

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** SB1073

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Miller

**3. Committee** Commerce and Labor

**4. Title** Occupational health and safety; penalty for violations.

**5. Summary/Purpose:** This bill increases the civil penalty assessed to an employer from \$7,000 to \$25,000, when they are cited for a serious violation of the occupational safety or health provisions of Title 40.1 and that violation is determined to have caused or contributed to the death of an employee.

**6. Fiscal Impact Estimates are:** Preliminary, see item 8 (below).

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** This bill increases the current maximum civil penalty for a serious violation of the occupational safety or health provisions of Title 40.1, from \$7,000 to \$25,000 when this violation is determined to have caused or contributed to the death of an employee. The revenue impact is calculated based on a six-year annual average of 61 workplace fatalities. According to the Department of Labor and Industry (DOLI), one serious violation is issued for every two fatalities investigated, and approximately 50 percent of the proposed penalty is collected after settlement and court action. DOLI anticipates collecting approximately \$9,000 per issued citation, resulting in \$274,500 in fine revenue. As the number and cost of fines for citations issued varies from year to year, this number represents the anticipated total revenue impact and is not the incremental difference between what is currently being collected and what would be collected as a result of this bill. Although DOLI anticipates some reduction in workplace fatalities as a result of the passage of this legislation, the amount of the reduction is indeterminate.

**9. Specific agency or political subdivisions affected:** Department of Labor and Industry.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 1/18/07 / aek

**Document:** G:\2007 Fiscal Impact Statements\SB1073.Doc aek

cc: Secretary of Commerce and Trade