



REPUBLICAN CAUCUS STAFF
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DES MOINES, IOWA 50319
515.281.3440
IOWAHOUSEREPUBLICANS.COM

HOUSE REPUBLICAN STAFF ANALYSIS

Bill: House File 660
Committee: House Ways & Means/Environmental Protection
Date: April 12, 2011
Staff: Lew Olson (1-3096)
Floor Manager: Representative Hager

Title V Fee \$56 Cap and Permissible Use of Such Fee

House File 660 proposes to retract authority for the Environmental Protection Commission (EPC) to devise and promulgate Title V permit fee by rule and instead establishes a codified the fee rate at its current \$56 a ton of chargeable pollutant. The bill also codifies language concerning what Department of Natural Resources (DNR) clean air program costs may be funded with operating program fees (Title V). Over the last several years DNR Air Bureau has been using Title V funds which are paid by Iowa's largest industries and job creators, to fund other parts of the Air Bureau's regulatory activities, such as construction permitting. Some of those activities are required, while others are optional under federal law. HF 660 seeks to clarify what other state clean air programs may be funded with Title V fees.

House File 660 was considered, amended and passed by the House Ways & Means Committee on March 24, 2011 by a party-line 14-aye to 9-nay vote. The House Environmental Protection Committee passed its predecessor House File 402 (as House Study Bill 75) on Tuesday, February 22, 2011, by a partisan 13-aye to 8-nay vote. No Senate companion to HF 660 exists.

Summary of Action

The House Environmental Protection Committee **PASSED** HF 402 (as HSB 75) on February 22, 2010 by a 13-8 vote.

The House Ways & Means Committee **PASSED** HF 660 (as HF 402) on March 24, 2011 by a 14-9 vote.

Section by Section Analysis

Sections 1 – DNR Directed to Set Title V Fees Annually Through Rule with Fees After January 1, 2012

Sufficient Solely for Program Operating Permit Costs This section further stipulates that fees collected cannot be used for construction permitting, must be based on 'reasonable' costs of operating the program, and Title V operating fees cannot be assessed to pay for clean air program costs that exceeds federal requirements. This section additionally caps the fee at \$56/ton and prohibits DNR from obtaining fees for greenhouse gas emissions.

Section 2—DNR Reporting to Fee Payer of Use of Fees on Quarterly Basis This section directs DNR to provide Title V fee payers, via the DNR listserv monthly reports of all fees moneys spent on Title V activities and all monies spent on activities outside Title V. The reporting will begin no later than July 1, 2011 and go through January 15, 2012.

Amendments

H 1622, by Hager, is a strike after the enacting clause and insert substitute language that removes the Title V fee cap language, delays the start of when the DNR established Title V fees must be based solely on the cost of administering and operating Title V programs from January 1, 2012 to July 1, 2012; which reasonable cost can be built into the fee calculation by eliminating redundant 'reasonable' adjective verbiage to different aspects of Title V program costs; and changes the reporting requirement from monthly to quarterly. The amendment also specifies a delayed effective date for this legislation of July 1, 2012.