

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 510** HLS 19RS 653

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 17, 2019	4:32 PM	<b>Author:</b> BISHOP, S.
<b>Dept./Agy.:</b> Environmental Quality		<b>Analyst:</b> David Neef
<b>Subject:</b> Audits		

ENVIRONMENT/ENFORCEMENT OR +\$621,517 SD EX See Note Page 1 of 1  
 Authorizes certain voluntary health, safety, and environmental audits by facilities subject to regulation by the Department of Environmental Quality

Proposed law authorizes facilities subject to regulation by DEQ to conduct voluntary health, safety, and environmental audits while excluding certain items from these audits. Proposed law provides a certain procedure for a voluntary audit. Proposed law also requires the owner to certify certain requirements in a civil or administrative proceeding. Proposed law provides immunity from a civil or administrative penalty for a person who discloses a violation except in certain circumstances. Proposed law provides certain requirements for privilege granted.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$621,517	\$633,842	\$646,414	\$659,237	\$672,317	<b>\$3,233,327</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$621,517</b>	<b>\$633,842</b>	<b>\$646,414</b>	<b>\$659,237</b>	<b>\$672,317</b>	<b>\$3,233,327</b>

  

<b>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There will be an increase in expenditures of \$621,517 in FY 20 with incremental increases thereafter.

DEQ indicated that additional staff is necessary to review these self-audit reports from facilities and ensure the reports meet the parameters outlined in law. Based on workload estimates, DEQ estimates increased need of \$621,517 and 7 T.O. as follows: 4 Environmental Scientists (\$323,844), 1 Environmental Scientist Supervisor (\$113,548), 1 Environmental Project Specialist (\$70,716), and 1 Attorney (\$108,159). An annual 2% salary adjustment is accounted for, in accordance with the state's market adjustment policy. The department estimates a \$750 annual expenditure for each employee (\$5,250) for miscellaneous operating costs. In addition, an upgrade to the department's permitting software system may be necessary. According to a quote provided by the department's software vendor, this upgrade may range from \$43,000 to \$200,000, which is not included in the expenditure estimates.

The department estimates that there are currently 1,600 facilities that could initiate the voluntary audit process in this measure. This includes facilities with air permits (475), facilities with solid or hazardous waste permits (375), and facilities with water permits (750). The department assumes that 25% of these facilities will initiate the voluntary audit process in any given fiscal year.

**REVENUE EXPLANATION**

There will be an indeterminable net impact on revenue collections to the Environmental Trust Fund.

The measure allows the department to recoup its costs from the owner/operator of a facility for its review of the voluntary audit, however, violations discovered by owners/operators as part of the voluntary audit process may be exempt from the department's enforcement process thereby reducing collections. The net impact is indeterminable at this time.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**