

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

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

**April 25, 2011**

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

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

**IN RE: HB3545** by Farrar (Relating to air contaminant emissions in air quality control regions.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3545, 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 Clean Air Account 151</b>
2012	(\$275,000)
2013	(\$275,000)
2014	(\$25,000)
2015	(\$25,000)
2016	(\$25,000)

**Fiscal Analysis**

The bill would define a “new facility” in an Air Quality Control Region (AQCR) as a facility for which a person applies for a permit for a preconstruction permit on or after the date on which the Texas Commission on Environmental Quality (TCEQ) designates AQCRs. The bill would also require the TCEQ to designate air quality control regions, and it would add new criteria for the proximity of sources in a proposed or existing region to nonattainment areas in the state. The bill would also require the TCEQ to establish a maximum air contaminant emissions level for the combined air contaminant emissions from all new facilities in the region for each AQCR.

The bill would require that the TCEQ impose permit conditions on a region wide basis in an AQCR as necessary to: (1) ensure that the ambient air quality of an attainment area does not deteriorate to the level of a nonattainment area; and (2) prevent further ambient air quality deterioration in a

nonattainment area. A proposed facility would be prohibited from causing the maximum air contaminant emissions levels established as a result of the bill's passage to be exceeded.

### **Methodology**

Upon passage of the bill, it is expected that the TCEQ would incur contracting costs associated with conducting analyses and modeling to determine recommended maximum air contaminant emissions levels as required by the bill. Those costs are expected to total \$500,000 and be split between fiscal year 2012 and 2013. In addition, the TCEQ's data center costs are expected to increase by \$25,000 per fiscal year for an air permits allowable database once AQCR designations are complete. This estimate assumes that all such costs would be paid out of the General Revenue-Dedicated Clean Air Account No. 151, as shown in the table above.

### **Technology**

Annual State Data Center costs to the TCEQ are expected to increase by \$25,000 per year for an air permits allowable database.

### **Local Government Impact**

Could increase costs to local governments requiring preconstruction permits.

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

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