



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

Fiscal Note On: **HB 900** HLS 16RS 609  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 19, 2016 5:11 PM	<b>Author:</b> LEOPOLD
<b>Dept./Agy.:</b> Environmental Quality	<b>Analyst:</b> Matthew LaBruyere
<b>Subject:</b> Department Fee Increases	

ENVIRONMENT/FEES OR +\$9,400,000 SD RV See Note Page 1 of 2  
 Authorizes an increase in fees collected by the Department of Environmental Quality

Proposed law authorizes DEQ to increase the following fees in effect in the Louisiana Administrative Code (LAC) on March 14, 2015 in the following areas: ground water, air, hazardous waste, solid waste, water, underground storage tanks, and radiation fees. Proposed law increases the following maximums on fees for any application for accreditation by a commercial laboratory. Proposed law increases the minimum advance fee for requested reviews of environmental conditions of a specified tract of immovable property from not to exceed \$1,500 to not to exceed \$1,650. Present law authorizes DEQ to collect 20¢ per ton of solid waste deposited in a construction and demolition landfill. The fee only applies to waste that are subject to a fee by the facility. Proposed law increases the fee from 20¢ per ton to 25¢ per ton. Present law provides that all owners of registered motor fuel underground storage tanks shall pay a registration fee of \$54 for each tank, which money is used for storage tank activities. Proposed law increases the fee from \$54 to \$60. Proposed law increases fees paid into the Lead Hazard Reduction Fund, fees for training organizations, notification fees for contaminated **(CONTINUED ON PAGE 2)**

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$9,400,000	\$9,400,000	\$9,400,000	\$9,400,000	\$37,600,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$9,400,000</b>	<b>\$9,400,000</b>	<b>\$9,400,000</b>	<b>\$9,400,000</b>	<b>\$37,600,000</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The proposed legislation will result in an increase of approximately \$9.4 M in statutorily dedicated revenue to the Environmental Trust Fund (\$9.4 M) and the Lead Hazard Reduction Fund (\$10,500) as a result of increasing certain fees. These fees will be collected beginning in FY 18 since the Department of Environmental Quality (DEQ) has to change the amounts in rule through the rule-making process.

In FY 18, the fees can also be increased based on the Consumer Pricing Index for All Urban Consumers (CPI-U) and can be increased in even numbered years after that. To the extent DEQ does adjust the fees, the revenue reflected above will increase.

For Lead Hazard Reduction Fund, fees are increasing by 10% for certification, licensing, accreditation and abatement. Currently, DEQ collects approximately \$105,000 in these fees from 275 entities. A 10% increase in fees would result in an additional \$10,500 in collections for a total fee collection of \$115,500 beginning in FY 18.

For the Environmental Trust Fund, current fees are increasing in the following divisions:

Division	Fee Increase	Current Collections	Proposed Collections	Increase
Lab Accreditation	10%	\$0.24 M	\$0.26 M	\$0.02 M
Ground Water	10%	\$3.1 M	\$3.41 M	\$0.31 M
Air	10%	\$15 M	\$16.5 M	\$1.5 M
Hazardous Waste	25%	\$3.5 M	\$4.37 M	\$0.87 M
Solid Waste	25%	\$3.5 M	\$4.37 M	\$0.87 M
Water	10%	\$17 M	\$18.7 M	\$1.7 M
Underground Storage Tanks	10%	\$1.1 M	\$1.2 M	\$0.1 M
Radiation	10%	\$3.9 M	\$4.3 M	\$0.39 M
<b>Total</b>		<b>\$47.3 M</b>	<b>\$53.1 M</b>	<b>\$5.8 M</b>

**(CONTINUED ON PAGE 2)**

Senate <u>Dual Referral Rules</u> <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	House <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
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Evan Brasseaux  
 Staff Director



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CONTINUED EXPLANATION from page one:

Legislation Explanation Continue from Page 1:

buildings and soil. Proposed law requires DEQ to submit a report, within 90 days of adoption of rules implementing the fee increases based on CPI-U adjustment, to the Joint Legislative Committee on the Budget for approval. The report shall detail the uses of the fees and efforts to increase efficiency in permitting, inspections, enforcement, and collection of fines. Proposed law authorizes a fee (\$1,500 minimum) to process a request for a declaratory ruling not to exceed the maximum per hour overtime salary, including associated-related benefits, of a civil service employee of the department per hour or portion thereof required to conduct the review plus reasonable indirect costs calculated as a percentage of the hourly fee. The percentage shall be determined annually by agreement between the department and the EPA for use on grants and contracts. Proposed law authorizes the department, in even numbered years, to adjust fees that are assessed, charged, and collected by DEQ after June 1, 2018, by an amount not to exceed the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) (All Items - U.S. City Average) maintained by the U.S. Department of Labor, Bureau of Labor Statistics, rounded downward to the nearest dime.

Revenue Explanation Continue from Page 1:

In addition, new fees are being added for lab accreditation, air quality, hazardous waste, solid waste, water, underground storage tanks and radiation. These fees may potentially generate \$3.6 M. The new fees are shown in the table below.

Table with 4 columns: Division Fee, Proposed Fee, Number of Applications, Projected Revenue. Rows include Laboratory - Increased Lab Test Categories\*, Laboratory - National Lab Accreditation\*, Air - \$500 Minimum Application Fee\*\*, Air - \$250 Minimum Annual Fee\*\*, Air - Maximum Annual Maint. Natural Gas Compressor Fee\*\*\*, Air - Acid Rain Permit, Air - Renewal Fee with No Modification \$150,000, Air - Annual Fee for Title V Sources\*\*\*\*, Hazardous Waste - Post Closure Annual Maintenance Fee, Hazardous Waste - Transfer Facility Application Fee, Hazardous Waste - Used Oil Transfer Facility Application Fee, Hazardous Waste - Extension Application Fee, Solid Waste - Tonnage Fees \*\*\*\*, Water - Sewage Sludge (General), Water - Sewage Sludge (Individual), Radiation - Renewal (9 years)\*\*\*\*\*. Total New Revenue: \$3,562,975.

NOTES:
\*The fee for each test category is \$363 and will be charged for each additional category a lab wants to be accredited for. The fee for national lab accreditation is 1.5 x the amount of the regular fee, or \$545.
\*\*The Air application and annual fees would now have a minimum fee. There are some entities that pay less than \$250. The projected revenue is the difference between what is paid currently and what will be paid.
\*\*\*The Maximum Annual Maintenance Fee for Natural Gas Compressors is a change from a maximum fee per company to a maximum fee per facility. The projected revenue is the difference from the per company to the per facility change.
\*\*\*\*For the fee amount "Varies" for Air Annual Fee for Title V Sources, this fee is based on annual total maintenance fees and cannot exceed 20% of that amount. For the fee amount "Varies" for Solid Waste Tonnage fees are for non-industrial wastes exceeding 25,000 tons. The rule states that non-industrial wastes are charged \$0.20 per ton exceeding 75,000 tons.
\*\*\*\*\*The Radiation license fee will be renewed every 9 years. There are a total of 595 permits paid annually, however, the initial license fee is renewed once ever 9 years. For purposes of this analysis, it is assumed that an equal amount will pay a renewal fee each year. The license fee varies in price from \$700 to \$3,000 and the average amount paid is \$1,022. The collected amounts may differ as some fees mentioned are for maximum amounts. DEQ may choose to set the fee amounts lower than the maximum listed.

Senate Dual Referral Rules House

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