

**NOTICE OF EXEMPTION FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

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<b>To:</b> Governor's Office of Planning and Research – State Clearinghouse 1400 Tenth St, Suite 222 Sacramento, CA 95814-5502	<b>From:</b> South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765
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**Project Title:** Proposed Amended Regulation III – Fees, which includes Proposed Amended Rule (PAR) 301 – Permitting and Associated Fees, PAR 303 – Hearing Board Fees, PAR 304 – Equipment, Materials, and Ambient Air Analyses, PAR 304.1 – Analyses Fees, PAR 306 – Plan Fees, PAR 307.1 – Alternative Fees for Air Toxics Emissions Inventory, PAR 308 – On-Road Motor Vehicle Mitigation Options Fees, PAR 309 – Fees for Regulation XVI and Regulation XXV, PAR 311 – Air Quality Investment Program (AQIP) Fees, PAR 313 – Authority to Adjust Fees and Due Dates, PAR 314 – Fees for Architectural Coatings, PAR 315 – Fees for Training Classes and License Renewal, and PAR 316 – Fees for Rule 2305

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**Project Location:** The proposed project is located within the South Coast Air Quality Management District's (South Coast AQMD) jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

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**Description of Nature, Purpose, and Beneficiaries of Project:** Regulation III establishes the fee rates and schedules to recover South Coast AQMD's reasonable costs of regulating and providing services, primarily to permitted sources. Amendments to Regulation III are proposed which include: 1) an increase of most fees by 3.5 percent (%) consistent with the California Consumer Price Index (CPI); 2) an increase in permit processing (including plan processing) and annual operating fees by 1.5% per year for two years (beyond the California CPI of 3.5%) to cover increased reasonable costs of South Coast AQMD's Permitted Source Program regulatory activity; 3) creation of a new equipment category in Rule 301 to allow lower emissive technology equipment to be subject to a lower fee schedule; 4) addition of two new categories for hydrogen gas production equipment and update to the existing hydrogen production plant category description in Rule 301; 5) addition of a new abbreviated reporting filing fee in Rule 301 aimed at recovering costs associated with the large number of abbreviated reporting facilities as a result of the Criteria and Toxics Reporting (CTR) regulation; 6) addition of new "Ambient Air Analyses Fees" for the use of modern air monitoring equipment, site development, and decommissioning in Rule 304.1; and 7) administrative changes in Regulation III that include clarifications, deletions, insertions, or corrections of existing rule language, which have no fee impact. The proposed project will ensure that the South Coast AQMD will have the necessary resources to provide cost recovery while implementing rule requirements through issuance and implementation of permits.

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<b>Public Agency Approving Project:</b> South Coast Air Quality Management District	<b>Agency Carrying Out Project:</b> South Coast Air Quality Management District
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**Exempt Status:**  
CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption  
CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges

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**Reasons why project is exempt:** South Coast AQMD, as Lead Agency, has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. The proposed amendments to Regulation III are statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. In addition, the proposed amendments to Regulation III which have no fee impact and are strictly administrative in nature are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption, because it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment.

**NOTICE OF EXEMPTION FROM CEQA (concluded)**

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**Date of Project Approval:**

South Coast AQMD Governing Board Public Hearing: May 3, 2024

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**Proposed Amended Regulation**

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**Date Received for Filing:** \_\_\_\_\_

**Signature:**



May 3, 2024

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Kevin Ni

Program Supervisor, CEQA

Planning, Rule Development, and Implementation