

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 14, 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 comprehensive emissions database.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3582, As Introduced: 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	(\$3,550,473)	(\$2,366,982)	9.0
2011	(\$507,908)	(\$338,606)	9.0
2012	(\$513,908)	(\$342,606)	9.0
2013	(\$508,508)	(\$339,006)	9.0
2014	(\$506,708)	(\$337,806)	9.0

Fiscal Analysis

The bill would require the Texas Commission on Environmental Quality (TCEQ) to develop a single, permanent database to track all authorized and reported emissions relating to permitted emissions, annual routine emissions, excess emissions occurring during maintenance, start-ups and shutdowns, and emission from emissions events. The bill would require information to be placed into the database to be reviewed by the reporting entities prior to the data being included. The bill also would provide for an assessment by the TCEQ of allowed and actual emissions and emissions from events and maintenance activities.

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 comprehensive database and contract with the statewide Data Center to provide hardware, software, and operating infrastructure. Costs associated with the statewide Data Center, contracted database development, and initial population of the database for emissions not currently included in emissions inventories total \$5,288,441 in fiscal year 2010 and \$289,000 in fiscal year 2011. For fiscal years 2012 through 2014, these costs are \$286,000 to \$274,000.

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 \$5,288,441 in fiscal year 2010 and \$289,000 in fiscal year 2011. For fiscal years 2012 through 2014, these costs are \$286,000 to \$274,000.

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, SD, ZS, TL