

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 16, 2011**

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

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

**IN RE: HB830** by Dutton (Relating to the consideration of the cumulative effects of air contaminant emissions in the emissions permitting process.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB830, 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from <i>Clean Air Account</i> 151</b>	<b>Probable Savings/(Cost) from <i>Operating Permit Fees Account</i> 5094</b>
2012	(\$90,000)	(\$135,000)
2013	(\$90,000)	(\$135,000)
2014	(\$90,000)	(\$135,000)
2015	(\$90,000)	(\$135,000)
2016	(\$90,000)	(\$135,000)

**Fiscal Analysis**

The bill would require that for new permit, permit amendment, and permit renewal applications submitted to the Texas Commission on Environmental Quality (TCEQ), cumulative effects would need to be considered from air contaminants from the facility in the application and from other facilities located within three miles of this facility.

**Methodology**

The TCEQ reports that the bill would require an expanded air dispersion modeling evaluation to be completed during the permit review process that is not currently required. This would require the agency's Air Permits Division to accelerate development and increase maintenance of the permit allowables database, which is under development, for storage and accessibility of information needed

for the cumulative effects review.

To achieve this, it is expected that the agency would need \$100,000 in each fiscal year for database application and maintenance costs; \$100,000 for continued database population costs, and \$25,000 per fiscal year for additional Statewide Data Center costs. This estimate assumes that the costs would be paid partially out of two General Revenue-Dedicated accounts: the Clean Air Account No. 151, which would pay 40 percent of costs; and the Operating Permit Fee Account No. 5094, which would pay 60 percent of the costs, which is in line with the agency's budget for programs relating to major emissions sources.

This estimate assumes that it would be the responsibility of permit applicants to provide needed emissions data to the TCEQ. If the TCEQ would be required to gather cumulative emissions data instead, there could be an increase in agency workload that would require additional staffing and resources not included in this estimate.

### **Technology**

Technology costs resulting from the bill's passage are estimated at \$100,000 in each fiscal year for database application and maintenance costs; \$100,000 for continued database population costs, and \$25,000 per fiscal year for additional Statewide Data Center costs.

### **Local Government Impact**

The bill could have significant fiscal and technical impacts for local governments that require a new source review permit, a permit amendment, or a permit renewal. TCEQ reported that costs would vary depending on each local government and the method it chooses to comply with the bill's provisions. According to Texas Municipal League (TML), municipalities reported that costs could be significant, but are difficult to determine and would vary greatly by locality.

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

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