

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 10, 2005

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

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2510 by Bonnen (Relating to the regulation of on-site sewage disposal systems and the maintenance of those systems; imposing administrative and criminal penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2510, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>OCCUPATIONAL LICENSING</i> 468	Probable (Cost) from <i>OCCUPATIONAL LICENSING</i> 468	Change in Number of State Employees from FY 2005
2006	\$202,569	(\$202,569)	3.0
2007	\$163,069	(\$163,069)	3.0
2008	\$163,069	(\$163,069)	3.0
2009	\$163,069	(\$163,069)	3.0
2010	\$163,069	(\$163,069)	3.0

Fiscal Analysis

The bill would grant the TCEQ additional oversight of entities involved in the maintenance of on-site sewage disposal systems and provide penalties for improper maintenance of such systems. In addition, it would require that those involved in maintaining and servicing on-site sewage disposal systems be licensed or registered by the TCEQ.

Methodology

This estimate assumes that 3 additional FTEs and related costs to the TCEQ will result from the bill's

passage to implement the additional registration and licensing procedures required by the bill, and handle the increase in enforcement cases and contested case hearings expected as a result of the bill's passage. Additional costs are included in each year for travel expenses of advisory committee members, and one-time costs are included in fiscal year 2006 for computers, furniture, and modifications to the agency's Consolidated Compliance and Enforcement Database System (CCEDS) and the agency's Central Registry database.

Since the TCEQ currently is authorized to collect fees associated with licensing, registration and enforcement, this estimate assumes that the TCEQ would adjust fees to cover the costs of administering the requirements of the bill. This estimate assumes that the net impact of the bill would be revenue neutral. All costs and revenues in this estimate are shown in the Occupational Licensing Account No. 468 because the license fees the agency would be authorized to increase currently are deposited to the credit of that account.

Technology

Included in the cost estimates shown above are one-time costs in fiscal year 2006 of \$20,000 for upgrades to the CCEDS and Central Registry database systems, as well as \$4,500 for the purchase of computers for the 3 additional FTEs necessary to implement provisions of the bill.

Local Government Impact

The bill would require local governments that are authorized agents for on-site sewage systems to revise programs to incorporate requirements for maintenance companies. Local entities also would need to ensure a license exists before issuing an authorization to construct or issue a new maintenance contract. The bill could also add another step in the enforcement process for local authorities, since they would need to forward information to the TCEQ to pursue revocation of licenses and certifications after the third violation by a maintenance provider. These additional costs are not expected to be significant.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL