

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

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

**March 7, 2011**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

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

**IN RE: SB448** by Hegar (Relating to the amount of the permit fee for an on-site sewage disposal system.), **As Introduced**

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

The bill would limit the amount an authorized agent can charge for an on-site sewage facility (OSSF) permit to the amount the Texas Commission on Environmental Quality (TCEQ) charges for a similar permit.

The TCEQ reports that it does not currently delegate the authority to establish permit fees to authorized agents without delegating the entire OSSF program to them and that there currently are 333 cities or counties that serve as authorized agents for the OSSF program. The agency estimates that 50 percent of authorized agents charge higher fees than the agency to issue permits, review OSSF plans, perform site evaluations, and conduct investigations. Passage of the bill would result in these entities being required to reduce their fee rates. If this resulted in a significant cost to the entity, some authorized agents might return delegated OSSF programs to the TCEQ, which could result in an increase in the TCEQ's workload.

This estimate assumes that any additional costs from increased workload to the TCEQ resulting from authorized agents returning delegation of OSSF programs to the TCEQ as a result of the bill's passage would be offset by the associated additional permit fee revenues.

**Local Government Impact**

Because the bill would limit the amount that an authorized agent of an OSSF permit program (of which 333 are counties or cities, according to the TCEQ) can charge for each permit to the amount that the TCEQ charges for a similar permit, and because the TCEQ estimates that 50 percent of these entities charge more than the TCEQ for such permits, passage of the bill could result in a loss of revenue to some local governments. The revenue loss would depend on the fee rate currently being charged by the entity and the number of permits issued. This estimate assumes that any entity experiencing a significant decrease in revenues as a result of the bill's passage would return delegation of the OSSF program to the TCEQ.

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

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