

Regulation IV

Rule 407 – Air Toxics “Hot Spots” (AB2588) Fees

This Rule was first adopted May 19, 2005. The current version was adopted by the Governing Board via Resolution 2014-7 on October 16, 2014.

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RULE 407 AIR TOXICS “HOT SPOT” (AB2588) FEES

- A. PURPOSE:** The purpose of this Rule is to serve as the basis for the collection of fees for the implementation of the State mandated Air toxics “Hot Spots” Information and Assessment Act of 1987.
- B. APPLICABILITY:** This Rule shall apply to any stationary source facility which commenced operation prior to January 1st of the year in which the fees are assessed pursuant to this Rule, and which:
1. Manufactures, formulates, uses, or releases any of the substances listed pursuant to H&SC §44321, or any other substance which reacts to form a substance so listed, and which releases 10 tons per year or greater of total organic gases, particulate matter, sulfur oxides or nitrogen oxides from the most recent base year inventory selected by the District; or
 2. Manufactures, formulates, uses, or releases any of the substances listed pursuant to H&SC §44321, or any other substance which reacts to form a substance so listed, and which releases less than 10 tons per year of total organic gases, particulate matter, sulfur oxides or nitrogen oxides from the most recent base year inventory selected by the District, and is included in any class listed in Appendix E of the Criteria and Guidelines Report incorporated by reference in CCR Title 17 §93300.5.
- C. ASSESSMENT OF FEES:** The District shall assess and collect the following fees for implementing the State mandated Air Toxics “Hot Spots” Information and Assessment Act of 1987. The District costs shall include but not be limited to review of inventory plans and reports, review of risk assessments, review of source test data, review of quadrennial updates, calculation of relevant exposure rates, charges from the District’s use of consultants to supplement District staff, and costs associated with collecting the State’s portion of the mandated fees. The State costs shall include the reasonable anticipated costs which are incurred by the California State Air Resources Board (CARB) and the Office of Environmental Health Hazard Assessment.
1. **Assessment of State Fees:** A fee covering State costs will be assessed to each facility subject to the provisions of this Rule as determined for the facility program category in the Air Toxics “Hot Spots” Fee Regulation adopted by CARB pursuant to H&SC §44380 as set forth in CCR Title 17 §90700 through §90705, except that the total of District and State fees for a facility shall not exceed one X for facilities subject to Section B.2 of this Rule. Notwithstanding this limitation, if State costs significantly exceed \$100.00, as determined by the APCO, the facility operator shall pay the actual State costs.
 2. **Assessment of District Fees (Facilities which meet Section B.1 of this Rule):** The operator of each stationary source facility which meets the criteria of Section 1.1 of this Rule shall pay an annual air toxic assessment fee calculated according to the formula:

$$\text{Air Toxic Assessment} = A * m$$

Where:

A = Dollar per Ton value of pollutant for facilities meeting Section 1.1 criteria. The dollar per ton value equals the total District costs for these facilities only, divided by their total yearly emissions (in tons) of total organic gases, particulate matter, sulfur oxides, and nitrogen oxides. Notwithstanding this Section, subject facilities shall pay a minimum 0.5 X annual District fee.

m = Mass of facility’s total air emissions, determined by adding the emissions values for each pollutant -- total organic gases, particulate matter, sulfur oxides, and nitrogen oxides -- having an emission value equal to or greater than 10 tons per calendar base year as calculated by the APCO from source tests or estimated emissions data.

3. **Assessment of District Fees (Facilities which meet Section B.2 of this Rule):** The operator of each stationary source facility which meets the criteria of Section B.2 of this Rule shall pay a flat fee of 0.5 X per year. Notwithstanding this Section, if District costs significantly exceed 0.5 X for a facility in a year, as determined by the APCO, the facility operator shall pay the actual District costs.

D. EXEMPTIONS:

1. Any stationary source for which the prioritization scores for cancer and non-cancerous health effects are both equal to or less than one (1), based on the results of the most recent emissions inventory or emissions inventory update shall be exempt from payment of fees.
2. Except as specified in this Rule, any stationary source for which the prioritization scores for cancer and non-cancerous health effects are both equal to or less than 10, based on the results of the most recent emissions inventory or emissions inventory update shall be assessed a District fee of \$125.00 every fourth year to cover District costs of processing the quadrennial emissions inventory update.
3. Notwithstanding the requirements of this Rule, with the Governing Board approval, the APCO may waive the assessment of fees pursuant to this Rule for a fiscal year if the APCO determines it is not cost effective to administer the fee collection based on the amounts due and District fee assessment costs would unnecessarily add to the fees assessed. Any such determination will result in fees waived for all facilities that would otherwise be subject to this Rule for that fiscal year.