

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 28, 2009

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

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

IN RE: HB4085 by Farrar (Relating to monitoring air contaminants under the Texas Clean Air Act.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB4085, 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 Operating Permit Fees Account 5094 | Change in Number of State Employees from FY 2009 |
|--------------------|--|---|
| 2010 | (\$251,785) | 3.0 |
| 2011 | (\$232,285) | 3.0 |
| 2012 | (\$232,285) | 3.0 |
| 2013 | (\$232,285) | 3.0 |
| 2014 | (\$232,285) | 3.0 |

Fiscal Analysis

The bill would require the owner or operator of a major source as assigned by Section 501 of the Federal Clean Air Act (Title V major sources) to conduct daily fence-line air monitoring for air contaminant emissions from the major source, and to maintain records of the monitoring. The bill specifies spacing and location requirements for the monitors. The Texas Commission on Environmental Quality (TCEQ) would require by rule each owner or operator to submit for approval a list of all air contaminant emissions that would be monitored. The list would include all hazardous air pollutants that are applicable to the major source and any other pollutant as designated by the state or a local government.

The bill would require that the owner or operator of a facility designate an agency-approved independent consultant to verify compliance with the requirements of the monitoring program.

Alternatively, the bill would provide that an owner or operator could continuously or semi-continuously monitor each stack, vent, flare, cooling tower, or other device for which monitoring devices are available, review the plan at least every 5 years to identify new monitoring technology, and submit proposed changes to the Executive Director of the TCEQ for approval. The bill would require an owner or operator of a major source to provide for the required fence-line monitoring not later than September 1, 2010.

Methodology

The TCEQ reports that there are approximately 1,500 major sources with Title V permits in the state that would be subject to the bill's provisions. The agency will be required to review and approve the list of air contaminant emissions to be monitored and the equipment to be used at each of these facilities as they relate to the US. Environmental Protection Agency-approved monitoring methods and analysis. The TCEQ also would be required to review and approve any exemption requests and alternative monitoring plans that major sources might submit. It is estimated that the increased workload resulting from the bill's passage would require 3.0 FTEs and associated costs, including related equipment in fiscal year 2010. This estimate assumes that these costs would be paid out of the General Revenue-Dedicated Operating Permit Fee Account No. 5071.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Local governments that own or operate major sources of emissions (municipal solid waste landfills, electric generating facilities, etc.) would be required to purchase, install, and maintain sufficient fence line monitors or develop alternative monitoring plans. According to the TCEQ, equipment costs, site preparation, operating costs, and maintenance costs for such equipment could range from \$45,000 to \$200,000 or more per monitor

Source Agencies: 582 Commission on Environmental Quality

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