

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 25, 2009

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: HB3550 by King, Tracy O. (Relating to the powers and duties of the Texas Commission on Environmental Quality and related entities.), **Committee Report 2nd House, Substituted**

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| No significant fiscal implication to the State is anticipated. |
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The bill would authorize the Texas Commission on Environmental Quality (TCEQ) to allow any entity in violation of law within the TCEQ's jurisdiction to pay monetary civil or administrative penalties in periodic installments.

The bill would allow the TCEQ to assess Dam Safety administrative penalties up to \$10,000 per day. The bill also would allow the agency to regulate the operations of the dams in the state.

The bill would make changes to the rate hearing process the TCEQ administers for water and sewer utilities and provisions relating to interim rates. The bill would also provide the TCEQ with the authority to allow a municipality or utility or water supply corporation to render sewer service without a certificate of public convenience and necessity provided the municipality provides specific notice of its intent to provide sewer service to an area or if the utility or water supply corporation has less than 15 potential connections and is not within the certified area of another retail utility.

The bill would extend the grace period for renewing expired occupational licenses and registrations from 30 to 60 days and repeal the current limit on renewal fees for expired licenses. The bill would also allow the Executive Director of the TCEQ to dissolve any water district that is inactive for a period of five consecutive years and has no outstanding bonded indebtedness or that has performed none of the functions for which it was created.

Regarding the bill's provisions relating to installment payments, this estimate assumes that the TCEQ would only offer an installment option in cases of economic hardship, and that these cases would only represent a small fraction of penalties assessed. Thus, although there may be a loss in revenue in the first two years after the bill's enactment as payments that would have otherwise been paid immediately are spread out over three years, this estimate does not assume that the revenue loss would be significant. This estimate assumes that any administrative costs resulting from changes proposed by the bill could be absorbed by the TCEQ, and it assumes that any revenues resulting from changes relating to administrative penalties would not be significant.

Local Government Impact

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

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, SD, SZ, ZS, TL