

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 24, 2007

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

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

IN RE: **HB3596** by Raymond (Relating to the establishment of a program for detecting and giving notice of an unauthorized discharge of industrial, municipal, or other waste into any water in the state.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3596, As Introduced: a negative impact of (\$2,063,388) through the biennium ending August 31, 2009.

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
2008	(\$1,086,944)
2009	(\$976,444)
2010	(\$976,444)
2011	(\$976,444)
2012	(\$976,444)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$1,086,944)	17.0
2009	(\$976,444)	17.0
2010	(\$976,444)	17.0
2011	(\$976,444)	17.0
2012	(\$976,444)	17.0

Fiscal Analysis

The bill would require the Texas Commission on Environmental Quality (TCEQ) to establish a program for detecting and giving notice of unauthorized discharge of industrial, municipal, or other waste. Owners or operators of facilities that discharge waste would be required to promptly notify the TCEQ when a discharge has occurred. The bill would require the TCEQ to verify that each unauthorized discharge did, in fact, occur and to notify publicly owned treatment works (POTW) downstream from the unauthorized discharge. It would also allow the TCEQ to require that the discharge source provide samples of the unauthorized discharge to the agency for delivery to POTWs downstream. In addition, the bill would require the TCEQ to maintain a database of information regarding the discharges for the purpose of analyzing the discharge, and it would require the agency to provide training in using a gas chromatograph and in providing notice regarding unauthorized

discharges.

Methodology

The bill would require the TCEQ to notify to all POTWs of all discharges, even those that may have no impact on public health or safety. In fiscal year 2002, data collected from TCEQ's regional offices showed that there were over 6,000 unauthorized discharges.

To implement this bill, it is estimated that the TCEQ would need an additional 17 full time equivalents (FTEs) and related costs. One FTE would be needed to develop and maintain the database required by the bill. Assuming that the number of discharges requiring notice could be as much as 6,000 and that sample delivery and notification would have to be given to all POTWs downstream, TCEQ estimates that it will need 16 FTEs, or one in each of the agency's regional offices, to accomplish the following tasks: conduct on-site visits to verify that the unauthorized discharges occurred; determining which POTWs are downstream and notify them; receive and deliver samples to downstream POTWs; and provide training on gas chromatographic equipment. Total costs relating to the FTEs, including fringe benefits and associated support costs, are estimated to total \$1,086,944 in fiscal year 2008 and \$976,444 for each fiscal year thereafter.

This estimate assumes that all costs associated with the bill would be paid using General Revenue because the only other appropriate funding source for water quality-related activity, the General Revenue-Dedicated Water Resource Management Account No. 153, is expected to experience a shortfall starting in fiscal year 2009.

Local Government Impact

Local governments may be required to purchase a gas chromatograph, which are estimated to range in cost from \$7,000 to \$100,000, for testing. If the TCEQ would decide to require daily hand held testing or testing when a discharge condition occurs, local governments could experience an increase in costs for testing. The TCEQ reports that, depending on the tests the agency would require and the contaminants to be investigated, the costs for these tests could range from a low of \$110 to a high of \$6,000.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL