

FISCAL NOTE

H.B. 395

SHORT TITLE: Natural Gas, Oil, Pollutants, and Hazardous Materials Amendments

SPONSOR: Handy, S.

2014 GENERAL SESSION

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill will require an additional pipeline safety engineer in the Division of Public Utilities. The engineer will perform inspections throughout the state. The ongoing cost of this position (salary, benefits, and current expense) is \$94,200 with a one-time cost of \$18,400 for a vehicle which will be covered through the Public Utility Regulatory Fee. Spending from the Commerce Service Fund affects annual transfers to the General Fund.

The bill also increases the maximum penalties that the Department of Environmental Quality (DEQ) may charge to businesses that violate established rules. This could increase revenue to the state by up to \$13.4 million per year based on a three-year trend of collections and penalties collected by DEQ. This would be contingent on the number of violators and the severity of the violations.

STATE BUDGET DETAIL TABLE

	FY 2014	FY 2015	FY 2016
Revenue:			
Commerce Service Fund	\$0	\$94,200	\$94,200
Commerce Service, One-time	\$0	\$18,400	\$0
Total Revenue	\$0	\$112,600	\$94,200
Expenditure:			
Commerce Service Fund	\$0	\$94,200	\$94,200
Commerce Service, One-time	\$0	\$18,400	\$0
Total Expenditure	\$0	\$112,600	\$94,200
Net Impact, All Funds (Rev.-Exp.)	\$0	\$0	\$0
Net Impact, General/Education Funds	\$0	\$0	\$0

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LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Individual rate payers and utility companies will pay a net sum of \$112,600 in FY 2015 and \$94,200 in FY 2016 through the Public Utility Regulatory Fee.

Businesses that violate rules set forth in the bill may be subject to increased penalties. The annual net impact is estimated at up to \$13.4 million per year based on a three-year trend of collections and penalties collected by DEQ. This would be contingent on the number of violators and the severity of the violations.

PERFORMANCE NOTE (JR 4-2-404): Not Required