

Fiscal Highlights

Department of Environmental Quality Fees - Brian Wikle

UCA 63J-1-504 requires that each fee assessed by an agency be "reasonable, fair, and reflect the cost of services provided"; that each fee be "established according to a cost formula determined by [specified officials] and the agency"; and that the fee agency "present each proposed [new or changed] fee at a public hearing". Furthermore, the statute requires an agency to "submit its fee schedule ... to the Legislature for its approval on an annual basis". The Legislature approved a total of 326 fees for the Department of Environmental Quality (DEQ) for FY 2017.

Consistent with the statute, the department has four goals regarding the fee setting process:

- Assure that fee payers (typically businesses and governmental entities) and taxpayers are treated fairly.
- Recover costs of providing services without recovering in excess.
- Provide quality service at the lowest cost possible through operational efficiencies.
- Ensure that costs are borne by the beneficiaries of the service -- user pays.

The agency strives to achieve fairness by engaging in dialogue with representatives of industry and government and with members of the public. Data is not available regarding whether DEQ recovers in excess of its costs for providing each service covered by a fee; however, DEQ reports about 59 percent of its fee amounts are sufficient to recover costs. Along with providing low cost service, the department helps customers by being predictable in the frequency of fee changes. For example, 57 percent of DEQs fees have not changed in the past five years, and the Division of Water Quality (the division with the most changed fees in the time period) generally leaves fees in place for five years before seeking approval to charge higher amounts. The table below summarizes by division the percent of fees that recover costs and the percent of fees that have not changed in at least five years.

Division	Number of fees	Fees that recover costs		Fees that have not changed in at least five years	
		Number	Percent	Number	Percent
Air Quality	43	37	86%	17	40%
Drinking Water	16	5	31%	9	56%
Environmental Response and Remediat	25	18	72%	16	64%
Executive Director's Office	7	6	86%	6	86%
Waste Management and Radiation Con	129	111	86%	122	95%
Water Quality	106	15	14%	16	15%
Total	326	192	59%	186	57%