

From: Bus, Alida N (DEC)
To: [Rep. John Lincoln](#)
Cc: [Jacquelyn Boyer](#)
Subject: DEC Follow-up re: HB322 Spill/Pollution Penalties
Date: Thursday, February 15, 2018 2:37:52 PM

Representative Lincoln,

During last Friday's House Resources Committee hearing of HB322 Oil Spills/Pollution: Penalties; Prevention, you'd asked for the department to show the work we'd done developing our fiscal note. Here is our response.

The amount of civil penalties received in any given year is unpredictable and varies greatly, so the amount reflected in the fiscal note is the Department's best guess based on prior year information. As was detailed in the response to the House Resources Committee on February 2, 2018, there was an average of approximately \$150.0 in civil penalties awarded the State on releases of oil or hazardous substances over the most recent three fiscal years. The current legislation would double the maximum penalties which could increase that average to \$300.0. The Department typically receives an average of 50% of penalties awarded in a given fiscal year. The \$74.7 in the fiscal note reflects roughly 50% of this potential increase in awards, with inflation applied to the penalty amounts in the out years as required by the legislation.

I hope this helps. Apologies for the delay. Please let me know if you'd like more information or have questions.

Best,

Alida Bus

Special Assistant & Legislative Liaison
Office of the Commissioner
Alaska Department of Environmental Conservation
(907) 465-5871