PROPOSED RULE COST/BENEFIT ANALYSIS

Section 67-5223(3), Idaho Code, requires the preparation of an economic impact statement for all proposed rules imposing or increasing fees or charges. This cost/benefit analysis, which must be filed with the proposed rule, must include the reasonably estimated costs to the agency to implement the rule and the reasonably estimated costs to be borne by citizens, or the private sector, or both.

Department or Agency: Department of Environmental Quality

Agency Contact: Michael Simon Phone: 208-373-0212

Date: July 16, 2026

IDAPA 58.01.01, Rules for the Control of Air Pollution in Idaho

Fee Rule Status: X Proposed ___ Temporary

Rulemaking Docket Number: 58-0101-2602

STATEMENT OF ECONOMIC IMPACT /REASONABLE ESTIMATED COSTS

The following fees authorized by Idaho Code § 39-115(3) have changed:

Permit To Construct fee outlined in 58.01.01.225.
Tier II operating permit fee outlined in 58.01.01.407.
Registration Fee for Permit by Rule outlined in 58.01.01.800.
Annual Fee for Minor Sources outlined in the proposed rule 58.01.01.225-249.

The proposed rule aims to address an outdated air permitting fee structure that no longer reflects the current cost of administering the air permitting program. These revisions are intended to update the application and processing fees for new and modified facilities seeking a permit to construct, general minor permit, permit by rule, or Tier II operating permit and will add an annual fee for existing non-Title V facilities. The air permitting program currently relies heavily on the State General Fund, increasing vulnerability to state budget fluctuations. The proposed fee revisions are intended to account for inflation and to reduce program reliance on the State General Fund for permitting and compliance activities for non-Title V facilities. The table below shows the cost to run the entire Air Division for Fiscal Year 2026.

Estimated Cost to Implement IDAPA 58.01.01 in FY2026:

Rule Chapter	General Funds	Dedicated Funds	Federal Funds	Total
58.01.01	$5,748,900	$1,327,167	$1,758,400	$8,834,467

Updating the fees for new and existing non-Title V facilities will increase the permitting fee cost for the regulated community seeking permits. For example, an application fee for a permit to construct is increasing

from $1000 to $1,500, and the processing fees are increasing about 50% based on permitted emissions. The estimated cost increase for application and processing fees is approximately $178,000 from the current total fees collected. In addition, there are approximately 750 permitted sources that would be affected by the proposed annual fee based on facility classification ranging from $750 for B sources to $3,000 for SM80 sources. The total annual fee costs are estimated at $735,000 to industry for FY2028. The total increase from the current fees in fees collected from this proposed rule would be roughly $913,000. The estimated total amount of fees received if this proposed rule is approved would be $1,093,125 FY2028. DEQ also proposes an increase in the fees every year for the next five years at a fixed rate to account for inflation. There will also be increased costs for the Department to invoice and process the incoming annual fees, including initial startup costs, to create the software for issuing and tracking invoices. This is estimated to cost $30,000 to $60,000. The increase in costs would be covered by the proposed fees in this rule.