

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 398** HLS 22RS 523

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | |
|--|--------------------------------|
| Date: March 15, 2022 8:27 AM | Author: DUPLESSIS |
| Dept./Agy.: Department of Environmental Quality | Analyst: Kimberly Fruge |
| Subject: Increase Civil Penalties Assessments | |

ENVIRONMENT/ENFORCEMENT OR SEE FISC NOTE SG RV Page 1 of 1
Increases the maximum civil penalties assessed by the Department of Environmental Quality

Proposed law raises the maximum civil penalties the Department of Environmental Quality (DEQ) is allowed to assess for various civil violations.

Present law sets the maximum civil penalties assessed by the DEQ at \$32,500 for each day of violation. Proposed law increases the maximum civil penalty to \$47,500 for each day of violation.

Present law sets the maximum civil penalty assessed by DEQ at \$50,000 for each day a person fails to take corrective action on a compliance or cease and desist order. Proposed law increases the maximum civil penalty to \$95,000 for each day of noncompliance.

| EXPENDITURES | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 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 | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law adjusts the maximum penalty of various fees for the Department of Environmental Quality (DEQ). The department indicates that implementation of this measure can be accomplished with current staff and resources.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Although the proposed law increases the maximum penalties that can be assessed to violators, it is extremely rare for DEQ to assess the maximum penalty. The maximum penalty is only assessed in circumstances where the degree of risk/impact to human health or property and the nature and gravity of the violation are both major. Per statute, "major" refers to a violation in which actual measurable harm or a substantial risk of harm to the environment or public health occurs. DEQ has only assessed the maximum penalty on three (3) occasions in the history of the department. To the extent that the increase in the maximum allowable fine raises the actual fines assessed, there is the potential for revenues to increase accordingly.

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
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Interim Deputy Fiscal Officer