PROPOSED

RULE 3110 AIR TOXICS FEES (Adopted May 21, 1992; Amended December 17, 1992; Amended May 15, 1997; Amended July 17, 2003; Amended January 17, 2008, effective July 1, 2009; Amended [date of adoption], effective July 1, 2016)

Note: This rule is effective on and after July 1, 2009.

1.0 Applicability

This rule applies to facilities subject to the requirements of the Air Toxics "Hot Spots" Information and Assessment Act (Sections 44340 to 44383 of the California Health and Safety Code) and to facilities subject to National Emission Standards for Hazardous Air Pollutants issued pursuant to Section 112 of the federal Clean Air Act (42 U.S. Code, 7401, et. seq.).

2.0 Purpose

The purpose of this rule is to recover State costs for implementing the Air Toxic Hot Spots Program as charged to the District, and District costs for implementing an integrated air toxics program that addresses both State and Federal mandates.

3.0 Definitions

3.1 Complex Facility: a facility that has six or more processes as determined by six digit Source Classification Codes.

3.2 Deminimus Facility: a facility meeting any one of the following five criteria:

3.2.1 The facility primarily performs printing as described by Standard Industrial Classification (SIC) Codes 2711 or 2782, and the facility uses an annual average of two gallons per day or less of all graphic arts materials (excluding the volume of water or acetone used);

3.2.2 The facility is a wastewater treatment plant, as described by SIC code 4952, which has a maximum throughput of less than 10,000,000 gallons per day, and does not have a sludge incinerator;

3.2.3 The facility is a crematorium for humans or animals, as described by SIC code 7261 or any other SIC code that describes a facility using an incinerator to burn biomedical waste (animals), the facility uses only propane or natural gas as fuel, and the facility annually cremates no more than 300 human bodies or 43,200 pounds of remains (human or animal). Facilities using incinerators that burn biomedical waste other than human bodies or animals do not qualify for this exemption;
3.2.4 The facility is primarily a boat (or ship) building or repair facility, as described by SIC codes 3731 or 3732, respectively, and the facility uses 20 gallons per year or less of coatings or is a coating operation using hand-held non-refillable aerosol cans only; or

3.2.5 The facility is a hospital or veterinary clinic building that is in compliance with the control requirements specified in the Ethylene Oxide Control Measure for Sterilizers and Aerators, section 93108 of Title 17, California Code of Regulations, and has an annual usage of ethylene oxide of less than 100 pounds per year if it is housed in a single story building, or has an annual usage of 600 pounds per year if it is housed in a multi-story building.

3.3 Facility: a stationary source as defined in Rule 2201 (New and Modified Stationary Source Review Rule).

3.4 High Priority Facility: except for high risk facilities, any facility that, based on their most recent Toxic Emission Inventory Report approved and prioritized by the District in accordance with Section 44360(a) of the California Health and Safety code, has been prioritized by the District with a score greater than or equal to 10.0. This fee category does not apply to industrywide survey facilities.

3.5 High Risk Facility: a facility that has had its health risk assessment approved by the District in accordance with California Health and Safety Code Section 44362 and whose risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than 10.0 or a total hazard index of greater than or equal to 1.0. This category does not apply to industrywide survey facilities.

3.6 Industrywide Survey Facility: a facility that qualifies to be included in an industrywide emission inventory prepared by the District pursuant to California Health and Safety Code Section 44323, but is not an intermediate priority.

3.7 Intermediate Priority Facility: means a facility that has been prioritized by the District with a prioritization score of equal to or greater than 1.0 and less than 10.0 based on the most recent Toxic Emission Inventory Report for the facility approved and prioritized by the District.

3.8 Low Priority Facility: a facility that, based on their most recent Toxic Emission Inventory Report approved and prioritized by the District in accordance with Section 44360(a) of the California Health and Safety code, has been prioritized by the District with a score less than 1.0.

3.9 Low Risk Facility: a facility that has had its health risk assessment approved by the District in accordance with California Health and Safety Code Section 44362 and whose risk assessment results show a total potential cancer risk, summed across all
pathways of exposure and all compounds, of less than 1.0 or a total hazard index of less than 0.1.

3.10 Major Facility: a facility that consists of one or more major sources of hazardous air pollutants, as defined in applicable National Emission Standards for Hazardous Air Pollutants (NESHAPS) issued pursuant to Section 112 of the federal Clean Air Act (42 U.S. Code, 7401, et. seq.).

3.11 Medium Facility: a facility that has three to five processes as determined by six digit Source Classification Codes.

3.12 Nonmajor Facility: a facility that is not a major facility.

3.13 Simple Facility: a facility that has one or two processes as determined by six digit Source Classification Codes.

3.14 Small Business: a facility that is independently owned and operated and has met all of the following criteria in the preceding year: 1) the facility has 10 or fewer employees; 2) the facility’s gross receipts are less than $1,000,000; and 3) the total annual gross receipts of California operations the facility is part of are less than $5,000,000.

3.15 Source Classification Codes: means number codes created by the United States Environmental Protection Agency used to identify processes associated with sources that contribute emissions to the atmosphere.

3.16 Unprioritized Facility: means a facility that has not been prioritized by the District in accordance with California Health and Safety Code Section 44360 (a).

4.0 Exemptions

4.1 Low priority, low risk, and deminimus facilities shall be exempt from the fee requirements of sections 6.1 and 6.2 of this rule.

4.2 Intermediate priority facilities shall be exempt from the annual District air toxic fee requirements of section 6.1.

5.0 Small Business Fee Cap

The total annual air toxic fees, including District and State fees from sections 6.0 and 7.0 of this rule, charged for small businesses shall be limited by a small business fee cap. The maximum annual air toxic fee that a small business, as defined in section 3.14 of this rule, shall pay is $350384.
6.0 District Air Toxic Fees

6.1 Owners and/or operators of facilities, except for intermediate priority facilities, shall pay an annual fee based on their facility status on the first day of the fiscal year, according to the following schedule:

<table>
<thead>
<tr>
<th>Facility Status</th>
<th>Simple</th>
<th>Medium</th>
<th>Complex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrywide Survey</td>
<td>$400,110</td>
<td>$100,110</td>
<td>$100,110</td>
</tr>
<tr>
<td>Small Businesses</td>
<td>350,384</td>
<td>350,384</td>
<td>350,384</td>
</tr>
<tr>
<td>Unprioritized</td>
<td>436,478</td>
<td>1,154,1264</td>
<td>3,585,924</td>
</tr>
<tr>
<td>High Priority</td>
<td>1,231,1348</td>
<td>3,407,3729</td>
<td>6,248,637</td>
</tr>
<tr>
<td>High Risk</td>
<td>3,407,3729</td>
<td>5,045,521</td>
<td>8,145,8912</td>
</tr>
</tbody>
</table>

6.2 Owners and/or operators of intermediate priority facilities shall pay a fee of $446,160 every four years during the fiscal year that their quadrennial update is due.

6.3 In addition to the applicable fees from section 6.1 or 6.2, owners and/or operators of facilities that, at any time during the fiscal year, are subject to National Emission Standards for Hazardous Air Pollutants (NESHAPS) issued pursuant to Section 112 of the federal Clean Air Act (42 U.S. Code, 7401, et. seq.) shall pay the following annual fee of $117,129 for nonmajor facilities or $110,912,15 for major facilities.

7.0 State Air Toxic Fees

7.1 State Air Toxic Hot Spots Fee

In addition to the District Air Toxic Fees described in Section 6.0 of this rule, Owners and/or operators of facilities subject to the requirements of the State Air Toxics "Hot Spots" Information and Assessment Act (Sections 44340 to 44383 of the California Health and Safety Code) shall pay an annual fee equal to the State cost for the facility used in the development of the State’s Amendments to the Air Toxic Hot Spots Fee Regulation for the fiscal year.

7.2 State Fees for Review of Risk Assessments

Owners and/or operators of facilities required to submit health risk assessments pursuant to Section 44360 of the State Health and Safety Code shall reimburse the District for the amount the District is charged by the State for review of facility risk assessments.

7.3 State Air Toxic Fees collected by the District shall be transmitted to the State in accordance with applicable provisions of Section 90705 of Title 17 of the California Code of Regulations.
8.0 Fee Notices and Late Fees

8.1 Each year, the District shall provide invoices as notification to pay District and State air toxic fees, payable within 60 days of the invoice date.

8.2 If all fees due have not been paid within 60 days of the invoice date, the fee shall be increased in accordance with the schedule provided in Rule 3010 Section 11.0 (Late Fees). Nonpayment of the increased fees within 90 days of the invoice date may result in suspension of the facility’s Permit(s) to Operate.