

NOTICE OF INTENT

Department of Environmental Quality
Office of the Secretary
Legal Affairs Division

Voluntary Environmental Self-Audit Regulations (LAC 33:I.Chapter 70)

Under the authority of the Environmental Quality Act, R.S. 30:2001 et seq., and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the secretary gives notice that rulemaking procedures have been initiated to amend the Office of the Secretary regulations, LAC 33:I.Chapter 70 (OS101).

The proposed Rule will establish regulations for the voluntary environmental self-audit program in accordance with R.S. 30:2044. On August 1, 2021, R.S. 30:2044 became effective mandating the department to promulgate regulations establishing a program for voluntary environmental self-audits. The regulations shall provide procedures for the establishment of the program, identification of violations not eligible for relief under the program, a fee for reviewing the environmental self-audits and corrective actions submitted to the department, and suspension of prescription upon participation in the program. The basis and rationale for the proposed Rule are to establish an environmental self-audit program as required by R.S. 30:2044. The Rule is based upon the United States Environmental Protection Agency's audit policy. The voluntary environmental self-audit program has the potential to increase environmental compliance at facilities and enhance the protection of human health and the environment. This Rule meets an exception listed in R.S. 30:2019(D)(2) and R.S. 49:963.(B)(3); therefore, no report regarding environmental/health benefits and social/economic costs is required.

Family Impact Statement

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

This Rule has no known impact on poverty as described in R.S. 49:973.

Small Business Analysis

This Rule has no known impact on small business as described in R.S. 49:974.1 - 974.8.

Provider Impact Statement

This Rule has no known impact on providers as described in HCR 170 of 2014.

Public Comments

All interested persons are invited to submit written comments on the proposed regulation. Persons commenting should reference this proposed regulation by OS101. Such comments must be received no later than August 3, 2023, at 4:30 p.m., and should be sent to William Little, Attorney Supervisor, Office of the Secretary, Legal Affairs Division, P.O. Box 4302, Baton Rouge, LA 70821-4302, by FAX (225) 219-4068, or by E-mail to

DEQ.Reg.Dev.Comments@la.gov. Copies of this proposed regulation can be purchased by contacting the LDEQ Public Records Center at (225) 219-3168. Check or money order is required in advance for each copy of OS101. This proposed regulation is available on the Internet at www.deq.louisiana.gov/portal/tabid/1669/default.aspx.

Public Hearing

A public hearing will be held via Zoom on July 27, 2023, at 1:30 p.m. Interested persons are invited to attend and submit oral comments via PC, Mac, Linux, iOS, or Android at <https://deqlouisiana.zoom.us/j/81527125613?pwd=TGgrVHHowcGdJZFN2L0F1WG9CbTIBUT09>, password 985711, or by telephone at (636) 651-3182 using the conference code 725573. Should individuals with a disability need an accommodation in order to participate, contact William Little at the address given below or at (225) 219-3985.

This proposed regulation is available for inspection at the following LDEQ office locations from 8 a.m. until 4:30 p.m.: 602 N. Fifth Street, Baton Rouge, LA 70802; 1823 Highway 546, West Monroe, LA 71292; State Office Building, 1525 Fairfield Avenue, Shreveport, LA 71101; 1301 Gadwall Street, Lake Charles, LA 70615; 111 New Center Drive, Lafayette, LA 70508; 110 Barataria Street, Lockport, LA 70374; 201 Evans Road, Bldg. 4, Suite 420, New Orleans, LA 70123.

Courtney J. Burdette
Executive Counsel

Title 33
ENVIRONMENTAL QUALITY
Part I. Office of the Secretary
Subpart 5. Voluntary Environmental Self-Audit Program

Chapter 70. Voluntary Environmental Self-Audit Regulations

§7001. Authority

A. Regulations for establishing a program for voluntary environmental self-audits are hereby established by the Louisiana Department of Environmental Quality by order of the administrative authority and in accordance with R.S. 30:2025(J), 30:2060(H), 30:2076(D), 30:2183(I), and 30:2044(A).

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2044(A).
HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, the Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 49:

§7003. Purpose

A. The purpose of this Chapter is to establish regulations for the voluntary environmental self-audit program. This Chapter:

1. identifies violations that are not eligible for relief under this program;
2. establishes procedures for conducting voluntary environmental self-audits;
3. establishes fees associated with this program; and
4. addresses prescription for violation(s) subject to this program.

B. The regulations established in this Chapter shall apply to environmental self-audits conducted on or after {promulgation date}.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2044(A).

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, the Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 49:

§7005. Definitions

A. The following terms used in this Chapter shall have the meanings listed below, unless the context otherwise requires, or unless specifically redefined in a particular Section.

Audit or Environmental Audit—a systematic voluntary evaluation, review, or assessment of compliance with environmental statutes, regulations, permits, and/or permit requirements.

Audit Report or Environmental Audit Report—the documented analyses, conclusions, and recommendations resulting from an environmental audit.

Department—the Louisiana Department of Environmental Quality.

EPA—the United States Environmental Protection Agency.

Owner or Operator—any person(s) who owns, leases, operates, controls, or supervises a facility, building, structure, or installation.

Person—any individual, municipality, public or private corporation, partnership, firm, the United States government and any agent or subdivision thereof, or any other juridical person, which shall include, but not be limited to, trusts, joint stock companies, associations, the state of Louisiana, political subdivisions of the state of Louisiana, commissions, and interstate bodies.

Regulated Entity—any entity, including a federal, state, or municipal agency or facility, regulated under federal and/or state environmental laws.

Subtitle—the Louisiana Environmental Quality Act.

Violation—noncompliance with a requirement of a statute, regulation, permit, judicial or administrative order, or consent agreement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2044(A).

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, the Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 49:

§7007. Exclusions

A. Violations that are not eligible for relief under this program shall include, but not limited to violations:

1. that result in serious actual harm to the environment;
2. that may present an imminent or substantial endangerment to the environment or public health;
3. discovered by the department or EPA prior to written disclosure of the violation to the department;
4. detected through monitoring, sampling, or auditing procedures that are required by statute, regulation, permit, judicial or administrative order, or consent agreement;

5. subject to the chemical accident prevention provisions of 40 CFR Part 68 and LAC 33:III.5901;

6. that are deliberate or intentional; or

7. that are the same or closely related at the same facility within the past three years.

B. An employee of the department shall not request, review, or otherwise use an environmental audit report during a department inspection of a facility.

C. The department reserves the right to take enforcement action with respect to a violation that:

1. is excluded under LAC 33:I.7007.A; or

2. is not properly or adequately disclosed and/or corrected in accordance with this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2044(B).

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, the Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 49:

§7009. Program Scope

A. Procedures for Conducting Voluntary Environmental Self-Audits

1. Notice of Audit

a. The owner or operator shall notify the department prior to initiating a voluntary environmental audit in order to qualify for penalty mitigation.

b. The owner or operator shall use the department's most current version of the approved notice of audit form located on the department's public website.

c. A notice of audit shall be submitted in writing by certified mail or other means approved by the department.

d. The department shall acknowledge receipt of the notice of audit in writing.

2. Disclosure of Violation(s)

a. Disclosure of violation(s) shall be made by the owner or operator upon discovery of a violation as a result of the voluntary environmental audit. The violation(s) shall be properly disclosed and reported to the department by certified mail, or other means approved by the department, in order to qualify for penalty mitigation.

b. The owner or operator shall use the department's most current version of the approved disclosure of violation(s) form located on the department's public website.

c. The disclosure of violation shall include corrective actions, if applicable.

d. The department shall acknowledge receipt of the disclosure of violation in writing. The acknowledgement shall include a concurrence or rejection of the proposed corrective actions.

3. An environmental audit shall be completed within a reasonable time, not to exceed six months after the date the audit was initiated, unless the department grants an extension of time.

B. Requests for Extension of Time

1. Requirements for Requests for Extension of Time

a. If an audit cannot be completed within six months after the date of initiation, a request for extension of time shall be submitted in writing at least 30 calendar days prior to the expiration of the audit period with sufficient information to justify an extension.

Justification for an extension of time shall be limited to factors beyond the control of the owner or operator. A request without sufficient information shall result in a denial.

C. Corrective Actions

1. Corrective actions must be completed within 90 calendar days from the date of discovery of the violation unless a specific period is required by statute, regulation, or permit requirement.

a. Corrective actions must include detailed actions implemented, or to be implemented, to prevent recurrence of the violation and a scheduled date of completion.

b. Corrective actions that will take longer than 90 calendar days to complete must be submitted in writing and receive written approval from the department.

c. After completion of all corrective actions, a final written report shall be submitted to the department. The final written report shall include:

i. notice of audit;

ii. disclosure of violation(s); and

iii. certification of completion of all corrective actions.

d. Failure to notify, implement, and/or complete all proposed corrective actions shall be considered a violation and subject to the appropriate enforcement action.

D. Environmental Audit Report

1. The full environmental audit report should not be submitted to the department unless specifically requested by the department in writing.

E. Penalty Mitigation

1. The following nine conditions shall be met to be eligible for a 100 percent reduction in penalties.

a. The violation was systematically discovered through an environmental audit.

b. The violation was voluntarily disclosed. The violation was not discovered through a federal, state, or local requirement prescribed by statute, regulation, permit, judicial or administrative order, or a consent agreement.

c. The violation was disclosed in writing within 45 calendar days after discovery, unless an existing law or regulation required disclosure in fewer than 45 calendar days.

d. The violation was independently discovered and identified before the department would have identified the problem either through its investigation or through information from a third party. Discovery and disclosure will not be considered independent if:

i. prompted by the initiation of a department or EPA investigation, or information request;

ii. a notice of a citizen suit filed under federal or state law prior to the notice of an environmental audit;

iii. a third party complaint has been filed;

iv. or a whistleblower has reported the potential violation to the department.

e. The violation was corrected as expeditiously as possible, but no later than 90 calendar days from the date of discovery, unless an extension of time or compliance schedule was approved by the department.

f. The appropriate measure(s) to prevent a recurrence of the violation was implemented after the violation was disclosed.

g. The same or closely related violation has not occurred at the same facility within the past three years.

h. The violation is not excluded as listed in LAC 33:I.7007.A.

i. The owner or operator has cooperated by providing information as required by the department to determine eligibility.

2. If all of the conditions in LAC 33:I.7009.E.1 are met except systematic discovery, there will be a 75 percent reduction.

3. Failure to meet the required conditions will result in ineligibility for penalty reduction.

4. The department reserves the right to collect any monetary benefits realized through noncompliance.

F. Confidentiality

1. Disclosure of violation(s) or other documentation containing the results of a voluntary environmental self-audit authorized by R.S. 30:2044 shall be held confidential by the department, and be withheld from public disclosure until a final decision is made, or a period not to exceed two years from the receipt of the initial disclosure of violation, whichever occurs first. Any final decision made by the department shall be public and published on the department's website. However, nothing in this Paragraph shall prohibit a request for confidentiality pursuant to R.S. 30:2030(1)(b). Information that is required to be reported to a state or federal agency by statute, regulation, or permit, including but not limited to, notifications required by R.S. 30:2025(J), 30:2060(H), 30:2076(D), 30:2183(I), and 30:2204(A) shall not be held confidential.

2. All requests for confidentiality shall be submitted in accordance with LAC

33:I:Chapter 5.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2044(C).

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, the Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 49:

§7011. New Owner

A. Definitions

1. The following terms used in this Chapter shall have the meanings listed below, unless the context otherwise requires, or unless specifically redefined in a particular Section.

Acquisition Closing Date—the date on which ownership of, or a direct or indirect majority interest in the ownership of a regulated facility or operation is acquired in an asset purchase, equity purchase, merger, or similar transaction.

New Owner—any person not responsible for environmental compliance at the facility that is the subject of the environmental audit, did not cause the violation being disclosed, and could not have prevented the occurrence.

B. The new owner shall comply with all requirements listed in LAC 33:I.7009 except as listed below.

1. The new owner shall notify the department in writing of the intention to continue an audit that was initiated by the previous owner.

2. An audit must be completed within six months after the acquisition closing date, if the new owner continues the audit.

3. Failure to request and receive written approval from the department for an extension of time to complete an audit may forfeit any penalty mitigation.

4. The new owner making the disclosure must certify in the disclosure that all of the following conditions were true before the acquisition closing date.

a. The new owner was not responsible for the environmental compliance at the facility or the operation that is subject to the audit.

b. The new owner did not have the largest ownership share of the seller.

c. The seller did not have the largest ownership share of the new owner.

d. The new owner and seller did not have a common corporate parent or a common majority interest owner.

5. A new owner is eligible for penalty mitigation if the following are met within nine months of the acquisition closing date:

a. prompt disclosure of the violations to the department; and

b. the conditions outlined in LAC 33:I.7011.B.4 are met.

6. The following nine conditions shall be met to be eligible for a 100 percent reduction in penalties.

a. The violation was systematically discovered through an environmental audit.

b. The violation was voluntarily disclosed. The violation was not discovered through a federal, state, or local requirement prescribed by statute, regulation, permit, judicial or administrative order, or a consent agreement.

c. The violation was disclosed to the department in writing within 45 calendar days after discovery, unless an existing law or regulation required disclosure in fewer than 45 calendar days.

d. The violation was independently discovered and identified before the department would have identified the problem either through its investigation or through information from a third party. Discovery and disclosure will not be considered independent if:

i. prompted by the initiation of a department or EPA investigation or request for information;

ii. a notice of a citizen suit filed under federal or state law prior to the notice of an environmental audit;

iii. a third party complaint has been filed; or

iv. a whistleblower has reported the potential violation to the department.

e. The violation was corrected as expeditiously as possible, but no later than 90 calendar days from the date of discovery, unless an extension of time or compliance schedule was approved by the department.

f. The appropriate measures to prevent a recurrence of the violation were implemented after the violation was disclosed to the department.

g. The same or closely related violation has not occurred at the same facility within the past three years.

h. The violation is not excluded as listed in LAC 33:I.7007.A.

i. The owner or operator has cooperated by providing information as necessary and required by the department to determine eligibility.

7. Penalty mitigation will not apply if any of the following are met.

a. The new owner who made the disclosure willingly or knowingly committed the violation or was responsible for the commission of the violation.

b. The new owner who made the disclosure recklessly committed the violation or was responsible for the commission of the disclosed violation and the violation resulted in substantial injury or harm to one or more persons, property, or the environment on-site or off-site.

c. The violation was committed willfully or knowingly by a member of the new owner's management, or an agent of the new owner, and the new owner's policies or lack of prevention systems contributed materially to the occurrence of the violation.

d. The violation was recklessly committed by a member of the new owner's management, by an agent of the new owner, or if the new owner's policies or lack of prevention systems contributed materially to the occurrence of the violation resulting in substantial injury or harm to one or more persons, property, or the environment on-site or off-site.

e. The violation has resulted in a substantial economic benefit that gives the new owner a clear advantage over its business competitors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2044(C).

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, the Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 49:

§7013. Fees

A. Determination of Fee

1. All requests for reviewing environmental self-audits and corrective actions by the department shall be accompanied by an initial \$1,500 minimum fee.

2. The administrative authority shall keep an account of time spent by the department's civil service employee processing the review request. Every hour, or portion thereof, that the department's civil service employee works processing the request shall be multiplied by the maximum per-hour overtime salary of the department's civil service employee who performed the work, plus reasonable indirect costs calculated as a percentage of the hourly fee. Such percentage shall be determined annually by agreement between the department and the United States Environmental Protection Agency for use on grants and contracts. If this amount exceeds the initial minimum fee charge pursuant to R.S. 30:2044, an additional fee shall be charged for the amount exceeding the initial minimum fee.

3. Invoices for any additional fee amount may be issued periodically while the audit and corrective actions are being conducted and/or implemented and a final invoice shall be issued once the review is complete.

B. Refunds

1. The fees in this Section are nontransferable and nonrefundable.

C. Failure to pay the additional fee by the due date specified on the invoice will constitute a violation of these regulations and shall subject the person requesting the review to relevant enforcement action under the subtitle.

D. Methods of Payment

1. All payments made by check, draft, or money order shall be made payable to the Louisiana Department of Environmental Quality, and mailed to the department with a copy of the notice of audit. The original notice of audit shall be submitted as directed on the form.

2. Electronic Methods of Payment

a. Persons wishing to make payments using electronic pay method should access the department's website and follow the instructions provided on the website.

b. Persons wishing to make payments using the electronic funds transfer (EFT) method shall contact the Office of Management and Finance for further instructions.

E. Late Payment

1. Payments not received within 15 days of the due date will be charged a late fee.

2. Any late payment fee shall be calculated from the due date indicated on the invoice.

3. Payments not received by the department within:

a. fifteen days from the due date will be assessed a five percent late payment fee on the original assessed fee;

b. thirty days from the due date will be assessed an additional five percent late payment fee on the original assessed fee; and

c. sixty days from the due date will be assessed an additional five percent late payment fee on the original assessed fee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2044(C).

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, the Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 49:

§7015. Prescription

A. Prescription shall be suspended for all claims with violations under the subtitle or the regulations promulgated pursuant to this subtitle upon participation in the voluntary self-audit program. Suspension of prescription commences upon the department's receipt of the owner or

operator's disclosure of violation(s) in accordance with LAC 33:I.7009.A.2. The suspension of prescription shall terminate upon a final decision under R.S. 30:2030(A)(2) or after a period of two years, whichever occurs first.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2030(A) and 30:2044(D).
HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, the Office of the Secretary, Legal Affairs and Criminal Investigations Division, LR 49:

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

Person Preparing Statement:	<u>Theresa Delafosse</u>	Dept.:	<u>Department of Environmental Quality</u>
Phone:	<u>225-219-3865</u>	Office:	<u>Office of Management and Finance</u>
Return Address:	<u>PO Box 4303</u>	Rule Title:	<u>Voluntary Environmental Self-Audit</u>
	<u>Attn: Financial Services</u>		<u>Regulations [LAC 33:I.Chapter 70]</u>
	<u>Baton Rouge, LA 70896-4303</u>	Date Rule Takes Effect:	<u>Upon promulgation</u>

SUMMARY
(Use complete sentences)

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule changes establish regulations for the voluntary environmental self-audit program in accordance with R.S. 30:2044. The Department of Environmental Quality (DEQ) anticipates an increase in costs to implement the self-audit program. Annual costs are estimated to be \$610,008 during the first year and \$1,256,616 during the second year of the program. The department plans to charge a fee to recoup any costs associated with the program. The costs will ultimately be determined by the number of facilities that participate in the program, along with the scope and scale of the audits performed and submitted for DEQ's oversight and review.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

This proposed rule allows the department to charge a fee for reviewing environmental self-audits. All revenue generated will be used to compensate the employee for the services performed plus reasonable indirect costs. There will be no net increase in revenues in excess of expenditures associated with the proposed action. Annual costs are estimated to be \$610,008 in FY 24 and increase to \$1,256,616 in FY 25.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

Participation in the environmental self-audit program is voluntary. The applicant must complete a request and pay a minimum fee of \$1,500. The total fee will be based on the actual costs necessary to review the self-audit, which will be highly dependent on the size and complexity of the audit.

The environmental self-audit program allows the regulated community to identify and correct compliance issues. This type of program offers incentives such as mitigated penalties for eligible participants.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There may be impacts in employment in public or private sectors to the extent changes in employment are necessary to absorb the costs associated with participation in this program. However, these fees have been discussed with industry participants and the department does not anticipate any significant impact on public or private sector employment.

Signature of Agency Head or Designee

Courtney J. Burdette, Executive Counsel

Typed Name & Title of Agency Head or Designee

Date of Signature

Legislative Fiscal Officer or Designee

Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

On August 1, 2021, Louisiana Revised Statute 30:2044 became effective mandating the Secretary promulgate regulations to establish a program for voluntary environmental self-audits. The regulations shall provide for the following: 1) establishment of the program; 2) identification of violations not eligible for relief under the program; 3) a fee for reviewing the environmental self-audits and corrective actions; and 4) suspension of prescription. The voluntary environmental self-audit program has the potential to increase environmental compliance at facilities and enhance the protection of human health and the environment.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

Act 481 of the 2021 Regular Legislative Session requires that the department promulgate rules

and regulations for the implementation of a program for voluntary environmental self-audits in accordance with the Administrative Procedure Act.

C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

The proposed rule change will increase expenditure of funds to the extent necessary to review audits and corrective actions as well as other administrative review and oversight as part of the program. The funding for this will be from the fees authorized in the rule. This proposed rule will not result in any net increase in the expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) ____ Yes. If yes, attach documentation.

(b) No No. If no, provide justification as to why this rule change should be published at this time

There is no current appropriation for the expenditure increase. The expenditures will begin in FY 2024, and the budget for that fiscal year has not yet been finalized.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

COSTS	FY 23	FY 24	FY 25
Personal Services	\$0	\$373,459	\$769,326
Operating Expenses	\$0	\$236,549	\$487,291
Professional Services	\$0	\$0	\$0
Other Charges	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Major Repairs & Constr.	\$0	\$0	\$0
TOTAL	\$0	\$610,008	\$1,256,617
POSITIONS (#)	0	4	8

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The workload will depend on the volume of self-audits conducted in a given year, the department has requested 4 additional T.O. positions in FY 24 and will likely request an additional 4 T.O. positions for FY 25. These assumptions were based on information obtained from Texas on the workload of its self-audit program.

DEQ estimates 25% of facilities will initiate the voluntary self-audit out of the approximate 1,600 facilities that operate in Louisiana. The four positions required will be an Environmental Scientist Senior, an Environmental Project Specialist, an Environmental Scientist, and an Environmental Scientist Supervisor. The department anticipates needing SGF in the first year but plans to use SGR moving forward to run the program. Act 481 authorized the department to recoup the costs of the program from the owner/operator of a facility to review the self-audit. The midpoint salary for the anticipated positions that will be hired for the program were used to calculate the costs in the first year of the program and the costs were doubled in the second year, under the assumption that the volume of work necessary for the program will increase from the first year to the second.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 23	FY 24	FY 25
State General Fund	\$0	\$305,004	\$0
Agency Self-Generated	\$0	\$305,004	\$1,256,616
Dedicated	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Other (Specify)	\$0	\$0	\$0
TOTAL	\$0	\$610,008	\$1,256,616

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

The agency does not currently have sufficient funds to implement the proposed action. The proposed regulations will allow the department to bill entities for the costs associated with

the oversight and review of the self-audit. In addition, a request for a general fund appropriation was made to serve as seed money to help support the program in its initial year, as fees will not be collected immediately upon beginning the program.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

The proposed changes may impact local governmental units by increasing costs to the extent those local government choose to participate in the program. Workload adjustments and/or additional paperwork would be dependent upon the complexity of the environmental self-audit. We do not anticipate significant participation in the program from local governmental units.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Because this potentially impacts multiple local governments statewide and in varying programs and areas, the department is unable to identify each funding source that may be impacted. Typically, these may be fee-based revenues from the service the municipal activity is providing (for example, trash collection fees collected from citizens for solid waste landfills).

FISCAL AND ECONOMIC IMPACT STATEMENTWORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

REVENUE INCREASE/DECREASE	FY 23	FY 24	FY 25
State General Fund	\$0	\$0	\$0
Agency Self-Generated	\$0	\$305,004	\$1,256,616
Dedicated Funds*	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0
TOTAL	\$0	\$305,004	\$1,256,616

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

These estimated revenue increases are based on the amount of expected expenditures outlined previously in this document. The intention is to operate this program on a cost recovery basis, and industry participants in the self-audit program will reimburse the department for the salary, related benefits, and overhead costs associated with each audit. The midpoint salary for the anticipated positions that will be hired for the program were used to calculate the costs in the first year of the program and the costs were doubled in the second year, under the assumption that the volume of work necessary for the program will increase from the first year to the second.

FISCAL AND ECONOMIC IMPACT STATEMENT WORKSHEET

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS

- A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

Participation in the environmental self-audit program is voluntary. The applicant must complete a Notice of Audit and pay a minimum fee of \$1,500. The total fee will be based on the actual costs necessary to review the self-audit, which will be highly dependent on the size and complexity of the project. Participants will also submit a Disclosure of Violations which will include corrective actions to be taken if applicable. The full Environmental Audit Report may be specifically requested in writing by the department.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

There should be no change on receipts or income.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The department does not anticipate any impact on competition in the public and private sectors as participation in the environmental self-audit program is voluntary and will therefore give no entity a competitive advantage over another. This program has been discussed with industry participants and the department does not anticipate any significant impact on public or private sector employment.