years 2024 through 2026, at which point the authority sunsets and would need to be reauthorized.