By: Creighton H.B. No. 426

## A BILL TO BE ENTITLED

1	AN ACT

- 2 relating to the regulatory analysis of rules proposed by the Texas
- 3 Commission on Environmental Quality.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 5 SECTION 1. Subchapter D, Chapter 5, Water Code, is amended
- 6 by adding Section 5.1032 to read as follows:
- 7 Sec. 5.1032. ADOPTION OF ENVIRONMENTAL RULES. (a) In this
- 8 section:
- 9 (1) "Cost" means a reasonably identifiable,
- 10 significant, direct or indirect economic impact.
- 11 (2) "Environmental effect" means a reasonably
- 12 identifiable and quantifiable effect or outcome affecting the
- 13 <u>environment or human health.</u>
- 14 (3) "Environmental rule" means a rule the specific
- 15 intent of which is to protect the environment or reduce risks to
- 16 human health from environmental exposure.
- 17 (4) "Small business" means a business that employs not
- 18 more than 250 individuals.
- 19 <u>(b) Before adopting an environmental rule, the commission</u>
- 20 shall conduct a regulatory analysis that weighs the costs and
- 21 environmental effects expected to result from implementation of and
- 22 compliance with the rule.
- (c) When giving notice of an environmental rule, the
- 24 commission shall incorporate into the fiscal note required by

- 1 <u>Section 2001.024</u>, <u>Government Code</u>, a <u>draft impact analysis</u>
- 2 describing the anticipated effects of the proposed rule. The draft
- 3 impact analysis, at a minimum, must:
- 4 (1) identify the problem the rule is intended to
- 5 address;
- 6 (2) identify the environmental effects that the agency
- 7 expects to result from implementation of and compliance with the
- 8 rule, including the projected level of reduction of pollutants or
- 9 contaminants in air, water, and soil media;
- 10 (3) identify and describe the costs that the agency
- 11 expects that state agencies, local governments, the public, and the
- 12 affected regulated entities, other than small businesses, will
- 13 incur from implementation of and compliance with the rule; and
- 14 (4) identify and describe in a separate economic
- 15 impact analysis the costs that the agency expects that small
- 16 <u>businesses</u> will incur from implementation of and compliance with
- 17 the rule.
- 18 (d) In identifying the environmental effects of a rule under
- 19 Subsection (c)(2), the commission shall include the modeled
- 20 improvement for the criteria pollutant design value expected from
- 21 <u>implementation of the rule</u>, if the rule will be included in the
- 22 <u>state implementation plan.</u>
- 23 (e) After considering public comments submitted under
- 24 Section 2001.029, Government Code, and determining that a proposed
- 25 rule should be adopted, the agency shall prepare a final regulatory
- 26 analysis that complies with Section 2001.033, Government Code.
- 27 (f) A person who submitted a comment in accordance with

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- 1 Section 2001.029, Government Code, may challenge the validity of an
- 2 environmental rule that is not proposed and adopted in strict
- 3 compliance with the procedural requirements of this section by
- 4 filing an action for declaratory judgment as provided by Section
- 5 2001.038, Government Code, not later than the 30th day after the
- 6 effective date of the rule. If the court determines that an
- 7 environmental rule was not proposed and adopted in strict
- 8 compliance with the procedural requirements of this section, the
- 9 rule is invalid.
- 10 SECTION 2. The change in law made by this Act applies only
- 11 to a rule proposed by the Texas Commission on Environmental Quality
- 12 for which notice is given under Sections 2001.023 and 2001.024,
- 13 Government Code, on or after December 1, 2013.
- 14 SECTION 3. This Act takes effect September 1, 2013.