

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: HB 121  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB121-DOLWD-OSH-02-24-17  
Title: OCC. HEALTH AND SAFETY CIVIL PENALTIES  
Sponsor: LABOR & COMMERCE  
Requester: House Labor & Commerce

Department: Department of Labor and Workforce Development  
Appropriation: Labor Standards and Safety  
Allocation: Occupational Safety and Health  
OMB Component Number: 970

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

1004 Gen Fund (UGF)	217.5		435.0	435.0	435.0	435.0	435.0
<b>Total</b>	<b>217.5</b>	<b>0.0</b>	<b>435.0</b>	<b>435.0</b>	<b>435.0</b>	<b>435.0</b>	<b>435.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/18

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: <u>Deborah Kelly, Director</u>	Phone: <u>(907)269-4961</u>
Division: <u>Labor Standards and Safety</u>	Date: <u>02/24/2017 12:00 PM</u>
Approved By: <u>Heidi Drygas, Commissioner</u>	Date: <u>02/24/17</u>
Agency: <u>Department of Labor and Workforce Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. HB 121

Analysis

This legislation requires the department to set maximum and minimum civil penalties for occupational safety and health violations by regulation, and requires those penalties conform to the Federal Civil Penalties Inflation Adjustments Act Improvements Act of 2015.

The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 raised federal maximum penalties and tied future penalty amounts to the Consumer Price Index (CPI). The regulations resulting from this legislation will initially adjust maximum and minimum civil penalties for inflation going back to 1990, and then adjust penalties yearly according to changes in the CPI. It is anticipated that this change will result in an additional \$435.0 in penalty revenue per year. The regulations are anticipated to go into effect halfway into FY18, so that revenue is half of the yearly calculated amount:  $\$435.0/2 = \$217.5$ .

	\$596.0 (FY16 penalties collected by Alaska Occupational Safety and Health)
x	1.73 (initial adjustment)
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	\$1,031.0 (estimated penalties collected per fiscal year after adjustment)
-	\$596.0 (current penalties collected per fiscal year)
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	\$435.0 in additional revenue per fiscal year