



Registration Fees

February 11, 2026

To: ORCAA Board of Directors

From: Mike Shults (Compliance Manager), Jeff Johnston (Executive Director)

Re: Request to increase registration fees to cover the direct costs of the program

Executive Summary

ORCAA has more than 600 registered sources. After analyzing the program budget, we found the current registration fees fail to cover the direct costs of the program. With this proposal, staff seeks approval to implement a 5 percent fee increase and an additional fee for some gasoline dispensing facilities (GDF) for the fiscal year 2027 (FY2027) budget. These fees will allow the direct costs of the Registration program to be covered. RCW 70A.15.2200 and ORCAA Rule 3.1 allow ORCAA to set fees to cover only the direct costs of administering the registration program. The direct portion of registration expenditures is about \$459,000 while the indirect (non-fee eligible) costs are less and are not billable through registration fees. The indirect costs (i.e., management time, IT support, ambient monitoring) must be covered by other revenue sources such as assessments and core grant funds.

Requested Committee Action

Staff seeks approval of the proposed registration fee increase of five percent (5 percent), to be included in the draft FY2027 budget, for consideration by the Board. This increase includes a 2.8 percent increase based on the Consumer Price Index (CPI), as specified in Board Resolution 274 and an additional 2.2 percent increase. This 5 percent increase includes the registration base fee and the pollutant fee that is charged to sources in classes RC1-RC3. We also propose the creation of a GDF review fee to cover the costs of inspecting these facilities. See table below.

Budget Impact

Increasing the fees, as detailed below, is projected to increase program revenue from a 2-year average of \$455,000 to \$477,000, assuming the same number and types of registered sources. This will allow us to collect enough fees to cover the direct costs of the program. It is important to realize that this is the direct costs only. Our indirect costs are evaluated separately, and we will continue to look for ways to reduce costs.

Background

Registration fees help ORCAA maintain the region's air quality at a level that meets federal and state standards, and pay for the following activities: inspections, public education, complaint response, emission inventory, enforcement, interagency assistance, and industry assistance. This is ORCAA's largest program as it impacts the largest number of sources. Only the very small (or otherwise exempt) and the very large sources of air emissions are not included in this program. Large sources are regulated under ORCAA's Air Operating Permit (AOP) program.

Briefing Memo – Registration Fees – continued –

ORCAA Regulation 3 specifies that *“The Fee Schedules will be reviewed periodically to determine if the fee revenue collected is sufficient to recover program costs.”* The workload analysis for the registration program includes looking at payroll direct costs, payroll indirect costs (i.e., employee benefits), and nonpayroll (i.e., office supplies, gasoline, etc.) costs of the program.

The workload analysis shows the cost of administering the registration program continues to rise faster than the annual fee increases based on CPI (i.e., Resolution 274). Additionally, over the past few years, new federal rules have increased the workload on many source categories.

To make up for these factors, staff propose a 5 percent fee increase for each RC category, as shown in the table below.

Additionally, our workload analysis shows that, particularly in the case of GDFs, our current fee structure does not cover the agency’s costs. Most GDFs are in the RC 5 category (“small” sources), yet these GDFs require more staff time than other sources in this category. The larger GDFs are in class RC 4 and pay a higher fee already so they will not be assessed the extra GDF fee. New rules took effect in 2019, requiring GDFs to conduct annual testing to ensure their delivery systems are vapor-tight, and these reports must be reviewed by ORCAA inspectors. Additionally, there is a high turnover of ownership in the smaller gas stations, which requires additional business assistance and education.

The new fee included in the table below pays for the additional time required to properly inspect GDFs. The proposed fee of \$110 per year was calculated based on an average of 1-hour per station. The fees are calculated per ORCAA Rule 3.1 Annual Registration Fees (see attached rule).

Briefing Memo – Registration Fees – continued –

Recommended Registration Source Fee Increases

Registered Class (RC)			
Fee Category	# of sources	Current Amount	Proposed Amount
RC 1	9	\$2,177	\$2,286
RC 2	28	\$1,943	\$2,040
RC 3	30	\$1,742	\$1,829
RC 4	71	\$804	\$844
RC 5	519	\$322	\$338
Gas Dispensing Facility Review Fee	251	N/A	\$110 (new fee)
Fee for pollutant (RC 1- RC 3 only)			
RC 1	9	\$67	\$70
RC 2	28	\$67	\$70
RC 3	30	\$67	\$70

We will continue to look for program efficiencies to help reduce staff time needed to implement the registration program. For example, we believe the new database will allow for some efficiencies in inspection, education, and review time when it is fully operational.

The requested increase in the registration fees is part of ORCAA’s effort to cover the cost of operating our fee programs. Staff are also looking closely at ways to reduce the indirect costs and other program costs that cannot be charged for under the fees.

Rule 3.1 Annual Registration Fees

- (a) The Agency will charge Initial and Annual registration fees pursuant to RCW 70A.15.2200. Annual registration fees will be assessed per the annual fee schedules set forth in Rule 3.1(b) below. Initial registration fees will be assessed upon initial registration of a source and will equal the annual registration fee based on projected emissions and prorated for the remaining months in the fiscal year. Initial and Annual registration fees provide revenue to fund the Agency's ongoing Registration Program.
- (b) All sources requiring registration will be assessed an annual registration fee; the fees required by this rule will be based on process rates, equipment specifications, and emissions data from the previous calendar year on file with the Agency, if this information is not on file with the Agency, the Agency may base the annual fee on the enforceable emissions limitations for the source and maximum capacities and production rates. In assessing annual registration fees, the Agency will consider updates and revisions to any source's file received prior to July 1 of the current year. The fees will be assessed per items (1) and (2) of this rule. Sources assessed annual operating permit fees under Rule 3.2 will not be assessed annual fees under this rule.
 - (1) An Emissions Fee as specified in the Registration Fee Schedule per ton of each air contaminant listed in Table 3.1 that is emitted by the source. The emissions fee will be based on actual emissions from the source, for the last calendar year when available, or as specified in the file or permit. Only non-VOC TAPs will be subject to the emission fee; and
 - (2) A Registration Classification Fee as specified in the Registration Fee Schedule.
- (c) The Agency sends annual registration invoices out on or after August 1 of each year to cover the cost of administering the program for the current fiscal year commencing July 1 and ending June 30. The agency assesses annual registration fees based on the most recent information on file with the Agency including any updates to the source's file received prior to July 1 of that year.
- (d) Upon assessment by the Agency, annual registration fees are due and payable and will be deemed delinquent if not fully paid on or before the due date on the invoice. However, sources classified as RC1, RC2, or RC3 have the option to pay their annual fee in quarterly installments. RC1, RC2, and RC3 sources choosing to pay quarterly installments may indicate so on the first invoice received and remit payment of the first installment to the Agency along with the duplicate copy of the invoice. Quarterly installments are equal to 25% of the total annual registration fee and are due on or before the due date on the invoice.

- (e) Any source which fails to pay, in full, their annual registration fee or annual registration installment by the due date, as stated on the invoice, may be assessed a late penalty in the amount of 25% of their annual registration fee. This late penalty is in addition to the annual registration fee.
- (f) Annual registration fees may be appealed per the procedure specified in Rule 1.8.
- (g) Failure to pay annual registration fees is a violation of these Regulations and will result in the issuance of a Notice of Violation and prescribed penalties.
- (h) On a periodic basis, the Agency conducts a workload analysis to determine the adequacy of annual registration fees in funding the Agency's Registration Program. The workload analysis is based on the Agency's historical record of time and resource expenditures associated with the registration program. The workload analysis will be presented to the Board periodically. Any proposed revisions to the annual registration fee schedule must be presented to the Board for adoption after public noticing pursuant to these Regulations public noticing requirements and opportunity for a public hearing.
- (i) All registered sources needing to be re-inspected, due to verified conditions or actions caused by the source, will be charged an additional amount as specified in the Registration Fee Schedule.
- (j) The Agency's Registration fees must cover the direct and indirect cost of the Registration program as specified in RCW 70A.15.2200.
- (k) The applicable fees are established in the current fee schedule adopted by Resolution of the Board of Directors of ORCAA.

Table 3.1: Pollutants Considered For Fees

Total Suspended Particulates (TSP)
Carbon Monoxide (CO)
Sulfur Oxides (SOx)
Nitrogen Oxides (NOx)
Volatile Organic Compounds (VOC)
Toxic Air Pollutants (TAP)

[Adopted 08/17/06; Amended 05/17/07; 05/13/12; 04/26/15; 02/26/22]