

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



Fiscal Note On: **HB 394** HLS 17RS 1119  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 9, 2017 4:51 PM	<b>Author:</b> COX
<b>Dept./Agy.:</b> Louisiana Department of Environmental Quality	<b>Analyst:</b> Colleen McCrory
<b>Subject:</b> Fence-line Air Quality Monitoring	

ENVIRONMENT/AIR OR +\$86,760 SG EX See Note Page 1 of 1  
 Provides relative to fence-line air quality monitoring

Proposed law requires repeat offender facilities to install and continuously operate a fence-line air monitoring system at the property boundary of the repeat offender facility closest to the nearest residential community. Proposed law provides for the criteria pollutants the system shall monitor. Proposed law requires the Louisiana Department of Environmental Quality to collect a repeat offender fee designed to cover all related costs incurred by the Department.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$86,760	\$0	\$0	\$0	\$0	<b>\$86,760</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	INCREASE	INCREASE	INCREASE	INCREASE	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$86,760</b>					<b>\$86,760</b>

<b>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</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	\$0	INCREASE	INCREASE	INCREASE	INCREASE	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed legislation will result in an increase in SGF expenditures of \$86,760 due to hiring 1 additional position in FY 18 for fence-line air quality monitoring. There is also an estimated additional increase of \$180,000 in FY 19, along with the cost of the position, to hire contractors to monitor 3 facilities. These costs are expected to increase as more sites are monitored in subsequent years. Exact expenditures cannot be determined because the costs will be determined by the size of the facility.

The additional position will be an Environmental Scientist 4 with an annual salary of \$86,760. This position will begin to establish the process of the fence-line air quality monitoring process, identify the offenders, review and approve the plan of the fence-line air monitoring system prior to the installation and operation, process the required reports submitted to the Department by the delinquent facilities and contractors, and monitor the work of the contractors. For FY 18, LDEQ would request SGF to fund the position as the department indicated they do not currently have the resources. Once delinquent offenders are designated, the department plans to pay the salary of the new position through fees recovered from delinquent offenders and paid to the Environmental Trust Fund.

In FY 19, the Department expects to hire contractors in order to oversee the fence-line monitor systems throughout the state and implement the applicable fee. The Department estimates the cost will be \$60,000 per facility for the contractor to oversee the site, which will be reimbursed by the delinquent facility. This cost could vary depending on the number of monitoring systems installed at the various facilities. The contractors will be paid out of the Environmental Trust Fund.

The Department estimates 3 delinquent facilities per year, out of the 490 current potential facilities, will be subject to this law, and expects to hire additional contractors as the number of facilities grow. This estimate was based on past data where 6 facilities would have been subject to this law within a 25 month period. Once an offender is designated, the department has to monitor the facility for five years. The department plans to begin hiring contractors and collecting fees in FY 19 and expects to have 3 delinquent facilities in FY 19, 6 facilities in FY 20, 9 facilities in FY 21, 12 facilities in FY 22, and 15 facilities in FY 23. Because the facilities are only required to be on this plan for five years, the Department estimates monitoring a maximum of 15 facilities during one fiscal year. Because this is a new program the Department may have to hire additional positions in future years after determining the workload.

**REVENUE EXPLANATION**

The Louisiana Department of Environmental Quality (LDEQ) will see an indeterminable increase in revenues due to the collection of repeat offender fees that the proposed legislation is authorizing. Currently, LDEQ does not have a fee for this category, and will need to promulgate rules to establish a fee structure. The department has not determined a fee structure at this time so an exact revenue increase is indeterminable. The department indicated the fee may be considered a cost recovery fee, and the charges may vary depending on the size and scope of the facility.

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}

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**Staff Director**