

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 31, 2003

TO: Honorable Dennis Bonnen, Chair, House Committee on Environmental Regulation

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2045 by Deshotel (Relating to supplemental environmental projects in local communities and site-specific air quality monitoring for certain facilities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to appoint committees to assist in defining, planning, developing and implementing supplemental environmental projects (SEPs). The costs of committees would be paid by respondents (violators) charged with carrying out the SEPs.

The bill would require the TCEQ to impose an administrative penalty for excessive emissions events. It would provide that one-half of such penalties would be applied to a SEP in the community affected by the excessive emissions. Current law provides that all administrative penalties be deposited to the General Revenue Fund.

The bill could result in increased costs to the TCEQ, since the agency would be required to approve committees for SEP projects and monitoring and reporting on the progress of SEPs. There could also be costs incurred from the bill's requirement that the TCEQ develop criteria for determining when emissions events are excessive. However, this estimate assumes that such costs could be reasonably absorbed within the TCEQ's existing resources.

No significant impact is expected from the bill's provisions requiring one-half of administrative penalties from excessive emissions to be applied to SEPs. According to the TCEQ, total air-related administrative penalties deposited to the credit of the General Revenue Fund average approximately \$1.4 million per year. It is expected that excessive emissions events would account for only a small portion of this amount, with only one-half of the amount being re-directed from the General Revenue Fund to SEPS.

Local Government Impact

If the Texas Commission on Environmental Quality imposes an administrative penalty on a respondent under Section 382.0216, Health and Safety Code, the local governments in an affected community could benefit from the installation of the resulting supplemental environmental project.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JK, CL, TL, KG