Rule 311, Registration Fees for Agricultural Compression Ignition Engines

Public Hearing
July 24, 2008
Introduction

- Overview of proposal
- Public outreach/Response to workshop comments
- Board Requests
- Proposed Fees
- Recommendations
Overview of Proposal

- Recover costs to implement ATCM:
  - Direct cost for registration and inspection staff time
    - Processing registration
    - Engine inspections
    - ATCM compliance
  - Direct costs for supplies/services to support staff
    - Cars, gasoline, other services and supplies
  - Overhead costs – Building, accounting/payroll, support staff compensation, and other associated expenses

- Fees must be paid for all engines that are required to register, except permitted engines (District Rule 215)
Public Outreach/Response to Workshop Comments

- **Public Outreach**
  - 4 meetings with Farm Bureau
  - Notices mailed directly to 105 farms/232 engines
  - Hearing notices published in the Sacramento Bee on March 24, 2008 and June 23, 2008
  - Staff held two evening public workshops

- **Changes in response to workshop comments**
  - Lowered initial fee (~50%) for Carl Moyer engines
  - Lowered fees (~50%) for multiple engines located at one facility
  - Renewal fees sunset when final emission standards in ATCM met
Board Requests

- Board member requests from April 24, 2008 meeting
  - Explore other enforcement options including self-certification
  - Specifically look at the City of Sacramento Rental Housing Self Certification Program
  - Information on SJVUAPCD registration rule
City of Sacramento Rental Housing Self Certification Program

- **Inspections**
  - Ensure that rental housing in compliance with housing codes
  - Initial inspection on each parcel
  - If initial inspection is failed, then annual inspections

- **Self Certification**
  - If initial inspection passed, then owner can self-certify in future and pay discounted fee
  - 5% of self-certified parcels are inspected annually
  - Self certified parcels are also inspected in response to complaints
## Initial Registration Fee

<table>
<thead>
<tr>
<th>Engine Category</th>
<th>Initial Fee Proposed for Adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1\textsuperscript{st} registered engine at the facility</td>
<td>$300/1\textsuperscript{st} engine</td>
</tr>
<tr>
<td>Other registered engines at the facility</td>
<td>$155/additional engine</td>
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<tr>
<td>Moyer engines</td>
<td>$151/Moyer engine</td>
</tr>
<tr>
<td>Engines with a control device</td>
<td>Agricultural engine permit fees from Rule 310</td>
</tr>
</tbody>
</table>
Fee Options Comparison

- Original Proposal
  - Consistent with fees and inspection frequency for programs affecting other businesses
  - 33% of engines inspected per year
  - Potentially out of compliance for up to 3 years

- Option 1
  - Fee reduction for reduced enforcement
  - 15% of engines inspected per year
  - Potentially out of compliance for up to 7 years

- Option 2
  - Fee reduction for self certification
  - Engines that self-certify within 45 days will receive discounted annual fees
  - 5% of self-certified engines inspected per year
  - Potentially out of compliance for up to 20 years
# Annual Renewal Fee

<table>
<thead>
<tr>
<th>Engine Category</th>
<th>Fee Proposed for Adoption</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Original Proposal</td>
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<tr>
<td>1st registered engine at the facility</td>
<td>$169/engine</td>
</tr>
<tr>
<td>Other registered engines at the facility</td>
<td>$105/engine</td>
</tr>
<tr>
<td>Engines with a control device</td>
<td>Agricultural engine permit fees from Rule 310</td>
</tr>
</tbody>
</table>

Note: Renewal fees discontinued after an engine meets the final ATCM emission standards. However, engines using add-on control device(s) or emergency standby engines not meeting emission standards must continue to pay renewal fees.
## SJVUAPCD and Other District Fee Comparison

<table>
<thead>
<tr>
<th></th>
<th>SMAQMD Proposed</th>
<th>SJVUAPCD</th>
<th>YSAQMD</th>
<th>SBAPCD</th>
<th>FRAQMD</th>
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</thead>
<tbody>
<tr>
<td><strong>Initial Fee</strong></td>
<td></td>
<td>$72</td>
<td>$174</td>
<td>$200</td>
<td>$113</td>
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<tr>
<td></td>
<td>$151 - $300</td>
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<tr>
<td><strong>Renewal Fee</strong></td>
<td><strong>Original Proposal</strong></td>
<td>$48</td>
<td>$87</td>
<td>$200</td>
<td>$81</td>
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<td></td>
<td>$105 - $169</td>
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<tr>
<td><strong>Option 1</strong></td>
<td></td>
<td>$53</td>
<td>$86</td>
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<tr>
<td></td>
<td>$53 - $86;</td>
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<tr>
<td><strong>Option 2</strong></td>
<td></td>
<td>$26</td>
<td>$47</td>
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<td>$26 - $47</td>
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Recommendations

- Conduct the second public hearing for proposed Rule 311 today
  - Take public comments

- Determine that new Rule 311 is exempt from CEQA

- Approve Rule 311 and decide whether to include one of the additional options
  - Staff recommends the Board consider Option 1 if the Board decides to include an option