

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 7, 2009**

**TO:** Honorable Byron Cook, Chair, House Committee on Environmental Regulation

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

**IN RE: HB3582** by Dunnam (Relating to the creation of a publicly accessible electronic emissions database.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3582, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>Clean Air Account</i> 151	Probable Savings/(Cost) from <i>Operating Permit Fees</i> <i>Account</i> 5094	Change in Number of State Employees from FY 2009
2010	(\$1,237,386)	(\$1,160,069)	9.0
2011	(\$594,910)	(\$264,604)	9.0
2012	(\$593,710)	(\$262,804)	9.0
2013	(\$590,110)	(\$257,404)	9.0
2014	(\$588,110)	(\$255,604)	9.0

**Fiscal Analysis**

The bill would provide authority to the Texas Commission on Environmental Quality (TCEQ) to collect permit-related emissions information, and it would require that the TCEQ collect that information electronically. The bill would require an annual submittal of information relating to permitted emissions and annual routine emissions associated with the permit.

Specifically, the bill would require that information submitted to the TCEQ be compiled into an existing online database which is publicly accessible and searchable by permit number. If adopted, provisions of the database development would be effective September 1, 2009. The bill would also require an assessment of the data and report to the Governor, Lieutenant Governor, and Speaker of the

House not later than January 1, 2010.

## **Methodology**

The TCEQ reports that the agency's current reporting requirements pertain to only to major emission sources, and that most minor emission sources, whether authorized by a permit, a standard permit, or a permit by rule, are not required to complete and submit emission inventory data. For some such entities, emissions data is only kept at the reporting entity's location. This estimate assumes that passage of the bill would result in the TCEQ being required to develop and maintain a database of emissions data for both major and minor sources, resulting in approximately 27,000 additional emission inventories being submitted to the agency. In addition, to provide for electronic retrieval and review of records, emissions data, current and historical, from entities not currently contained in agency databases will have to be populated, and data currently stored in separate databases will have to be combined and verified.

This estimate assumes that the TCEQ would contract with a vendor to develop a permitted emissions database at a cost of \$450,000. Software maintenance costs would total \$30,000 per fiscal year in fiscal years 2011 to 2014. Costs associated with the statewide Data Center would total \$104,000 in fiscal year 2010, \$72,000 in fiscal year 2011, \$71,000 in fiscal year 2012, \$68,000 in fiscal year 2013, and \$67,000 in fiscal year 2014.

Additional contractor costs of \$500,000 in fiscal year 2010 are estimated to approximate the non-registered Permit-By-Rule permitted emissions and additional data required by the bill; and additional contractor costs to create a comprehensive database to retrieve data from the newly developed emissions database and provide public access to permitted emission and actual reported emissions is estimated to cost \$368,000 in fiscal year 2010. Related software costs would total \$46,000 per fiscal year in fiscal years 2011 to 2014, related data center costs would total between \$114,000 and \$132,000 per fiscal year, and related communications service would cost \$17,000 per fiscal year starting in fiscal year 2010.

For both databases, there would be \$197,441 in contract costs in fiscal year 2010 for database management, applications administration, and data communications work.

The agency estimates that it will need 9.0 FTEs to verify to verify database population accuracy; provide guidance to the reporting entities; review 27,000 additional emissions inventories; support database maintenance; and assist in the development of the database; data communications work, and project management. Costs associated with the FTEs would total \$629,014 in fiscal year 2010 and \$557,514 in future years.

This estimate assumes that costs would be split between two General Revenue-Dedicated accounts: the Clean Air Account No. 151 and the Operating Permit Fee Account No. 5094, with 60 percent of cost paid out of the Clean Air Account No. 151 and 40 percent from the Operating Permit Fee Account No. 5094.

## **Technology**

Technology costs would include costs associated with the statewide Data Center, contracted database development, and initial population of the database for emissions not currently included in emissions inventories. These costs would total \$1.8 million in fiscal year 2010 and approximately \$300,000 in subsequent years.

## **Local Government Impact**

Although some local governments would be required to report emissions to the TCEQ upon passage of the bill, the cost of such reporting is not expected to be significant.

**Source Agencies:** 582 Commission on Environmental Quality

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