

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

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

**May 4, 2009**

**TO:** Honorable Allan Ritter, Chair, House Committee on Natural Resources

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

**IN RE: SB1846** by Hegar (Relating to the powers and duties of the Texas Commission on Environmental Quality and related entities.), **As Engrossed**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would authorize the Texas Commission on Environmental Quality (TCEQ) to allow any entity in violation of law within the TCEQ's jurisdiction to pay monetary civil or administrative penalties in periodic installments. The bill would also allow the TCEQ's or its executive director to establish interim rates for up to 250 days for water utilities when rate change applications are pending.

This estimate assumes that the 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. No significant fiscal impact is expected as a result of the bill's provisions relating to the setting of interim rates.

**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, ZS, TL, SZ