

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 9, 2011

**TO:** Honorable Wayne Smith, Chair, House Committee on Environmental Regulation

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

**IN RE: HB125** by Legler (Relating to the inclusion of a draft impact analysis in the notice of rules proposed by the Texas Commission on Environmental Quality.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB125, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

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
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>Clean Air Account</i> 151	Probable Savings/ (Cost) from <i>Water Resource Management</i> 153	Probable Savings/ (Cost) from <i>Waste Management Acct</i> 549	Change in Number of State Employees from FY 2011
2012	(\$91,593)	(\$91,593)	(\$91,593)	3.0
2013	(\$87,593)	(\$87,593)	(\$87,593)	3.0
2014	(\$87,593)	(\$87,593)	(\$87,593)	3.0
2015	(\$87,593)	(\$87,593)	(\$87,593)	3.0
2016	(\$87,593)	(\$87,593)	(\$87,593)	3.0

Fiscal Analysis

The bill would require that Texas Commission on Environmental Quality (TCEQ) include in its fiscal note for any proposed rule a draft impact analysis that meets the requirements of Government Code, § 2001.0225, which requires preparation of a Regulatory Impact Analysis for major environmental rules.

## Methodology

Because the bill would require that the TCEQ perform a draft impact analysis for all rules, and because the agency reports that under current law it only performs such analyses on a small percentage of its rules, that agency reports that passage of the bill would significantly increase the length of time it would take to adopt certain rules, and it would increase agency workload.

This estimate assumes that the agency would require a total of 3.0 additional FTEs to implement the provisions of the bill, based on an average of 31 rulemakings per fiscal year, and some of the most complex rule proposals requiring between 500 and 2000 hours of staff time. Staff time would be required to perform technical, regulatory, and fiscal analyses on not only the proposed rule but also alternatives to the proposed rule. It is assumed that one additional engineer, one additional financial analyst, and one additional senior toxicologist would be needed to perform the duties required by the bill at an estimated cost of \$274,780 in the first fiscal year and \$262,780 in future years.

Because it is likely that the focus of the draft impact analyses would be spread across the agency's air, water, and waste program areas, this estimate assumes that the costs would be split evenly among three General Revenue-Dedicated Accounts: the Clean Air Account No. 151; and the Water Resource Management Account No. 153; and the Waste Management Account No. 549.

Although other state agencies would likely experience increased workload as a result of the bill's passage, since the TCEQ would likely contact various state entities to obtain data and information, this estimate assumes that impacts to agencies other than the TCEQ would not be significant.

## Local Government Impact

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 582 Commission on Environmental Quality

**LBB Staff:** JOB, SZ, ZS, TL