

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: CS/CS/HB 1091 Environmental Accountability

SPONSOR(S): State Affairs Committee, Agriculture & Natural Resources Subcommittee, Fine and others

TIED BILLS: **IDEN./SIM. BILLS:** CS/CS/SB 1450

FINAL HOUSE FLOOR ACTION: 115 Y's

0 N's

GOVERNOR'S ACTION: Approved

SUMMARY ANALYSIS

CS/CS/HB 1091 passed the House on March 6, 2020. The bill was amended in the Senate on March 12, 2020, and returned to the House. The House concurred in the Senate amendment to the House bill and subsequently passed the bill as amended on March 12, 2020. The bill includes portions of SB 150, CS/CS/SB 712, and CS/HB 1343.

The Department of Environmental Protection (DEP) is Florida's lead agency for environmental management and stewardship, implementing many programs to protect the state's air, water, and land. In accordance with the state's numerous environmental laws, DEP's responsibilities include compliance and enforcement. Violations of Florida's environmental laws can result in damages and administrative, civil, and criminal penalties. Several types of violations impose a penalty for each offense, with each day during which a violation occurs constituting a separate offense.

The bill increases various statutory penalties for violations of environmental laws. For certain violations, the bill specifies that each day during any portion of which the violation occurs constitutes a separate offense. The bill further specifies that each day the cause of an unauthorized discharge of domestic wastewater is not addressed constitutes a separate offense until the violation is resolved by order or judgment.

A sanitary sewer lateral is the portion of the sewer network connecting individual private properties to the public sewer system. Sanitary sewer laterals are often in poor condition, and defects can occur due to aging systems, structural failure, lack of maintenance, or poor construction and design practices. Defects in sanitary sewer laterals can have a significant impact on the performance of the sewer system and treatment plan.

By July 1, 2022, the bill encourages each county and municipality to establish an evaluation and rehabilitation program for sanitary sewer laterals on residential and commercial properties within the county's or municipality's jurisdiction to identify and reduce extraneous flow from leaking sanitary sewer laterals. The bill requires a seller of real property, before executing a contract for sale, to disclose to a prospective purchaser any known defects in the property's sanitary sewer lateral.

The bill may have an indeterminate positive fiscal impact to the state and an indeterminate fiscal impact to local governments.

The bill was approved by the Governor on June 30, 2020, ch. 2020-159, L.O.F., and will become effective on July 1, 2020.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Environmental Violations

Background

The Department of Environmental Protection (DEP) is Florida's lead agency for environmental management and stewardship, implementing many programs to protect the state's air, water, and land.¹ In accordance with the state's numerous environmental laws, DEP's responsibilities include compliance and enforcement.² Violations of Florida's environmental laws can result in damages and administrative, civil, and criminal penalties.

Damages

In environmental enforcement, damages should compensate the state for the value of the loss to natural resources caused by the violation.³ DEP may institute a civil action in court or an administrative proceeding in the Division of Administrative Hearings (DOAH) to recover damages for any injury to the air, waters, or property, including animal, plant, and aquatic life, of the state caused by any violation.⁴ Damages can cover the cost of remediating the damage done to the environment, and/or costs incurred by the state in responding to the damage, such as tracing the source, controlling and abating the source, and restoring the environmental resources to their former condition.⁵

Penalties

In addition to damages, a violator can be liable for penalties. Penalties differ from damages in that they are designed to punish the wrongdoer rather than to address the harm caused by the violation.⁶ In environmental enforcement, penalties should create incentives to bring immediate compliance and curb future violations.⁷ In current law, several types of violations impose a penalty for each offense, with each day during which a violation occurs constituting a separate offense.

Administrative penalties may be levied directly by DEP or in a proceeding in DOAH.⁸ The formal administrative enforcement process is typically initiated by serving a notice of violation, and is finalized through entry of a consent order or final order.⁹ In most administrative proceedings, DEP has the final decision.¹⁰ An administrative law judge has the final decision for administrative proceedings involving the Environmental Litigation Reform Act (Reform Act), codified in s. 403.121, F.S., which is the primary statute addressing DEP's administrative penalties.¹¹ Compared to the judicial process, the administrative process is generally considered less expensive, faster, and more conducive to negotiated settlement.¹² However, if DEP is seeking immediate injunctive relief, which compels a party to act or stop acting, an order must be obtained from a court.¹³

¹ DEP, *About DEP*, available at <https://floridadep.gov/about-dep> (last visited Jan. 27, 2020); s. 20.255, F.S.

² DEP, *Enforcement Manual: DEP Regulatory Enforcement Organization* (2017), available at <https://floridadep.gov/sites/default/files/Chapter%201%20October%202017.pdf> (last visited Jan. 27, 2020).

³ DEP, *Enforcement Manual: Judicial Process and Remedies, Collections, and Bankruptcies* (2014), 89, available at <https://floridadep.gov/sites/default/files/chapter6.pdf> (last visited Jan. 27, 2020).

⁴ See s. 403.121, F.S.

⁵ See ss. 403.121 and 403.141, F.S.

⁶ See BLACK'S LAW DICTIONARY 1247 (9th ed. 2009).

⁷ DEP, *Enforcement Manual: Judicial Process and Remedies, Collections, and Bankruptcies* (2014), 89, available at <https://floridadep.gov/sites/default/files/chapter6.pdf> (last visited Jan. 27, 2020).

⁸ See ch. 120, F.S. The administrative process is formalized in the Administrative Procedure Act.

⁹ DEP, *Enforcement Manual: The Administrative Process and Remedies* (2014), 58, available at https://floridadep.gov/sites/default/files/chapter5_0.pdf (last visited Jan. 27, 2020).

¹⁰ *Id.*

¹¹ *Id.* at 58-59, 66-70; ch. 2001-258, Laws of Fla.

¹² DEP, *Enforcement Manual: The Administrative Process and Remedies* (2014), 59, available at https://floridadep.gov/sites/default/files/chapter5_0.pdf (last visited Jan. 27, 2020).

¹³ *Id.* at 59-60.

DEP must proceed administratively when it seeks administrative penalties that do not exceed \$10,000 per assessment; DEP is prohibited from imposing administrative penalties in excess of \$10,000 in a single notice of violation.¹⁴ DEP also may not have more than one notice of violation pending against a party unless the additional violation occurred at a different site or was discovered subsequent to the filing of a previous notice of violation.¹⁵

Civil penalties are noncriminal fines that are generally levied by a court, but certain agencies may impose them under certain circumstances. The Reform Act allows DEP to seek civil penalties of up to \$10,000 through the administrative process for most environmental violations.¹⁶

In state court, DEP may pursue two forms of action: a petition to enforce an order previously entered through the administrative process, or a complaint for violations of statutes or rules.¹⁷ Under both actions, DEP may seek injunctive relief, civil penalties, damages, and costs and expenses.¹⁸ For judicially imposed civil penalties, DEP is authorized to recover up to \$10,000 per offense, with each day during any portion of which a violation occurs constituting a separate offense.¹⁹

A court or an administrative law judge may receive evidence in mitigation, which may result in the decrease or elimination of penalties.²⁰

Criminal penalties can include jail or prison time, a criminal fine, or both. Florida law imposes criminal penalties for certain violations of environmental law.²¹ Punishments for such violations may vary based on standards of intent, such as willful, reckless indifference, or gross careless disregard.²²

In addition to DEP, the Department of Legal Affairs, any political subdivision or municipality of the state, and any citizen of the state also have the authority to bring an action for injunctive relief against violators of environmental laws.²³

Effect of the Bill

The bill increases various statutory penalties for violations of environmental laws.

The table below outlines the increased penalties for certain environmental violations proposed by the bill. For certain violations, the bill specifies that each day during any portion of which the violation occurs constitutes a separate offense. The bill further specifies that each day the cause of an unauthorized discharge of domestic wastewater is not addressed constitutes a separate offense until the violation is resolved by order or judgment.

¹⁴ Section 403.121(2)(b), F.S.; DEP, *Enforcement Manual: The Administrative Process and Remedies* (2014), 66-67, available at https://floridadep.gov/sites/default/files/chapter5_0.pdf (last visited Jan. 27, 2020). This requirement does not apply to underground injection, hazardous waste, or asbestos programs.

¹⁵ *Id.*

¹⁶ Section 403.121, F.S.

¹⁷ DEP, *Enforcement Manual: Judicial Process and Remedies, Collections, and Bankruptcies* (2014), 86, available at <https://floridadep.gov/sites/default/files/chapter6.pdf> (last visited Jan. 27, 2020).

¹⁸ *Id.*

¹⁹ Section 403.121(1)(b), F.S.

²⁰ Section 403.121, F.S.

²¹ Section 403.161, F.S.

²² *Id.*

²³ Section 403.412, F.S.

SECTION OF LAW	DESCRIPTION OF VIOLATION	CURRENT FINE/PENALTY	PROPOSED FINE/PENALTY
161.054	DEP is required to assess a civil penalty for refusing to comply with the requirements of a coastal construction; a reconstruction or change of existing structures; a construction or physical activity undertaken specifically for shore protection purposes; or certain other structures and physical activities.	Up to \$10,000 per day	Up to \$15,000 per day
258.397	The Department of Legal Affairs is authorized to bring a civil action for a violation of the requirements of the Biscayne Bay Aquatic Preserve.	\$5,000 per day	\$7,500 per day
258.46	The Board of Trustees of the Internal Improvement Trust Fund is required to charge a civil penalty for violations of regulations for all aquatic preserves.	Between \$500 and \$5,000 per day	Between \$750 and \$7,500 per day
373.129	DEP and the water management districts are authorized to bring actions and proceedings to enforce rules, regulations, and adopted or issued orders; enjoin or abate violations of law, rules, regulations, and adopted orders; protect and preserve the water resources of the state; defend all actions and proceedings involving their powers and duties pertaining to the water resources of the state; and recover a civil penalty for each offense.	\$10,000 per offense	\$15,000 per offense
373.209	DEP is required to assess a civil penalty for violations of regulations for artesian wells.	\$100 per day for each offense	\$150 per day for each offense
373.430	A person who causes pollution or fails to obtain a required permit commits a second degree misdemeanor.	\$5,000	\$10,000
376.065	DEP is required to assess a civil penalty for the operation of a terminal facility without a discharge prevention and response certificate.	\$500	\$750
376.071	DEP is required to assess a civil penalty for any vessel with a pollutant capacity of 10,000 gallons or more that fails to maintain a discharge prevention and control contingency plan.	\$5,000	\$7,500
376.16	DEP is required to assess a civil penalty for violations of the Pollutant Discharge Prevention and Control Act.	Up to \$50,000 per day for each offense	Up to \$75,000 per day for per offense
	DEP is required to assess a civil penalty for a second or subsequent discharge of more than five gallons of gasoline or diesel within 12 months of the first discharge.	2 nd discharge: \$500 Subsequent discharges: \$1,000	2 nd discharge: \$750 Subsequent discharges: \$1,500
	DEP is required to assess a civil penalty for a second or subsequent discharge of any pollutant other than gasoline or diesel within 12 months of the first discharge.	2 nd discharge: \$2,500 Subsequent discharges: \$5,000	2 nd discharge: \$3,750 Subsequent discharges: \$7,500
	DEP is required to assess a civil penalty for a subsequent discharge of gasoline or diesel equal to or less than five gallons within 12 months of the first discharge.	\$50	\$75

SECTION OF LAW	DESCRIPTION OF VIOLATION	CURRENT FINE/PENALTY	PROPOSED FINE/PENALTY
	DEP is required to assess a civil penalty for a subsequent discharge of a pollutant other than gasoline or diesel equal to or less than five gallons within 12 months of the first discharge.	\$100	\$150
	A county court is authorized to impose a civil penalty if a violator elects to appear before the court and the court determines that an infraction has been committed for the discharge of gasoline or diesel.	2 nd discharge: Up to \$500 Subsequent discharges: Up to \$1,000	2 nd discharge: Up to \$750 Subsequent discharges: Up to \$1,500
	A county court is authorized to impose a civil penalty if a violator elects to appear before the court and the court determines that an infraction has been committed for the discharge of a pollutant other than gasoline or diesel.	2 nd discharge: Up to \$5,000 Subsequent discharges: Up to \$10,000	2 nd discharge: Up to \$7,500 Subsequent discharges: Up to \$15,000
376.25	DEP is required to assess a civil penalty for violations of regulations for gambling vessels.	Up to \$50,000 for each violation	Up to \$75,000 for each violation
377.37	DEP is required to assess a civil penalty for violations of the regulations of oil and gas resources.	Up to \$10,000 for each violation	Up to \$15,000 for each violation
378.211	DEP is authorized to impose a civil penalty for violations of a minor or technical nature of phosphate land reclamation regulations.	\$100 each day for each violation	\$150 each day for each violation
	DEP is authorized to impose a civil penalty for a major violation by an operator of phosphate land reclamation regulations of which a penalty has not been imposed within the last five years.	\$1,000 each day for each violation	\$1,500 each day for each violation
	DEP is authorized to impose a civil penalty for major violations not covered by the violations above for phosphate land reclamation regulations.	\$5,000 each day for each violation	\$7,500 each day for each violation
403.086	DEP is required to assess a civil penalty for failing to conform to regulations for sewage disposal facilities using advanced and secondary waste treatment.	\$500 per day	\$750 per day
403.121	DEP is authorized to impose a civil penalty for violations of pollution control regulations.	Up to \$10,000 per offense	Up to \$15,000 per offense
	DEP is authorized to seek administrative penalties to provide appropriate corrective action with respect to various environmental violations. The law specifies the maximum civil penalty DEP may seek.	Up to \$10,000 per assessment	Up to \$50,000 per assessment
	DEP is required to assess administrative penalties for a drinking water contamination violation related to maximum contaminant levels, with additional penalties under certain conditions.	\$2,000 plus \$1,000 per condition	\$3,000 plus \$1,500 per condition
	DEP is required to assess an administrative penalty for failing to obtain a clearance letter prior to placing a drinking water system into service when the system would not have been eligible for clearance.	\$3,000	\$4,500
	DEP is required to assess an administrative penalty for failing to obtain a wastewater permit other than a surface water discharge permit.	\$1,000	\$2,000

SECTION OF LAW	DESCRIPTION OF VIOLATION	CURRENT FINE/PENALTY	PROPOSED FINE/PENALTY
	DEP is required to assess an administrative penalty for an unpermitted or unauthorized wastewater discharge that did not result in a water quality violation.	\$2,000	\$4,000
	DEP is required to assess an administrative penalty for the unpermitted or unauthorized discharge that resulted in a water quality violation.	\$5,000	\$10,000
	DEP is required to assess an administrative penalty for a dredge and fill or stormwater violation with additional penalties under the following conditions:	\$1,000	\$1,500
	<ul style="list-style-type: none"> If the violation occurs in a certain waterbody 	plus \$2,000	plus \$3,000
	<ul style="list-style-type: none"> If the violation occurs in an area of a certain size 	plus \$1,000	plus \$1,500
	DEP is required to assess an administrative penalty for failing to complete required mitigation, record a conservation easement, or a water quality violation resulting from certain activities.	\$3,000	\$4,500
	DEP is required to assess an administrative penalty for failing to properly or timely construct a stormwater management system for systems serving less than 5 acres.	\$2,000	\$3,000
	DEP is required to assess an administrative penalty against a contractor that conducts unpermitted or unauthorized dredging or filling.	\$5,000	\$7,500
	DEP is required to assess an administrative penalty against a contractor for mangrove trimming or alteration violations.	\$5,000	\$7,500
	DEP is required to assess an administrative penalty for the unpermitted or unauthorized disposal of solid waste, with additional penalties for certain conditions.	\$2,000 plus \$1,000 per condition	\$3,000 plus \$1,500 per condition
	DEP is required to assess an administrative penalty for failure to properly maintain leachate control.	\$3,000	\$4,500
	DEP is required to assess an administrative penalty for failing to construct or maintain a required stormwater management system.	\$2,000	\$3,000
	DEP is required to assess an administrative penalty for an unpermitted or unauthorized air emission or air-emission-permit exceedance, with additional penalties if:	\$1,000	\$1,500
	<ul style="list-style-type: none"> The emission was from a major source and the source was major for the pollutant in violation 	\$3,000	\$4,500
	<ul style="list-style-type: none"> The emission was more than 150 percent of the allowable level 	\$1,000	\$1,500
	DEP is required to assess an administrative penalty for storage tank system and petroleum contamination violations.	\$5,000	\$7,500
	DEP is required to assess an administrative penalty for failing to timely upgrade a storage tank system.	\$3,000	\$4,500
	DEP is required to assess an administrative penalty for release violations of storage tank systems.	\$2,000	\$3,000

SECTION OF LAW	DESCRIPTION OF VIOLATION	CURRENT FINE/PENALTY	PROPOSED FINE/PENALTY
	DEP is required to assess an administrative penalty for failing to properly operate, maintain, or close a storage tank system.	\$1,000	\$1,500
	DEP is required to assess an administrative penalty for failure to satisfy financial responsibility requirements or pollution of land, water, wildlife, or property by drilling for oil, gas, or other petroleum products.	\$5,000	\$7,500
	DEP is required to assess an administrative penalty for failing to install, maintain, or use a required pollution control system or device.	\$4,000	\$6,000
	DEP is required to assess an administrative penalty for failing to obtain a required permit before construction or modification.	\$3,000	\$4,500
	DEP is required to assess an administrative penalty for failing to conduct regular monitoring or testing, to conduct required release detection, or to construct in compliance with a permit.	\$2,000	\$3,000
	DEP is required to assess an administrative penalty for failing to maintain and train staff; prepare and maintain contingency plans; adequately respond to emergencies; or submit required notification to DEP.	\$1,000	\$1,500
	DEP is required to assess an administrative penalty for failing to prepare, submit, maintain, or use required reports or other documentation.	\$500	\$750
	DEP is required to assess an administrative penalty for failing to comply with any departmental regulatory statute or rule not described above.	\$500	\$1,000
	When considering the economic benefit gained by a violator from a violation, the law specifies that the total administrative penalty may not exceed a certain amount.	\$10,000	\$15,000
	The law specifies that the administrative penalties assessed for any violation may not exceed a certain amount against any one violator unless the violator has a history of noncompliance or the economic benefit exceeds a certain amount.	\$5,000 per violator unless economic benefit exceeds \$5,000	\$10,000 per violator unless economic benefit exceeds \$10,000
	The law specifies that the total administrative penalties per assessment for all violations attributable to a specific person may not exceed a certain amount.	\$10,000 per assessment	\$50,000 per assessment
403.141	Any person who causes pollution, fails to obtain a permit, knowingly makes false statements, or fails to provide required notice is liable to the state for any damage to airs, waters, or properties (including wildlife) of the state and is subject to a civil penalty for each offense.	Up to \$10,000 per offense	Up to \$15,000 per offense
403.161	Any person who fails to obtain a permit due to reckless indifference commits a 2 nd degree misdemeanor punishable by 60 days in jail, a fine, or both for each offense.	Up to \$5,000 per offense	Up to \$10,000 per offense
403.413	A law enforcement officer is required to assess a civil penalty for dumping litter.	\$100	\$150

SECTION OF LAW	DESCRIPTION OF VIOLATION	CURRENT FINE/PENALTY	PROPOSED FINE/PENALTY
403.7234	DEP is required to assess a civil penalty for any small quantity generator who does not comply with the small quantity generator notification and verification program	Between \$50 and \$100 per day for up to 100 days	Between \$75 and \$150 for up to 100 days
403.726	DEP is authorized impose a civil penalty for a violation of hazardous substance regulations.	Up to \$25,000 per day	Up to \$37,500 per day
403.727	DEP is required to assess a civil penalty for a violation of hazardous waste regulations.	Up to \$50,000 per day	Up to \$75,000 per day
403.93345	DEP is authorized to impose a civil penalty for any anchoring of a vessel on a coral reef or any other damage to a coral reef totaling less than one square meter, if the responsible party has been previously issued at least one warning letter, with additional penalties for violations that occur under certain conditions.	\$150 plus \$150 per condition	\$225 plus \$225 per condition
	DEP is authorized to impose a civil penalty for damage totaling more than one square meter but less than or equal to 10 square meters of a coral reef, with additional penalties for damage occurring under certain conditions.	\$300 plus \$300 per condition	\$450 plus \$450 per condition
	DEP is authorized to impose a civil penalty for damage totaling more than 10 square meters of a coral reef, with additional penalties for damage occurring under certain conditions.	\$1,000 plus \$1,000 per condition	\$1,500 plus \$1,500 per condition
	The law specifies that the total penalties DEP may impose for damage totaling more than 10 square meters of a coral reef may not exceed a certain amount per occurrence.	\$250,000	\$375,000

Sanitary Sewer Laterals

Background

A sanitary sewer lateral is the portion of the sewer network connecting individual private properties to the public sewer system.²⁴ Sanitary sewer laterals are often in poor condition, and defects can occur due to aging systems, structural failure, lack of maintenance, or poor construction and design practices.²⁵ Defects in sanitary sewer laterals can have a significant impact on the performance of the sewer system and treatment plan. Private laterals are estimated to contribute to about 40 percent of a system's infiltration and inflow to sanitary sewers.²⁶ Cracked or broken laterals can allow groundwater and infiltrating rainwater to enter into the sewer system, which, at high levels, can cause problems at the treatment facility or overload the sewers and cause sanitary sewer overflows.²⁷

The Florida Building Code requires every building in which plumbing fixtures are installed to be connected to a publicly owned or investor-owned sewage system, when available, or an approved onsite sewage treatment and disposal system.²⁸ A building that has plumbing fixtures installed and is

²⁴ United States Environmental Protection Agency (EPA), *Private Sewer Laterals* (June 2014), available at <https://www3.epa.gov/region1/sso/pdfs/PrivateSewerLaterals.pdf>.

²⁵ *Id.* at 1-2.

²⁶ *Id.* at 2.

²⁷ *Id.* at 4.

²⁸ Florida Building Code – Plumbing, 6th edition (July 2017) ch. 7, s. 701.2.

intended for human habitation, occupancy, or use on premises abutting a street, alley, or easement in which there is a public sewer is required to have a separate connection to the sewer.²⁹

Currently, state law does not specify who is responsible for maintaining or replacing defective sanitary sewer laterals. However, certain municipalities, through city ordinances, require property owners to be responsible for the maintenance, operation, or repair of sanitary sewer laterals.³⁰

Required Disclosures for a Contract for Sale in Florida

Florida law requires sellers to disclose certain information as part of a sale to a prospective buyer before closing, including:

- A sinkhole claim;³¹
- The potential for coastal erosion;³²
- Mandatory membership in a homeowner's association;³³
- The presence of radon gas;³⁴
- That the buyer should not rely on the seller's current property taxes;³⁵ and
- Whether subsurface rights have been or will be severed or retained.³⁶

Current law does not require sellers of real property to disclose sewer lateral defects. Instead, sellers must only disclose defects actually known, but not those constructively known, i.e. those that could have been discovered through reasonable inspection.³⁷ In addition, a seller is not required to retain a home inspector to discover problems that the seller may not be aware of.

Effect of the Bill

The bill defines the term "sanitary sewer lateral" to mean a privately owned pipeline connecting a property to the main sewer line which is maintained and repaired by the property owner.

By July 1, 2022, the bill encourages each county and municipality to establish an evaluation and rehabilitation program for sanitary sewer laterals on residential and commercial properties within the county's or municipality's jurisdiction to identify and reduce extraneous flow from leaking sanitary sewer laterals.

The bill authorizes the programs, at a minimum, to:

- Establish a system to identify defective, damaged, or deteriorated sanitary sewer laterals;
- Consider economical methods for a property owner to repair or replace a defective, damaged, or deteriorated sanitary sewer lateral; and
- Establish and maintain a publicly accessible database to store information concerning properties where a defective, damaged, or deteriorated sanitary sewer lateral has been identified.

The bill specifies that, for each property, the database must include, but is not limited to, the address of the property, the names of any persons the county notified concerning the faulty sanitary sewer lateral, and the date and method of such notification.

²⁹ Florida Building Code – Plumbing, 6th edition (July 2017) ch. 7, s. 701.3.

³⁰ Ch. 30.02, s. 4.2(k), City of Orlando Code of Ordinances; Chapter 20, article IX, s. 20-110(d), City of Tarpon Springs Code of Ordinances.

³¹ Section 627.7073(2)(c), F.S.

³² Section 161.57(2), F.S.

³³ Section 720.401(1), F.S.

³⁴ Section 404.056(5), F.S.

³⁵ Section 689.261, F.S.

³⁶ Section 689.29, F.S.

³⁷ *Jensen v. Bailey*, 76 So. 3d 980, 983-984 (Fla. 2d DCA 2011).

The bill requires a seller of real property, before executing a contract for sale, to disclose to a prospective purchaser any known defects in the property's sanitary sewer lateral.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill may have an indeterminate positive fiscal impact on state government revenues because the bill increases various penalties associated with the violation of environmental laws.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill may have an indeterminate positive fiscal impact on the revenues of local governments with the delegated authority to assess penalties because the bill increases a number of penalties associated with the violation of environmental laws.

2. Expenditures:

The bill may have an indeterminate negative fiscal impact on local governments that own and operate wastewater treatment facilities because the bill increases a number of penalties associated with the violation of environmental laws, including permit violations for wastewater treatment facilities. The bill may also have an indeterminate negative fiscal impact on local governments that choose to create a sanitary sewer lateral inspection program.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have an indeterminate negative fiscal impact on the private sector because it increases a number of penalties associated with the violation of environmental laws and, for unauthorized discharges of domestic wastewater, may increase the period during which each day constitutes a separate offense.

D. FISCAL COMMENTS:

None.