By:Bonnen, Homer, ChisumH.B. No. 2877Substitute the following for H.B. No. 2877:By:Smith of HarrisC.S.H.B. No. 2877

A BILL TO BE ENTITLED

1 AN ACT 2 relating to the permitting procedures of the Texas Commission on 3 Environmental Quality. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 4 5 SECTION 1. Section 5.554, Water Code, is amended to read as 6 follows: Sec. 5.554. PUBLIC MEETING. (a) During the public comment 7 period, the executive director may hold one or more public meetings 8 in the county in which the facility is located or proposed to be 9 located. The executive director shall hold a public meeting: 10 11 (1) on the request of a member of the legislature who 12 represents the general area in which the facility is located or proposed to be located; or 13 14 (2) if the executive director determines that there is substantial public interest in the proposed activity. 15 16 (b) The commission shall extend the public comment period automatically until the close of the public meetings. 17 The 18 commission may not extend the period during which requests for initiation of the public participation process or requests for 19 reconsideration may be filed. 20 21 SECTION 2. Section 5.555(a), Water Code, is amended to read 22 as follows: (a) The executive director, in accordance with procedures 23 24 provided by commission rule, shall file with the chief clerk of the

1 commission a response to each relevant and material public comment 2 on the preliminary decision filed <u>in writing</u> during the public 3 comment period.

4 SECTION 3. Section 5.556, Water Code, is amended by 5 amending Subsections (a), (c), and (d) and adding Subsection (g) to 6 read as follows:

7 A person may request that the commission reconsider the (a) 8 executive director's decision or hold a contested case hearing. A 9 request for reconsideration of the executive director's decision must be filed with the commission after publication of the 10 preliminary decision during the period provided by commission rule. 11 A request for a contested case hearing must be filed with the 12 commission after transmittal of the executive director's response 13 14 to public comments during the period provided by commission rule.

15 (c) The commission may not grant a request for a contested 16 case hearing unless the commission determines that the request was 17 filed by an affected person as defined by Section 5.115 <u>who</u> 18 <u>submitted written comments during the public comment period</u>.

19 (d) The commission may not refer an issue to the State 20 Office of Administrative Hearings for a hearing unless the 21 commission determines that [the issue]:

the issue involves a disputed question of fact;

23 (2) <u>the hearing request provides substantial</u> 24 <u>information establishing a reasonable basis for the factual dispute</u> 25 <u>and describes how the executive director's response to comments</u> 26 <u>failed to resolve the dispute;</u>

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(3) the issue is discrete and not a broad or

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| 1 | generalized objection; |
| 2 | (4) the issue was raised during the public comment |
| 3 | period by the person requesting the hearing; and |
| 4 | (5) the issue $[(3)]$ is relevant and material to the |
| 5 | decision on the application. |
| 6 | (g) Public notice is not required for a contested case |
| 7 | hearing the commission grants under this section. |
| 8 | SECTION 4. Section 382.056, Health and Safety Code, is |
| 9 | amended by amending Subsections (b), (g), (h), (i), (l), (m), and |
| 10 | (n) and adding Subsections (s) and (t) to read as follows: |
| 11 | (b) The notice must include: |
| 12 | (1) a description of the location or proposed location |
| 13 | of the facility or federal source; |
| 14 | (2) the location at which a copy of the application is |
| 15 | available for review and copying as provided by Subsection (d); |
| 16 | (3) a description, including a telephone number, of |
| 17 | the manner in which the commission may be contacted for further |
| 18 | information; |
| 19 | (4) a description, including a telephone number, of |
| 20 | the manner in which the applicant may be contacted for further |
| 21 | information; |
| 22 | (5) a description of the <u>applicable</u> procedural rights |
| 23 | and obligations of the public, printed in a font style or size that |
| 24 | clearly provides emphasis and distinguishes it from the remainder |
| 25 | of the notice [, that includes a statement that a person who may be |
| 26 | affected by emissions of air contaminants from the facility, |
| 27 | proposed facility, or federal source is entitled to request a |

| 1 | <pre>hearing from the commission];</pre> |
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| 2 | (6) <u>a statement that a person who may be affected by</u> |
| 3 | emissions of air contaminants from the facility, proposed facility, |
| 4 | or federal source is entitled to request initiation of the public |
| 5 | participation process; |
| 6 | (7) a description of the procedure by which a person |
| 7 | may be placed on a mailing list in order to receive additional |
| 8 | information about the application; |
| 9 | (8) [(7)] the time and location of any public meeting |
| 10 | to be held under Subsection (e); and |
| 11 | (9) $[(8)]$ any other information the commission by rule |
| 12 | requires. |
| 13 | (g) If, in response to the notice published under Subsection |
| 14 | (a) for a permit or permit amendment under Section 382.0518 or a |
| 15 | permit renewal review under Section 382.055, a person <u>files a</u> |
| 16 | request [requests] during the period provided by commission rule |
| 17 | that the commission initiate the public participation process [hold |
| 18 | a public hearing] and the request is not withdrawn before the date |
| 19 | the preliminary decision is issued, the applicant shall publish |
| 20 | notice of the preliminary decision in a newspaper, and the |
| 21 | commission shall seek public comment on the preliminary decision <u>in</u> |
| 22 | accordance with [. The commission shall consider the request for |
| 23 | public hearing under] the procedures provided by Subsections |
| 24 | (i)-(n). <u>However, the</u> [The] commission may not seek further public |
| 25 | comment or hold a public hearing [under the procedures provided by |
| 26 | Subsections (i)-(n) in response to a request for initiation of the |
| 27 | [a] public <u>participation process</u> [hearing] on an amendment, |

modification, or renewal that would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted.

4 If, in response to the notice published under Subsection (h) 5 (a) for a permit under Section 382.054, a person requests during the public comment period provided by commission rule that the 6 7 commission initiate the [hold a] public participation process 8 [hearing], the commission shall consider the request under the procedures provided by Section 382.0561 and not under 9 the procedures provided by Subsections (i)-(n). 10

(i) The commission by rule shall establish the form and content of the notice <u>of preliminary decision under Subsection (g)</u>, the manner of publication, and the duration of the public comment period. The notice must include:

15 (1) the information required by <u>Subsections</u>
16 [Subsection] (b) (1)-(5) and (7)-(9);

17 (2) a summary of the preliminary decision; 18 (3) the location at which a copy of the preliminary 19 decision is available for review and copying as provided by 20 Subsection (j);

(4) a description of the manner in which comments regarding the preliminary decision may be submitted <u>that includes a</u> statement that a person who may be affected by emissions of air contaminants from the facility, proposed facility, or federal source is entitled to request a hearing from the commission; and (5) any other information the commission by rule requires.

The executive director, in accordance with procedures 1 (1)2 adopted by the commission by rule, shall file with the chief clerk of the commission a response to each relevant and material public 3 4 comment on the preliminary decision filed in writing during the 5 public comment period.

6 (m) The chief clerk of the commission shall transmit the 7 executive director's decision, the executive director's response to 8 public comments, and instructions for requesting that the commission reconsider the executive director's decision or hold a 9 contested case hearing to: 10

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(1) the applicant;

12 (2) any person who submitted comments during the public comment period; 13

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(3) any person who requested to be on the mailing list 15 for the permit action; and

(4) any person who timely filed a request for 16 17 initiation of the [a] public participation process [hearing] in response to the notice published under Subsection (a). 18

Except as provided by Section 382.0561, the commission 19 (n) shall consider a request that the commission reconsider the 20 executive director's decision or hold a <u>contested case</u> [public] 21 hearing in accordance with the procedures provided by Sections 22 5.556 and 5.557, Water Code. 23

24 (s) If a request to initiate the public participation 25 process is not filed during the period prescribed by commission 26 rule for a permit or permit amendment under Section 382.0518 or for a permit renewal review under Section 382.055, the commission shall 27

1 conduct a public hearing held in response to a later public notice 2 required solely by federal program requirements in accordance with Section 382.0561 and not under Chapter 2001, Government Code. 3 4 (t) The commission shall extend the public comment period automatically until the close of the public meetings held under 5 6 Subsection (k). The commission may not extend the period during which requests for initiation of the public participation process 7 8 or requests for reconsideration may be filed.

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9 SECTION 5. Section 2003.047, Government Code, is amended by 10 adding Subsections (p) and (q) to read as follows:

(p) In designating parties to a hearing on a permit 11 12 application, the administrative law judge may name as parties only the executive director, the office of public interest counsel, the 13 14 permit applicant, and other persons whose hearing requests have 15 been granted by the commission and whose issues have been referred by the commission for a contested case hearing. The executive 16 17 director may participate in a contested case hearing only to the extent described in Section 5.228, Water Code. 18

19 (q) An administrative law judge may make a summary 20 disposition of the issues referred by the commission as provided by 21 commission rules.

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SECTION 6. (a) This Act takes effect September 1, 2003.

(b) The changes in law made by this Act apply only to an application for a permit, permit amendment, or permit renewal that is filed with the Texas Commission on Environmental Quality on or after September 1, 2003. A permit, permit amendment, or permit renewal that is filed before that date is governed by the law in

1 effect on the date it was filed, and that law is continued in effect 2 for that purpose.