

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

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

**May 27, 2009**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

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

**IN RE: SB1693** by Ogden (Relating to the regulation of poultry facilities and poultry litter.), As Passed 2nd House

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Health and Safety Code and the Water Code relating to the regulation of poultry facilities and poultry litter. The bill would require the Texas Commission on Environmental Quality (TCEQ) to respond and investigate complaints concerning odor associated with poultry facilities. The bill would give TCEQ the authority to issue a notice of violation if it is determined that a poultry facility is violating the terms of its air quality authorization or is creating a nuisance. The bill would require TCEQ to enter into comprehensive compliance agreements with facilities that receive three notices of violation in any 12-month period.

The bill would require owners or operators of new poultry facilities to complete a poultry facility training course on the prevention of odor nuisances from the Texas AgriLife Extension Service. The bill would authorize Texas AgriLife Extension Service to collect a fee from an owner or operator of a poultry facility to offset the costs of this course.

The bill would require the Soil and Water Conservation Board (TSSWCB) to establish criteria for the siting and construction of new poultry facilities, in consultation with TCEQ, to determine what geographic, seasonal, and agronomic factors should be considered when determining a persistent nuisance odor condition is likely to occur.

The bill would provide TCEQ the authority to inspect any poultry facility records of the sale, purchase, transfer, or application of poultry litter.

The bill would authorize TCEQ to allow any entity in violation of law within TCEQ's jurisdiction to pay monetary civil or administrative penalties in periodic installments. This estimate assumes that 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.

TCEQ, TSSWCB, and Texas AgriLife Extension Service indicate that they could absorb the costs associated with the bill within their current resources.

The bill would take effect September 1, 2009.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 592 Soil and Water Conservation Board, 551 Department of Agriculture, 555 Texas

AgriLife Extension Service, 582 Commission on Environmental Quality, 802 Parks and  
Wildlife Department

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