

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 1646 (First Edition)

SHORT TITLE: Increase Penalties for Air Pollution.

SPONSOR(S): Representatives Allen and Gibson

| <b>FISCAL IMPACT</b>   |                          |                          |  |                          |                          |
|--|--------------------------|--------------------------|--|--------------------------|--------------------------|
|  | <b>Yes ( )</b>           | <b>No ( )</b>            | <b>No Estimate Available (X)</b>                                 |                          |                          |
|  | <b><u>FY 2007-08</u></b> | <b><u>FY 2008-09</u></b> | <b><u>FY 2009-10</u></b>   | <b><u>FY 2010-11</u></b> | <b><u>FY 2011-12</u></b> |
| <b>REVENUES:</b>   |                          |                          |  |                          |                          |
| <b>Civil Penalty &amp; Forfeiture Fund</b>   |                          |                          | <b>No estimate available. See Assumptions &amp; Methodology.</b> |                          |                          |
| <b>EXPENDITURES:</b>   |                          |                          |  |                          |                          |
| <b>Office of Administrative Hearings</b>   |                          |                          | <b>No estimate available. See Assumptions &amp; Methodology.</b> |                          |                          |
| <b>POSITIONS (cumulative):</b>   |                          |                          |  |                          |                          |
| <b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Environment & Natural Resources, Division of Air Quality; Office of Administrative Hearings. |                          |                          |  |                          |                          |
| <b>EFFECTIVE DATE:</b> July 1, 2007  |                          |                          |  |                          |                          |

**BILL SUMMARY:** Amends G.S. 143-215.114A to increase the cap on penalties from \$10,000 to \$25,000 for listed air quality violations including violations of permits and special orders, on daily penalties for continuous violations, and for daily penalties for violations of emission limitations.

**ASSUMPTIONS AND METHODOLOGY:**

**Department of Environment & Natural Resources**

This bill would increase the maximum amount the Department can charge for air quality violations. It does not require the Department to charge more; it provides them with the option to charge more. The Department has assessed the full \$10,000 fine 17 times in the last five years. The Department estimates that they would rarely exceed the \$10,000 fine amount - perhaps assessing a fine in excess of \$10,000 two or three times per year, although it is unclear if such violations would warrant a \$25,000 fine or an amount somewhere between \$10,000 and \$25,000. **Thus, an estimate of the increased revenue is not available at this time but is likely negligible.**

**Office of Administrative Hearings**

While some increase in the number of cases the Office of Administrative Hearings will process is expected, the exact increase cannot be determined. This increase is not expected to be significant, however. Fiscal Research therefore determines that the Office of Administrative Hearings should be able to manage this increase within existing resources.

**SOURCES OF DATA:** Department of Environment & Natural Resources

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

**PREPARED BY:** Kristin Walker, Brian Reynolds, Douglas R. Holbrook

**APPROVED BY:** Lynn Muchmore, Director  
Fiscal Research Division

**DATE:** July 9, 2007



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