

HB 1974 -- Environmental Audits

Sponsor: Bivins

This bill allows a company to conduct a voluntary environmental audit in order to discover and correct noncompliance with environmental regulations. If a company complies with the voluntary audit requirement, it will be exempt from certain types of criminal and administrative penalties and may keep its voluntary audit report confidential. However, any environmental audit report can be made available by court order or subpoena; and companies will not be exempt from any tort actions by private parties. In order to comply with the voluntary audit requirements, a company must:

- (1) Discover noncompliance during a voluntary environmental audit or through a compliance management system and not through a legally mandated monitoring or sampling requirement;
- (2) Disclose its noncompliance in writing to the Department of Natural Resources within 21 days or a shorter period of time as required by law;
- (3) Discover and disclose the potential noncompliance to the department prior to the commencement of a federal, state, or local department inspection or investigation;
- (4) Correct any noncompliance within 60 days or a shorter period of time as determined by the department;
- (5) Agree to take steps acceptable to the department director to prevent a recurrence of the noncompliance;
- (6) Document that the specific noncompliance was not part of a pattern and that a similar noncompliance has not occurred within the previous three years or within the past five years as part of a pattern at multiple facilities owned or operated by the company;
- (7) Prove that the noncompliance did not result in actual harm or present an imminent and substantial endangerment to human health or the environment or did not violate any judicial or administrative order or consent agreement; and
- (8) Cooperate as requested by the department and provide the necessary information.

The department cannot disclose any audit report information relating to scientific and technological innovations in which the owner has a proprietary interest that is protected from

disclosure by law.