

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person Preparing Statement:	Craig Easley	Dept.:	Environmental Quality
Phone:	225-219-3801	Office:	Environmental Compliance
Return Address:	602 North 5th Street	Rule Title:	Increase in the Expedited Penalty Maximum Amounts
	Baton Rouge, LA 70082		(LAC 33:I.805.A)
		Date Rule 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 Louisiana Department of Environmental Quality (LDEQ) does not anticipate any costs or savings resulting from implementing the proposed rule change. The department reports that the tasks necessary to accomplish this rulemaking can be undertaken within LDEQ employees’ normal scope of work and during regular working hours.

Since its inception in 2004, the department's Expedited Penalty Agreement (XP) Program has been an effective tool to address past violations and deter future noncompliance with the Environmental Quality Act and the environmental regulations found in the Louisiana Environmental Code of Regulations (Title 33). XP’s can be issued quickly due to specific violations being linked to an established fine already codified in the regulations. The XP is a voluntary agreement, where the respondent agrees to pay the fine and to forgo the right to request an adjudicatory hearing. The XP procedure allows the department, when agreed upon by the respondent, to more efficiently and effectively bring facilities into compliance with state environmental regulations.

The proposed rule change expands the XP Program maximums for a specific violation from \$3,000 to \$5,000 and for a case involving two or more violations from \$5,000 to \$10,000, thereby allowing the Enforcement Division to resolve penalty components of more cases utilizing the XP Program. This does not necessarily increase the penalties for a specific violation, but provides greater access to the XP program for a violator who would exceed the current maximum cap of \$3,000 or \$5,000, depending on the number of violations.

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

The proposed rule change is not anticipated to have any effect on the revenue collections of the state and local governmental units.

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

The proposed rule changes are not anticipated to impose any additional costs to directly affected persons and nongovernmental groups.

The revisions to the existing XP rule are being proposed to allow more enforcement cases to be resolved more quickly by allowing greater access to the program. The regulated sector will be able to take the necessary corrective steps and pay the monetary penalty more efficiently. Therefore, the business will be able to achieve compliance earlier.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule changes are not anticipated to have an effect on competition or employment.

Jill C. Clark  
Signature of Head or Designee

Jill C. Clark, General Counsel  
Typed Name & Title of Agency Head or Designee

9.9.2025  
Date of Signature

Patrice Thomas, Deputy Fiscal Officer  
Legislative Fiscal Officer or Designee

9/10/2025  
Date of Signature

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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).

Since its inception in 2004, the department's expedited penalty agreement (XP) program has been an effective tool to address past violations and deter future noncompliance with the Environmental Quality Act and the environmental regulations found in the Louisiana Environmental Code of Regulations (Title 33). XP's can be issued quickly due to specific violations being linked to an established fine already codified in the regulations. The XP is a voluntary agreement, where the respondent agrees to pay the fine and to forgo the right to request an adjudicatory hearing. The XP procedure allows the department, when agreed upon by the respondent, to more efficiently and effectively bring facilities into compliance with state environmental regulations.

The proposed rule change expands the XP Program maximums for a specific violation from \$3,000 to \$5,000 and for a case involving two or more violations from \$5,000 to \$10,000, thereby allowing the Enforcement Division to resolve penalty components of more cases utilizing the XP Program. This does not necessarily increase the penalties for a specific violation, but provides greater access to the XP program for a violator who would exceed the current maximum cap of \$3,000 or \$5,000, depending on the number of violations.

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

The proposed rule change is being implemented as a result of Act 492.

The revisions to the existing XP rule are being proposed to allow more enforcement cases to be resolved more quickly by allowing greater access to the program. The regulated sector will be able to take the necessary corrective steps and pay the monetary penalty more efficiently. Therefore, the business will be able to achieve compliance earlier. There is no federal regulation equivalent.

- 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 changes are not anticipated 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 REPAIR & CONSTR.	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0
POSITIONS (#)	0	0	0

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.

There is no anticipated increase or decrease in costs associated with the proposed rule changes. No increase or reduction in workload or additional paperwork is anticipated.

3. 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

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

No funds are required to implement the proposed rule changes.

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.

No impact on local governmental units is anticipated, including adjustments in workload and/or paperwork requirements.

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

There are no anticipated costs or savings to local governmental units; therefore, no funding is needed.

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WORKSHEET

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 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
LOCAL FUNDS	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0

\*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.

The department does not anticipate revenue collections of state and local governmental units to be impacted as a result of the proposed rule changes.

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.

The proposed rule changes do not impose any additional requirements on any persons, small businesses, or nongovernmental groups. The proposed rule changes may have an impact on persons only if they violate a provision of the Environmental Quality Act or its implementing regulations. Additionally, utilization of the expedited penalty program is voluntary on the part of an alleged violator.

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.

The proposed rule changes do not impose any additional requirements on any persons, small businesses, or nongovernmental groups. The rule may affect persons only if they violate a provision of the Environmental Quality Act or its implementing regulations.

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 or employment in the public and private sectors as a result of the proposed rule change.