

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 26, 2005

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB1413 by Shapleigh (Relating to county brownfield cleanup and economic redevelopment programs.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 361 of the Health and Safety Code to authorize the county commissioners court in a county with a population of 250,000 or more to create a county program for cleanup and economic redevelopment of brownfields. County commissioners would be authorized to establish a fund for a brownfield program which could be used to pay for contracts or provide grants or loans for assessment, remediation, and inspections of property or a facility after remediation. The bill would allow a county to designate an area of the county that contains a brownfield as a reinvestment zone and enter into a tax abatement agreement based on the remediation of the brownfield with the eligible owner of the brownfield.

The bill would authorize the county to act as a liaison in assisting to obtain federal grants from the Environmental Protection Agency under Comprehensive Environmental Response Compensation and Liability Act. The county may also act as a liaison between property owners and contractors in obtaining assistance from the TCEQ for assessment, remediation, and inspections.

The TCEQ may provide educational, advisory, and technical services concerning assessment, remediation, and inspection of brownfields to a county and assistance to the county in obtaining federal grants.

According to TCEQ, the bill would require the agency to amend policies, procedures, and guidance documents. Agency staff would review draft proposals to ensure they supplement the state brownfield program. The Remediation Division would provide affected parties with educational, advisory, and technical services as well as assistance in obtaining federal grants.

General Revenue-Dedicated Hazardous and Solid Waste Remediation Fee Account No. 550 may be impacted if counties were to elect to establish brownfields programs. If counties do not implement a program with technical standards that are at least as stringent as TCEQ rules governing remediation, TCEQ might have to use Hazardous and Solid Waste Remediation Fee Account No. 550 to remediate sites where additional work is required by TCEQ standards. Unlike Superfund law, the liability scheme of the provisions within the bill makes it impossible to recover TCEQ remedial costs from current property owners.

TCEQ estimates that if counties were to elect to establish a county brownfield program, the workload for the TCEQ Litigation Division staff would increase. There are 18 counties that would be eligible to create a program as specified in the bill. Dependent upon the number of counties participating, it is projected that the Litigation Division would need an additional one-half to one full-time-equivalent position to accommodate the additional workload resulting from the bill. It is anticipated that the agency would be able to implement provisions of the bill using existing resources.

Local Government Impact

If a county elected to start a brownfield program, it would incur costs to establish and maintain the program. It is projected that additional staff would be needed for the county to administer such a program. The county would be authorized to create a fund to pay for the costs associated with the program. The bill would authorize the commissioners court of a county to deposit any money the court considers appropriate to fund the program. To issue bonds payable from ad valorem taxes, the bond issuance must be approved by a majority of voters in the county.

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, DLBa