



## 2009 ASSEMBLY BILL 180

April 2, 2009 – Introduced by Representatives CLARK, TAUCHEN, BERCEAU, BERNARD SCHABER, HEBL, JORGENSEN, LOTHIAN, MOLEPSKE JR., A. OTT, PARISI, POPE-ROBERTS, RICHARDS, RIPP, ROYS, SINICKI, SMITH and TOWNSEND, cosponsored by Senators MILLER, KEDZIE, COWLES, ERPENBACH, HARSDFORF, HOLPERIN, LASSA, LEHMAN, OLSEN, PLALE, RISSER, SCHULTZ and TAYLOR. Referred to Committee on Natural Resources.

1     **AN ACT** *to repeal* 299.80 (16) (b), 299.83 (3) (d) 1. b., 299.83 (5) (c) 1. b., 299.83  
2           (11) and 299.85 (11); *to renumber and amend* 299.80 (16) (a) and 299.85 (2)  
3           (f); *to consolidate, renumber and amend* 299.83 (3) (d) 1. (intro.) and a. and  
4           299.83 (5) (c) 1. (intro.) and a.; *to amend* 299.83 (title), 299.83 (1) (dg.) (intro.),  
5           299.83 (1) (dg.) 1., 299.83 (1) (dg.) 3., 299.83 (1) (dg.) 7., 299.83 (1) (f), 299.83 (3)  
6           (e), 299.83 (4) (c), 299.83 (4m) (d), 299.83 (5) (e), 299.83 (6) (a) 1., 299.83 (6) (j),  
7           299.83 (6) (k), 299.83 (6m) (b) 1., 299.83 (6m) (b) 2. (intro.), 299.83 (6m) (c),  
8           299.83 (6m) (d) 1. a., 299.83 (6m) (d) 2. b., 299.83 (7e) (a), 299.83 (7m), 299.83  
9           (8) (h), 299.85 (title), 299.85 (2) (intro.), 299.85 (3) (intro.), 299.85 (4), 299.85 (6)  
10          (b) (intro.), 299.85 (7) (a) 1. and 2., 299.85 (8) (intro.) and 299.85 (9m) (intro.);  
11          and *to create* 299.83 (1) (dg.) 5m., 299.83 (1) (dg.) 10g., 299.83 (1) (dg.) 10r.,  
12          299.83 (6) (L) and 299.83 (6m) (am) of the statutes; **relating to:** changes to and  
13          extension of the Environmental Results Program, extension of the  
14          Environmental Improvement Program and the length of a compliance schedule

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1           under that program, and reporting requirements for certain environmental  
2           programs.

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*Analysis by the Legislative Reference Bureau*

***Environmental Results Program***

Under current law, the Department of Natural Resources (DNR) administers the Environmental Results Program (ERP, also called Green Tier) under which qualified participants agree to improve their environmental performance and implement environmental management systems in return for incentives provided by DNR. There are two tiers of participation in ERP. A participant in tier II enters into a participation contract with DNR that sets forth the commitments of the participant and the incentives that DNR will provide. This bill makes various changes in ERP.

Under current law, DNR may not approve any application for participation in ERP after July 1, 2009. This bill eliminates that restriction.

Under current law, certain environmental enforcement actions taken against an entity disqualify the entity from acceptance into ERP for a specified period. The act that created ERP, in 2004, gave the secretary of natural resources temporary authority to waive the provisions concerning an entity's environmental enforcement record if the secretary determined that the waiver was consistent with the purposes of ERP and that the waiver would not erode public confidence in the integrity of ERP. The waiver authority expired at the end of 2006. This bill allows the secretary of natural resources to waive the provisions concerning an entity's environmental enforcement record based on the same criteria as under former law. The bill does not contain a termination date for the waiver authority.

Current law requires participants in ERP to conduct annual audits of their environmental management systems and, for participants in tier II, annual audits of their compliance with environmental laws and to report the results of those audits to DNR. Under the law, if an audit reveals a violation of an environmental law, the participant must provide information about the violation to DNR. If a participant complies with these requirements and corrects the violation within a specified period, the participant is generally exempt from paying a forfeiture (civil monetary penalty) for the violation.

This bill authorizes a participant in ERP to report to DNR a violation of an environmental law that it discovers, other than through an annual audit. If the participant reports within 30 days of discovering the violation, provides required information about the violation, and corrects the violation within a specified period, the participant is generally exempt from paying a forfeiture (civil monetary penalty) for the violation.

Currently under ERP, a participant is required to correct a violation within 90 days unless DNR approves a longer compliance schedule. The law prohibits DNR from approving a compliance schedule that is more than 12 months long. This bill authorizes DNR to approve a longer compliance schedule if the secretary of natural resources determines that a longer schedule is necessary.

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Currently, DNR administers the Environmental Cooperation Pilot Program under which DNR was authorized, before October 1, 2002, to enter into not more than ten cooperative agreements with persons subject to environmental laws. The term of an agreement is five years with the possibility of one renewal for five years. In a cooperative agreement, a participant in the program is required to implement an environmental management system and to improve its environmental performance. In return, DNR may grant operational flexibility and, under specified circumstances, provide variances from requirements under environmental laws.

This bill provides a process under which a participant in the Environmental Cooperation Pilot Program may become a participant in tier II of ERP, using the cooperative agreement under the pilot program as a basis for a participation contract under ERP.

Currently, under ERP, DNR may issue an environmental results charter to an association of entities to assist the entities to participate in tier I or tier II and to achieve improvements in the quality of the air, water, or other natural resources beyond that achieved through compliance with environmental laws (superior environmental performance). Under this bill, DNR may issue a charter to an association of entities to assist the entities to participate in tier I or tier II or to take actions that may lead to superior environmental performance.

The bill makes some changes in the required characteristics of an environmental management system and gives an applicant for tier I of ERP one year from the date that DNR approves its application, rather than one year from the date of application, to implement an environmental management system that complies with the law's requirements. The bill also changes the name of ERP to the Green Tier Program.

***Environmental Improvement Program***

The Environmental Improvement Program (EIP), administered by DNR, limits to \$500 the amount of a forfeiture (civil monetary penalty) that a qualifying entity can be required to pay because of a violation of an environmental law if the entity discovers the violation through an environmental compliance audit, reports the violation to DNR, and corrects the violation within a specified time. Current law sunsets the EIP on July 1, 2009.

This bill eliminates the sunset of EIP.

Currently, an entity does not qualify for EIP if within two years before it submits the environmental compliance audit the Department of Justice (DOJ) filed suit against the entity to enforce an environmental requirement or DNR or a local government issued a citation to the entity to enforce an environmental requirement.

This bill eliminates the automatic disqualification provision. Instead, under the bill, DNR must consider whether DOJ filed a suit against an entity to enforce an environmental requirement within two years before the entity notifies DNR that it will conduct an environmental compliance audit. If DNR determines that, because of the nature of the violation involved in a suit, the entity's participation would damage the integrity of EIP, DNR must notify the entity that it is not eligible for participation.

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Currently under EIP, a qualifying entity is required to correct a violation within 90 days unless DNR approves a longer compliance schedule. The law prohibits DNR from approving a compliance schedule that is more than 12 months long. This bill authorizes DNR to approve a longer compliance schedule if the secretary of natural resources determines that a longer schedule is necessary. The bill also changes the name of EIP to the Environmental Compliance Audit Program.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 299.80 (16) (a) of the statutes is renumbered 299.80 (16) and  
2 amended to read:

3           299.80 **(16)** ~~Beginning not later than November 1, 1998, the secretary of~~  
4 ~~natural resources~~ Every even-numbered year, no later than December 15, the  
5 department shall submit an annual a progress report on the program under this  
6 section to the governor and, under s. 13.172 (3), the standing committees of the  
7 legislature with jurisdiction over environmental matters. This subsection does not  
8 apply after December 31, 2012.

9           **SECTION 2.** 299.80 (16) (b) of the statutes is repealed.

10          **SECTION 3.** 299.83 (title) of the statutes is amended to read:

11          **299.83 (title) Environmental Results Green Tier Program.**

12          **SECTION 4.** 299.83 (1) (dg.) (intro.) of the statutes is amended to read:

13          299.83 **(1)** (dg.) (intro.) “Functionally equivalent environmental management  
14 system” means an environmental management system that is appropriate to the  
15 nature, scale, and environmental impacts of an entity’s activities, products, and  
16 services and that includes all of the following elements and any other elements that  
17 the department determines are essential elements of International Organization for  
18 Standardization standard 14001:

19          **SECTION 5.** 299.83 (1) (dg.) 1. of the statutes is amended to read:

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1           299.83 (1) (dg.) 1. Adoption of an environmental policy that includes a  
2           commitment to compliance with environmental requirements, pollution prevention,  
3           and continual improvement in environmental performance and that is available to  
4           the public.

5           **SECTION 6.** 299.83 (1) (dg.) 3. of the statutes is amended to read:

6           299.83 (1) (dg.) 3. Plans Establishment and implementation of plans and  
7           procedures to achieve compliance with environmental requirements and to maintain  
8           that compliance.

9           **SECTION 7.** 299.83 (1) (dg.) 5m. of the statutes is created to read:

10          299.83 (1) (dg.) 5m. Establishment, implementation, and maintenance of  
11          resources, roles, and responsibilities for establishing, implementing, maintaining,  
12          and improving the environmental management system.

13          **SECTION 8.** 299.83 (1) (dg.) 7. of the statutes is amended to read:

14          299.83 (1) (dg.) 7. ~~An~~ Establishment, implementation, and maintenance of an  
15          employee training program to develop awareness of and competence to manage  
16          environmental issues.

17          **SECTION 9.** 299.83 (1) (dg.) 10g. of the statutes is created to read:

18          299.83 (1) (dg.) 10g. Establishment, implementation, and maintenance of  
19          procedures to monitor and measure, on a regular basis, key characteristics of an  
20          entity's operations that can have a significant environmental impact.

21          **SECTION 10.** 299.83 (1) (dg.) 10r. of the statutes is created to read:

22          299.83 (1) (dg.) 10r. Establishment, implementation, and maintenance of  
23          procedures for periodically evaluating compliance with applicable environmental  
24          requirements.

25          **SECTION 11.** 299.83 (1) (f) of the statutes is amended to read:

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1           299.83 (1) (f) “Program” means the ~~Environmental Results~~ Green Tier  
2 Program under this section.

3           **SECTION 12.** 299.83 (3) (d) 1. (intro.) and a. of the statutes are consolidated,  
4 renumbered 299.83 (3) (d) 1. and amended to read:

5           299.83 (3) (d) 1. Demonstrate that it has implemented, or commit itself to  
6 implementing within one year of the department’s approval of its application, an  
7 environmental management system, for each covered facility or activity, that is all  
8 of the following:— a. ~~In~~ in compliance with the standards for environmental  
9 management systems issued by the International Organization for Standardization  
10 or determined by the department to be a functionally equivalent environmental  
11 management system.

12           **SECTION 13.** 299.83 (3) (d) 1. b. of the statutes is repealed.

13           **SECTION 14.** 299.83 (3) (e) of the statutes is amended to read:

14           299.83 (3) (e) *Waiver of enforcement record requirements.* ~~Before January 1,~~  
15 ~~2007,~~ the The secretary of natural resources may waive requirements in par. (b) 2.  
16 or 3. based on the request of an applicant. The department shall provide public notice  
17 of the request and shall provide at least 30 days for public comment on the request.  
18 The secretary may not grant a waiver under this paragraph unless he or she finds  
19 that the waiver is consistent with sub. (1m) and will not erode public confidence in  
20 the integrity of the program.

21           **SECTION 15.** 299.83 (4) (c) of the statutes is amended to read:

22           299.83 (4) (c) The department shall approve or deny an application within 60  
23 days after providing notice under par. (a) or, if the department holds a public  
24 informational meeting under par. (b), within 60 days after that meeting, unless the  
25 department and the applicant agree to a longer period. The department may limit

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1 the number of participants in tier I of the program, or limit the extent of participation  
2 by a particular applicant, based on the department's determination that the  
3 limitation is in the best interest of the program.

4 **SECTION 16.** 299.83 (4m) (d) of the statutes is amended to read:

5 299.83 (4m) (d) A participant in tier I of the program may use an  
6 ~~Environmental Results~~ a Green Tier Program logo selected by the department on  
7 written materials produced by the participant.

8 **SECTION 17.** 299.83 (5) (c) 1. (intro.) and a. of the statutes are consolidated,  
9 renumbered 299.83 (5) (c) 1. and amended to read:

10 299.83 (5) (c) 1. Demonstrate that it has implemented an environmental  
11 management system, for each covered facility or activity, that is all of the following:  
12 a.—~~In~~ in compliance with the standards for environmental management systems  
13 issued by the International Organization for Standardization or determined by the  
14 department to be a functionally equivalent environmental management system.

15 **SECTION 18.** 299.83 (5) (c) 1. b. of the statutes is repealed.

16 **SECTION 19.** 299.83 (5) (e) of the statutes is amended to read:

17 299.83 (5) (e) *Waiver of enforcement record requirements.* ~~Before January 1,~~  
18 ~~2007,~~ the The secretary of natural resources may waive requirements in par. (b) 2.  
19 or 3. based on the request of an applicant. The department shall provide public notice  
20 of the request and shall provide at least 30 days for public comment on the request.  
21 This public comment period may be concurrent with the notice period under sub. (6)  
22 (c) to (f). The secretary may not grant a waiver under this paragraph unless he or  
23 she finds that the waiver is consistent with sub. (1m) and will not erode public  
24 confidence in the integrity of the program.

25 **SECTION 20.** 299.83 (6) (a) 1. of the statutes is amended to read:

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1           299.83 (6) (a) 1. Describe the involvement of interested persons in developing  
2 and implementing the proposal for maintaining and improving the applicant's  
3 superior environmental performance, identify the interested persons, and describe  
4 the interests that those persons have in the applicant's participation in the program.

5           **SECTION 21.** 299.83 (6) (j) of the statutes is amended to read:

6           299.83 (6) (j) *Participation contract decision*. Within 30 days after providing  
7 notice under par. (h) or, if the department holds a public informational meeting under  
8 par. (i), within 30 days after that meeting, the department shall decide whether to  
9 enter into a participation contract with an applicant, unless the applicant and the  
10 department agree to an extension beyond 30 days.

11           (jm) *Participation contract. 1.* In a participation contract, the department shall  
12 require that the participant maintain the environmental management system  
13 described in sub. (5) (c) 1. and abide by the commitments in sub. (5) (c) 2. and 3. The  
14 department shall include in a participation contract a provision that describes how  
15 the participant will maintain the involvement of interested parties during the term  
16 of the participation contract. The department may not reduce the frequency of  
17 required inspections or monitoring as an incentive in a participation contract if the  
18 audit under sub. (5) (c) 3. is conducted by a person other than an outside  
19 environmental auditor. The department shall ensure that the incentives provided  
20 under a participation contract are proportional to the environmental benefits that  
21 will be provided by the participant under the participation contract. The department  
22 shall include in a participation contract remedies that apply if a party fails to comply  
23 with the participation contract.

24           2. The term of a participation contract may not be less than 3 years or more than  
25 10 years, with opportunity for renewal for additional terms of the same length as the

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1 original term upon agreement of the parties. The term of a participation contract  
2 may not exceed 5 years if the participation contract incorporates, modifies, or  
3 otherwise affects the terms or conditions of a permit issued under s. 283.31, 283.33,  
4 or 285.62, unless federal and state law authorize a longer term for the permit.

5 **SECTION 22.** 299.83 (6) (k) of the statutes is amended to read:

6 299.83 (6) (k) *Review of decision.* Notwithstanding s. 227.42, there is no right  
7 to an administrative hearing on the department's decision to enter into a  
8 participation contract under par. (j) or (L), but the decision is subject to judicial  
9 review.

10 **SECTION 23.** 299.83 (6) (L) of the statutes is created to read:

11 299.83 (6) (L) *Alternate process.* 1. A person participating in the program  
12 under s. 299.80 may choose to apply for participation in tier II using the process  
13 under this paragraph, rather than under pars. (a) to (j), by submitting a letter  
14 notifying the department of its choice, before the expiration of the cooperative  
15 agreement under s. 299.80, along with a copy of its most recent performance  
16 evaluation under s. 299.80 (3) (j).

17 2. The department shall enter into discussions with a person submitting a  
18 letter under subd. 1. to develop a proposed participation contract that is based on the  
19 cooperative agreement under s. 299.80, making the changes necessary to ensure that  
20 the participation contract complies with par. (jm). For the purposes of par. (jm) 1.,  
21 if the person agrees to include in the participation contract the measures to maintain  
22 and improve its environmental performance that were included in the cooperative  
23 agreement, the operational flexibility and variances granted to the person in the  
24 cooperative agreement are presumed to be proportional to the environmental  
25 benefits that will be provided by the participant.

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1           3. The department shall provide public notice about a proposed participation  
2 contract developed under subd. 2. in the area in which each covered facility or activity  
3 is located or performed.

4           4. After providing public notice under subd. 3., the department may hold a  
5 public informational meeting about a proposed participation contract.

6           5. The department may enter into a participation contract under this  
7 paragraph with a person with whom the department has developed a proposed  
8 participation contract unless significant concerns are raised in comments arising  
9 from public notice under subd. 3. or from an informational meeting under subd. 4.  
10 and the person is unable or unwilling to respond to the concerns to the department's  
11 satisfaction.

12           **SECTION 24.** 299.83 (6m) (am) of the statutes is created to read:

13           299.83 **(6m)** (am) *Optional reports of violations.* If a participant discovers a  
14 violation, other than through an audit under sub. (3) (d) 4. or (5) (c) 2. or 3., the  
15 participant may, no more than 30 days after discovering the violation, submit a  
16 report to the department that includes all of the following:

17           1. A description of the violation and the date on which the participant  
18 discovered the violation.

19           2. A description of the actions taken or proposed to be taken to correct the  
20 violation.

21           3. A commitment to correct the violation within 90 days of submitting the  
22 report or according to a compliance schedule approved by the department.

23           4. If the participant proposes to take more than 90 days after submitting the  
24 report to correct the violation, a proposed compliance schedule that contains the  
25 shortest reasonable periods for correcting the violation, a statement that justifies the

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1 proposed compliance schedule, a description of measures that the participant will  
2 take to minimize the effects of the violation during the period of the compliance  
3 schedule, and proposed stipulated penalties to be imposed if the participant fails to  
4 comply with the proposed compliance schedule.

5 5. A description of the measures that the participant has taken or will take to  
6 prevent future violations.

7 **SECTION 25.** 299.83 (6m) (b) 1. of the statutes is amended to read:

8 299.83 **(6m)** (b) 1. If the department receives a report under par. (a) or (am) that  
9 contains a proposed compliance schedule under par. (a) 4. or (am) 4., the department  
10 shall review the proposed compliance schedule. The department may approve the  
11 compliance schedule as submitted or propose a different compliance schedule. If the  
12 participant does not agree to implement a compliance schedule proposed by the  
13 department, the department shall schedule a meeting with the participant to  
14 attempt to reach an agreement on a compliance schedule. If the department and the  
15 participant do not reach an agreement on a compliance schedule, the department  
16 shall terminate the participation of the participant in the program. If the parties  
17 agree to a compliance schedule, the participant shall incorporate the compliance  
18 schedule into its environmental management system.

19 **SECTION 26.** 299.83 (6m) (b) 2. (intro.) of the statutes is amended to read:

20 299.83 **(6m)** (b) 2. (intro.) The department may not approve a compliance  
21 schedule that extends longer than 12 months beyond the date of approval of the  
22 compliance schedule, unless the secretary determines that a longer schedule is  
23 necessary. The department shall consider the following factors in determining  
24 whether to approve a compliance schedule:

25 **SECTION 27.** 299.83 (6m) (c) of the statutes is amended to read:

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1           299.83 **(6m)** (c) *Stipulated penalties*. If the department receives a report under  
2 par. (a) or (am) that contains proposed stipulated penalties under par. (a) 4. or (am)  
3 4, the department shall review the proposed stipulated penalties. The department  
4 may approve the stipulated penalties as submitted or propose different stipulated  
5 penalties. If the participant does not agree to stipulated penalties proposed by the  
6 department, the department shall schedule a meeting with the participant to  
7 attempt to reach an agreement on stipulated penalties. If no agreement is reached,  
8 there are no stipulated penalties for failure to comply with the compliance schedule.

9           **SECTION 28.** 299.83 (6m) (d) 1. a. of the statutes is amended to read:

10           299.83 **(6m)** (d) 1. a. If a participant in the program corrects violations that are  
11 disclosed in a report that meets the requirements of par. (a) or (am) within 90 days  
12 after the department receives the report, this state may not bring a civil action to  
13 collect forfeitures for the violations.

14           **SECTION 29.** 299.83 (6m) (d) 2. b. of the statutes is amended to read:

15           299.83 **(6m)** (d) 2. b. The department discovers the violation before submission  
16 of a report that meets the requirement of par. (a) or (am).

17           **SECTION 30.** 299.83 (7e) (a) of the statutes is amended to read:

18           299.83 **(7e)** (a) The department may issue an environmental results charter to  
19 an association of entities to assist the entities to participate in tier I or tier II of the  
20 program ~~and to achieve~~ or to take actions that may lead to superior environmental  
21 performance. An association to which a charter is issued may consist of private  
22 entities, public entities, or a combination of private and public entities. An  
23 association to which a charter is issued may be organized on any basis that helps to  
24 achieve the entities to participate in tier I or tier II of the program or to take actions  
25 that may lead to superior environmental performance.

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1           **SECTION 31.** 299.83 (7m) of the statutes is amended to read:

2           299.83 **(7m)** ENVIRONMENTAL AUDITORS. The department may not approve an  
3 outside environmental auditor for the purposes of sub. (3) (d) 4. or (5) (c) 2. unless the  
4 outside environmental auditor is ~~certified by the Registrar Accreditation Board~~  
5 accredited by an accreditation body that complies with standards of the  
6 International Organization for Standardization for accreditation bodies or meets  
7 criteria concerning education, training, experience, and performance that the  
8 department determines are equal equivalent to the criteria in the standards and  
9 guidance of the International Organization for Standardization guidance 19011 for  
10 entities providing audit and certification of environmental management systems.

11           **SECTION 32.** 299.83 (8) (h) of the statutes is amended to read:

12           299.83 **(8)** (h) ~~The Every even-numbered year, no later than December 15, the~~  
13 ~~department shall submit a progress report on the program to the legislature, in the~~  
14 ~~manner provided in s. 13.172 (2), no later than May 1, 2007, and every 2 years after~~  
15 ~~it submits the first report governor and, under s. 13.172 (2), to the standing~~  
16 ~~committees of the legislature with jurisdiction over environmental matters.~~

17           **SECTION 33.** 299.83 (11) of the statutes is repealed.

18           **SECTION 34.** 299.85 (title) of the statutes is amended to read:

19           **299.85** (title)    **Environmental Improvement Compliance Audit**  
20 **Program.**

21           **SECTION 35.** 299.85 (2) (intro.) of the statutes is amended to read:

22           299.85 **(2)** REQUIREMENTS FOR PARTICIPATION. (intro.) ~~A Subject to sub. (2m),~~  
23 ~~a regulated entity qualifies for participation in the Environmental Improvement~~  
24 ~~Compliance Audit Program with respect to a facility owned or operated by the~~  
25 ~~regulated entity if all of the following apply:~~

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1           **SECTION 36.** 299.85 (2) (f) of the statutes is renumbered 299.85 (2m) and  
2 amended to read:

3           299.85 **(2m)** CONSIDERATION OF CERTAIN VIOLATIONS. ~~At the time of submitting~~  
4 ~~a report under sub. (3), Upon the receipt of a notice under sub. (2) (b), the department~~  
5 ~~shall consider whether~~ the department of justice has ~~not~~, within 2 years, filed a suit  
6 to enforce an environmental requirement, ~~and the department or a local~~  
7 ~~governmental unit has not, within 2 years, issued a citation to enforce an~~  
8 ~~environmental requirement, because of a violation involving the facility. If the~~  
9 ~~department determines that, because of the nature of the violation involved in the~~  
10 ~~suit, participation by the regulated entity may damage the integrity of the~~  
11 ~~Environmental Compliance Audit Program, the department shall notify the~~  
12 ~~regulated entity that it is not eligible for participation.~~

13           **SECTION 37.** 299.85 (3) (intro.) of the statutes is amended to read:

14           299.85 **(3)** AUDIT REPORT. (intro.) To participate in the Environmental  
15 Improvement Compliance Audit Program with respect to a facility, the regulated  
16 entity that owns or operates the facility shall submit a report to the department  
17 within 45 days after the date of the final written report of findings of the  
18 environmental compliance audit of the facility. The regulated entity shall complete  
19 the environmental compliance audit, including the final written report of findings,  
20 within 365 days after providing the notice under sub. (2) (b). The report submitted  
21 to the department shall include all of the following:

22           **SECTION 38.** 299.85 (4) of the statutes is amended to read:

23           299.85 **(4)** ENVIRONMENTAL COMPLIANCE AUDIT. A regulated entity does not  
24 qualify for participation in the Environmental Improvement Compliance Audit  
25 Program unless the final written report of findings of the environmental compliance

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1 audit is labeled “environmental compliance audit report,” is dated, and, if the  
2 environmental compliance audit identifies violations, includes a plan for corrective  
3 action. A regulated entity may use a form developed by the regulated entity, by a  
4 consultant, or by the department for the final written report of findings of the  
5 environmental compliance audit.

6 **SECTION 39.** 299.85 (6) (b) (intro.) of the statutes is amended to read:

7 299.85 (6) (b) (intro.) The department may not approve or issue a compliance  
8 schedule that extends longer than 12 months beyond the date of approval of the  
9 compliance schedule, unless the secretary of natural resources determines that a  
10 longer schedule is necessary. The department shall consider the following factors in  
11 determining whether to approve a compliance schedule:

12 **SECTION 40.** 299.85 (7) (a) 1. and 2. of the statutes are amended to read:

13 299.85 (7) (a) 1. For at least 90 days after the department receives a report that  
14 meets the requirements in sub. (3), this state may not begin a civil action to collect  
15 forfeitures for violations that are disclosed in the report by a regulated entity that  
16 qualifies under sub. (2) for participation in the Environmental Improvement  
17 Compliance Audit Program.

18 2. Notwithstanding minimum or maximum forfeitures specified in ss. 29.314  
19 (7), 29.334 (2), 29.604 (5) (a), 29.611 (11), 29.889 (10) (c) 2., 29.969, 29.971 (1) (a), (1m)  
20 (a), (3), (3m), (11g) (b), (11m) (b), and (11r) (b), 30.298 (1), (2), and (3), 30.49 (1) (a) and  
21 (c), 31.23 (2), 281.75 (19), 281.98 (1), 281.99 (2) (a) 1., 283.91 (2), 285.41 (7), 285.57  
22 (5), 285.59 (8), 285.87 (1), 287.95 (1), (2) (b), and (3) (b), 287.97, 289.96 (2) and (3) (a),  
23 291.97 (1), 292.99 (1) and (1m), 293.81, 293.87 (3) and (4) (a), 295.19 (3) (a) and (b)  
24 1., 295.37 (2), 299.15 (4), 299.51 (5), 299.53 (4) (c) 1., 299.62 (3) (a) and (c), and 299.97  
25 (1), if a regulated entity that qualifies under sub. (2) for participation in the

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1 Environmental Improvement Compliance Audit Program corrects violations that it  
2 discloses in a report that meets the requirements of sub. (3) within 90 days after the  
3 department receives the report that meets the requirements of sub. (3), the regulated  
4 entity may not be required to forfeit more than \$500 for each violation, regardless  
5 of the number of days during which the violation continues.

6 **SECTION 41.** 299.85 (8) (intro.) of the statutes is amended to read:

7 299.85 (8) CONSIDERATION OF ACTIONS BY REGULATED ENTITY. (intro.) If the  
8 department receives a report that complies with sub. (3) from a regulated entity that  
9 qualifies under sub. (2) for participation in the Environmental Improvement  
10 Compliance Audit Program, and the report discloses a potential criminal violation,  
11 the department and the department of justice shall take into account the diligent  
12 actions of, and reasonable care taken by, the regulated entity to comply with  
13 environmental requirements in deciding whether to pursue a criminal enforcement  
14 action and what penalty should be sought. In determining whether a regulated  
15 entity acted with due diligence and reasonable care, the department and the  
16 department of justice shall consider whether the regulated entity has demonstrated  
17 any of the following:

18 **SECTION 42.** 299.85 (9m) (intro.) of the statutes is amended to read:

19 299.85 (9m) ANNUAL REPORT. (intro.) ~~The Every even-numbered year, no later~~  
20 ~~than December 15, the department shall submit an annual a progress report on the~~  
21 ~~program under this section to the governor and, under s. 13.172 (3) concerning the~~  
22 ~~Environmental Improvement Program,~~ to the standing committees of the legislature  
23 with jurisdiction over environmental matters. ~~The department shall submit the first~~  
24 ~~annual report no later than May 1, 2006.~~ The department shall include all of the  
25 following in the annual report:

