

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 11, 2009

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

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

IN RE: SB457 by Gallegos (Relating to penalty assessment for violations of the Texas Clean Air Act committed by major sources.), **As Introduced**

Depending upon the number of violators that would have to pay a penalty greater than the current maximum penalty, there could be an indeterminate revenue gain to the state.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to assess a penalty in an amount that is equal to or greater than the total of the economic benefit gained through violation (including costs avoided due to the violation) and the amount necessary to deter future violations. The bill would take effect on September 1, 2009.

Under current law, penalties are limited to \$10,000 per day penalty in some instances. Passage of the bill would allow penalties in excess of \$10,000 to be assessed in cases where the economic benefit gained through violations would be greater than that amount. Such penalties would be deposited to the General Revenue Fund and would depend on the number of violators the agency would determine are benefitting from their violation in excess of the current maximum penalty and the extent to which such entities are benefitting.

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, TL