



# HOUSE BILL 259: 2023 Appropriations Act, Sec. 12.17: Title V Air Permit Bonus Pilot Program

2023-2024 General Assembly

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<b>Committee:</b>		<b>Date:</b>	December 15, 2023
<b>Introduced by:</b>		<b>Prepared by:</b>	Aaron McGlothlin Staff Attorney
<b>Analysis of:</b>	Sec. 12.17 of S.L. 2023-134		

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**OVERVIEW:** Section 12.17 of S.L. 2023-134 directs the Environmental Management Commission to establish a Permit Bonus Pilot Program for qualifying employees who process applications for Title V Air Permits.

*Except as otherwise provided, this section became effective January 1, 2024. The Permit Bonus Pilot Program expires on June 30, 2025.*

**BACKGROUND:** Title V of the federal Clean Air Act requires that major sources of air pollutants, as well as certain other sources, obtain an operating permit. The Department of Environmental Quality (DEQ) has delegated authority from the United States Environmental Protection Agency to issue Title V permits in the State.

**BILL ANALYSIS:** Section 12.17 of S.L. 2023-134 directs the Environmental Management Commission (Commission) to establish a Permit Bonus Pilot Program (Program) for qualifying employees who process applications for Title V Air Permits. Under the Program, qualifying employees involved in reviewing and processing Title V Air Permits will receive bonus payments, regardless of whether the permit is ultimately issued or denied. "Qualifying employees" include full-time or part-time DEQ employees that do any of the following in relation to Title V Air Permits: (i) process and review Title V Air Permit applications; (ii) provide administrative support; (iii) supervise the processing and reviewing of Title V Air Permits; and (iv) review the air quality analysis provided with the Title V Air Permit application.

Section 12.17 sets out various schedules for calculating the amount of bonus payment that qualifying employees can receive under the Program. These schedules apply the following factors to determine bonus payment amounts: (i) the type of Title V Air Permit reviewed; (ii) the number of federal programs, as defined in 15A NCAC 02Q .0203(c), to which the permitted facility is subject; (iii) the classification of the employee involved in processing and reviewing the permit application; and (iv) the number of days taken to process the permit application before formally issuing or denying the permit.

The Commission must develop quality control measures to ensure the consistency and quality of the review process for Title V Air Permits and can temporarily reduce the percentage of future bonus payments to a qualifying employee for failing to meet quality standards.

Section 12.17 establishes the Permit Bonus Fund (Fund) as a nonreverting special fund within DEQ, and allocates funds appropriated in this act to DEQ for fiscal year 2023-2024 from the projected interest earned from the State Fiscal Recovery Reserve (up to \$850,000), to be used for implementing the Program. DEQ can use lapsed salary funds to pay bonuses authorized by the Program if there are not sufficient funds

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remaining to pay out the bonuses earned by qualifying employees and can otherwise delay bonus payments until funds are available.

The Commission must report on the implementation of the Program to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources beginning December 1, 2024, and must submit a final report in 2025.

**EFFECTIVE DATE:** Except as otherwise provided, this section became effective January 1, 2024. The Permit Bonus Pilot Program expires on June 30, 2025.