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 Louisiana 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 (OS104).

The proposed Rule will amend and clarify sections of LAC 33:I.Chapter 70 -Voluntary Environmental Self-Audit Regulations. The voluntary environmental self-audit program was established to enhance protection of human health and the environment and increase environmental compliance at regulated entities. The voluntary self-audit regulations were promulgated on December 20, 2023. Based on implementation of the program and feedback from participants, the department has determined that revisions are necessary to aid in further implementation of the program. The proposed Rule also addresses comments received during the rulemaking process, public hearing, and comment period, for the original Rule. The basis and rationale for this Rule are to aid the department in continued implementation of the self-audit program. 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 Rule. Persons commenting should reference this proposed Rule by OS104. Such comments must be received no later than October 2, 2025, 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 the proposed Rule 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 OS104. The proposed regulation is available on the Internet at https://deq.louisiana.gov/page/monthly-regulation-changes-2025%20.

**Public Hearing**

A public hearing will be held on September 25, 2025, at 1:30 p.m. in the Galvez Building, Oliver Pollock Conference Room, 602 N. Fifth Street, Baton Rouge, LA 70802. Interested persons are invited to attend in person or online via Zoom at https://deqlouisiana.zoom.us/j/6836133613?omn=93452818861 or by phone at (646) 255-1997 Meeting ID: 683 613 3613. Should individuals with a disability need an accommodation in order to participate, contact Doug Bordelon at the address given below or at (225) 219-1325.

The proposed Rule 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; 508 Downing Pines Road, 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.

Jill C. Clark

General 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**

**§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.

\* \* \*

*Date of Discovery or Discovery*—when the owner or operator of a facility has an objectively reasonable basis for believing a violation has, or may have occurred.

\* \* \*

*Disclosure of Violation or Disclosure*—written notification via the department’s approved form by the owner or operator related to violations discovered during the course of an audit.

\* \* \*

*Pattern*—a series of violations that are due to separate and distinct events within a three year period at the same facility or unit/process.

\* \* \*

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

*Same or Closely Related Violation*—a violation that is part of a pattern of noncompliance.

\* \* \*

*Systematic Discovery*—the detection of a potential violation through an environmental audit.

\* \* \*

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 49:2100 (December 2023), amended by the Office of the Secretary, Legal Affairs Division, LR 51:

**§7007. Exclusions**

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

1. that result in serious actual harm to the environment~~;~~ including those reported in accordance with LAC 33:I.Chapter 39;

2. that may present an imminent or substantial endangerment to the environment or public health~~;~~ including those reported in accordance with LAC 33:I.Chapter 39;

A.3. — B. …

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~~.~~; or

3. is determined to not be eligible for penalty mitigation.

D. Participation in the environmental voluntary self-audit program shall not prohibit the department from conducting any inspections and/or investigations authorized by environmental statutes, regulations, or other obligations.

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 49:2100 (December 2023), amended by the Office of the Secretary, Legal Affairs Division, LR 51:

**§7009. Program Scope**

A. — A.1.c. …

d. The department shall acknowledge receipt of the notice of audit in writing. The owner or operator may initiate an audit prior to receiving the acknowledgement in writing.

e. The department may request additional information to satisfy any incomplete notice of audit forms.

f. The owner or operator shall notify the department in writing if an approved audit will not be conducted or completed.

A.2. …

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 disclosure of violation(s) shall be submitted by the owner or operator no later than 30 calendar days after the end of the audit period. 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. — c. …

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~~from the audit commencement date reported in the notice of audit form, unless the department grants an extension of time.

4. The department shall document the official end of audit period in writing to the owner or operator.

B. Requests for Extension of Time

1. Requirements for Request for Extension of Time

a. If an audit cannot be completed within six months after the ~~date of~~ ~~initiation~~audit commencement date, 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.~~ The department shall review the request for extension and grant or deny the request in writing. An approved extension shall only apply to the time/duration of the audit.

b. The department may grant an extension up to 180 calendar days. The owner or operator shall include the amount of additional time being requested in the written request. Extensions shall not be utilized as uninterrupted or continuous environmental audits.

C. Corrective Actions

1. Corrective actions ~~must~~shall 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~~.~~ or as provided in 7009.C.1.b.

a. Corrective actions ~~must~~shall include detailed actions implemented, or to be implemented, to prevent recurrence of the violation and a scheduled date of completion.All completed corrective actions shall be evaluated by the department. The owner or operator shall submit a revised disclosure of violation if the proposed corrective actions change.

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.~~ Monthly progress reports documenting implementation of corrective actions that will take longer than 90 calendar days to complete shall be submitted to the department until completion of the corrective actions. The progress report shall be postmarked by the 15 day following the completion of the preceding calendar quarter.

c. ~~After completion of all corrective actions, a final written report shall be submitted to the department.~~ A final written report shall be submitted to the department within 30 calendar days after completion of the audit or completion of all corrective actions, whichever is later. The final written report shall include, but not be limited, to:

i. notice of audit;

ii. disclosure of violation(s); and

iii. certification of completion of all corrective actions, which shall also include any actions implemented to prevent recurrence of the violation.

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

D. ~~Environmental Audit Report~~ Retention of Environmental Audit Report

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

2. The complete environmental audit report shall be maintained on-site or in an accessible location for a period of five years after completion of the audit.

E. Penalty Mitigation

1. ~~The following nine conditions shall be met to be eligible for a 100 percent reduction in penalties.~~The owner or operator shall receive a 100 percent reduction in civil penalties for each disclosed violation that meets the following nine conditions:

a. …

b. The violation was voluntarily ~~disclosed~~ discovered. 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.~~no later than 30 calendar days after the end of the audit period, unless an existing law or regulation requires disclosure sooner or as provided in 7009.E.1.d.

~~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 had been filed;~~

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

d. The violation was independently discovered. Discovery of a violation will be presumed to be independent if such discovery occurs prior to, and is disclosed to the department within 72 hours following any of the circumstances below.

i. Notice to the owner or operator of an inspection by the department.

ii. Notice to the owner or operator of a threatened citizen suit, third party complaint, or whistleblower complaint filed with the department and relating to the alleged violation.

iii. Receipt by the owner or operator of a written information request by the department relating to the subject matter of the violation.

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.~~or as allowed under 7009.C.1.b.

f. — i. …

2. The owner or operator shall receive a 75 percent reduction in civil penalties for any disclosed violation ~~I~~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 in LAC 33:I.7009.E shall ~~will~~ result in ineligibility for penalty reduction and may be subject to the appropriate enforcement action.

4. ~~The department reserves the right to collect any monetary benefits realized through noncompliance.~~LAC 33:7009.E.1.d shall not prohibit the department from conducting any inspections and/or investigations as provided in LAC 33:I.7007.D.

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

6. The department shall issue a written determination for penalty mitigation.

F. — F.2. …

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 49:21000 (December 2023), amended by the Office of the Secretary, Legal Affairs Division, LR 51:

**§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.

\* \* \*

*New Owner*—any person not responsible for the environmental compliance at the time the violation(s) occurred 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. — B.1. …

2. An audit ~~must~~shall be completed within six months after the acquisition closing date, if the new owner continues ~~the audit~~an audit that was initiated by the previous owner.

~~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.~~

3. An audit initiated by a new owner shall be completed within a reasonable time, not to exceed nine months from the audit commencement date reported in the Notice of Audit form, unless the department grants an extension of time.

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

5. The new owner making the disclosure must certify in the disclosure that all of the following conditions were true before the acquisition closing date of the facility that is the subject of the audit.

a. The new owner was not responsible for the environmental compliance at the time the violation(s) occurred at the facility or the operation that is the subject of 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.

6. A new owner is eligible for penalty mitigation if the following are met.

a. Prompt disclosure of the violations to the department.

b. The conditions outlined in LAC 33:I.7011.B.5.

7. The new owner shall receive a 100 percent reduction in civil penalties for each disclosed violation that meets the following nine conditions.

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

b. The violation was voluntarily discovered. 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 no later than 30 calendar days after the end of the audit period, unless an existing law or regulation requires disclosure sooner, or as provided in 7009.E.1.d.

d. The violation was independently discovered. Discovery of a violation will be presumed to be independent if such discovery occurs prior to, and is disclosed to the department within 72 hours following any of the circumstances below.

i. Notice to the owner or operator of an inspection by the department.

ii. Notice to the owner or operator of a third party complaint or whistleblower complaint filed with the department and related to the alleged violation.

iii. Receipt by the owner or operator of a written information request by the department relating to the subject matter of the violation.

e. The violation was corrected as expeditiously as possible, but no later than 90 calendar days from the date of discovery or as allowed under 7009.C.1.b.

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.

8. 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 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 49:2101 (December 2023), amended by the Office of the Secretary, Legal Affairs Division, LR 51:

**§7013. Fees**

A. — B.1. …

C. Failure to pay the initial fee or 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~~appropriate enforcement action under the subtitle.

D. — E.3.c. …

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 49:2102 (December 2023), amended by the Office of the Secretary, Division, LR 51:

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**FOR ADMINISTRATIVE RULES**

Person

Preparing

Statement: Antoinette Cobb Dept.: Environmental Quality

Phone: 225-219-3072 Office: Environmental Compliance

Return Rule

Address: PO Box 4312 Title: Voluntary Environmental Self-Audit

Attn: Enforcement Division Regulations [LAC 33:I.Chapter 70]

Date Rule

Baton Rouge, LA 70821-4312 Takes Effect: Upon promulgation

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 change is not anticipated to have any implementation costs or savings, as the tasks necessary to accomplish this rulemaking can be undertaken within the Department of Environmental Quality (DEQ) employees’ normal scope of work and during regular working hours.

The proposed rule will amend or clarify sections of LAC 33:I.Chapter 70-Voluntary Environmental Self-Audit Regulations. The changes include, but are not limited to the following: 1) addition of new program definitions; 2) revisions to the Program Scope section related to the Notice of Audit, the Disclosure of Violations, extension requests, corrective actions, and penalty mitigation; and 3) clarification of the audit period for a new owner initiating an audit or a new owner continuing a previously initiated audit. The changes will aid in further implementation of the audit program.

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

An entity will be eligible for penalty mitigation if the required conditions are met. Penalty mitigation could result in a decrease in revenue. If the disclosed violation is not eligible for relief under the audit program or an entity fails to meet the required penalty mitigation conditions, the department can take enforcement action. The enforcement action may result in a civil penalty, which could increase revenue. The department is unable to quantify any increases or decreases associated with the proposed rule change.

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. If a disclosed violation is not eligible for relief under the audit program or an entity fails to meet the conditions for penalty mitigation, the department can take enforcement action. The enforcement action may result in a civil penalty.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition and employment as a result of the proposed rule change.

Signature of Agency Head or Designee Legislative Fiscal Officer or Designee

Jill C. Clark, General Counsel

Typed Name & Title of Agency Head or Designee

Date of Signature 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.

1. 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).

The proposed rule will amend or clarify sections of LAC 33:I.Chapter 70-Voluntary Environmental Self-Audit Regulations. The changes include, but are not limited to the following: 1) addition of new program definitions; 2) revisions to the Program Scope section related to the Notice of Audit, the Disclosure of Violations, extension requests, corrective actions, and penalty mitigation; and 3) clarification of the audit period for a new owner initiating an audit or a new owner continuing a previously initiated audit. The changes will aid in further implementation of the audit program.

1. 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. The proposed rule will revise or amend the regulations to aid in further implementation of the audit program and to address comments received during the rulemaking process, public hearing and comment period, for the original rule.

1. 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.

No, the proposed rule change is not anticipate to result in any 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. If no, provide justification as to why this rule change should be published at this time

Not applicable.

**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 26 FY 27 FY 28**

Personal Services $0 $0 $0

Operating Expenses $0 $0 $0

Professional Services $0 $0 $0

Other Charges $0 $0 $0

Equipment $0 $0 $0

Major Repairs & Constr. $0 $0 $0

**TOTAL $0**  $0  **$0**

**POSITIONS (#)** 0 0 0

1. 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.

There is no anticipated costs to implement the proposed rule change.

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

**SOURCE FY 26 FY 27 FY 28**

State General Fund $0 $0 $0

Agency Self-Generated $0 $0 $0

Dedicated $0 $0 $0

Federal Funds $0 $0 $0

Other (Specify) $0 $0 $0

TOTAL $0 $0 0

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

There are no anticipated costs to implement the proposed rule change.

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 that those local governments choose to participate in the program. Workload adjustments and/or additional paperwork would be dependent upon the complexity of the environmental self-audit. The department does not anticipate significant participation in the program from local governmental units.

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

The proposed rule changes amends or clarifies sections of the self-audit regulations. Since 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.

**FISCAL AND ECONOMIC IMPACT STATEMENTWORKSHEET**

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

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

**REVENUE INCREASE/DECREASE FY 26 FY 27 FY 28**

State General Fund $0 $0 $0

Agency Self-Generated See below See below See below

Dedicated Funds\* $0 $0 $0

Federal Funds $0 $0 $0

Local Funds $0 $0 $0

**TOTAL $0 $0 $0**

0

\*Specify the particular fund being impacted.

1. 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.

An entity will be eligible for penalty mitigation if the required conditions are met. Penalty mitigation could result in a decrease in revenue. If the disclosed violation is not eligible for relief under the audit program or an entity fails to meet the required penalty mitigation conditions, the department can take enforcement action. The enforcement action may result in a civil penalty, which could increase revenue. The department is unable to quantify any increases or decreases associated with the proposed rule change.

**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. If a disclosed violation is not eligible for relief under the audit program or an entity fails to meet the conditions for penalty mitigation, the department can take enforcement action. The enforcement action may result in a civil penalty.

1. 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.

No change to income is anticipated as a result of the proposed rule change.

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.

There is no anticipated 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 as a result of the proposed rule change.