

HF644 - 0 - Environmental Permit Violation Recovered Money

Chief Author: **Fue Lee**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **3/9/2021 11:43:20 AM**
 Lead Agency: **Pollution Control Agency**
 Other Agencies:
 Health Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	11	11	11	11	11
State Total						
General Fund	-	11	11	11	11	11
Total	-	11	11	11	11	11
Biennial Total			22			22

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	.1	.1	.1	.1
Total	-	.1	.1	.1	.1

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 3/9/2021 11:43:20 AM
Phone: 651-284-6540 **Email:** jim.carlson@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	11	11	11	11	11
Total	-	11	11	11	11	11
	Biennial Total		22			22
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Dept						
General Fund	-	11	11	11	11	11
Total	-	11	11	11	11	11
	Biennial Total		22			22
2 - Revenues, Transfers In*						
Health Dept						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

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 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 3/4/2021 9:01:05 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Amends Minnesota Statutes 2020, section 16A.151, subdivision 2.

If penalties of \$250,000 or more are recovered through litigation or settlement for permit violations, MPCA must transfer 40% to the Minnesota Department of Health, who must then transfer it to the community health board.

Requires notification of the settlement within 30 days of conclusion of the matter, as defined.

Requires the project to be implemented by the community health board, with input from the population potentially affected by the

pollution that was the subject of the litigation or settlement.

Does not apply to money recovered in litigation or settlement of a matter that could have resulted in litigation with subdivisions of the state.

Does not create a right of intervention in the litigation or settlement of the enforcement action for any person or entity.

Effective the day following final enactment and applies to all litigation actions or settlements from which the MPCA recovered \$250,000 or more on or after that date.

Assumptions

In the past five years, MPCA has recovered penalties for permit violations in excess of \$250,000 three times. It is unknown how many there will be in the future and what the dollar amounts will be.

Enforcement penalties do not contribute directly to MPCA's current agency budget or programs. Penalties received by MPCA are deposited directly to the Environmental Fund, under Minn. Stat. 16A.531.

The MPCA will transfer the funds to the Minnesota Department of Health via the SWIFT financial system, or an Interagency Agreement, which is a simple process and will have very little fiscal impact.

It is assumed MPCA will not have any role nor involvement in the community health board project.

Therefore, there will be no fiscal impact directly to the MPCA, but to the Environmental Fund.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

Costs may be incurred by community health boards or other LUGs that may become involved in the community project.

References/Sources

MPCA enforcement data

Agency Contact: Katie Smith 651-592-5361

Agency Fiscal Note Coordinator Signature: John Allen

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Chief Author: **Fue Lee**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **3/9/2021 11:43:20 AM**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
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Total	-	11	11	11	11	11
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Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	.1	.1	.1	.1
Total	-	.1	.1	.1	.1

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/9/2021 11:20:04 AM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	11	11	11	11	11
Total	-	11	11	11	11	11
	Biennial Total		22	22		22
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	11	11	11	11	11
Total	-	11	11	11	11	11
	Biennial Total		22	22		22
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-	-		-

Bill Description

The bill requires the Minnesota Pollution Control Agency (MPCA) to notify the Minnesota Department of Health and the local community health board when MPCA recovers \$250,000 or more in litigation or settlement of a civil penalty from violations of a permit or other issue. The bill further requires MPCA to forward 40% of the settlement amount to the department to distribute to the community health board. The community health board must meet with the affected population and implement findings.

Assumptions

Based on our experiencing supporting and funding local communities to address lead and other environmental health hazards, MDH assumes the cost of a 0.1 full-time equivalent staff person on an ongoing basis to prepare for and receive payments, set up contractual payment mechanisms for community health boards, provide expert technical assistance, and ensure timely and appropriate use of state funds.

Expenditure and/or Revenue Formula

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
Management Analyst 2	87,866	0.10	0.10	0.10	0.10
	FTE	0.10	0.10	0.10	0.10
	Subtotal	8,787	8,787	8,787	8,787
Information Technology:					
Computing & IT support per FTE	2,712	271	271	271	271

	Subtotal	271	271	271	271
Other Operating Costs:					
Materials, supplies & training per FTE	600	60	60	60	60
	Subtotal	60	60	60	60
Grants, Aids & Subsidies:					
	Subtotal	0	0	0	0
Indirect (21.7% Eligible Costs)	Subtotal	1,979	1,979	1,979	1,979
Expenditure	Total	11,096	11,096	11,096	11,096
Fiscal Tracking (Dollars in Thousands)	BACT	FY 2022	FY 2023	FY 2024	FY 2025
Health Protection	03	11	11	11	11
Administration		11	11	11	11
Grants		0	0	0	0

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

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