

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 21, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB1079** by Smith (Relating to procedural requirements for action by the Texas Commission on Environmental Quality on applications for production area authorizations.), **As Passed 2nd House**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Water Code provisions regarding production area authorizations for Class III injection wells. The bill would make fewer applications for production area authorizations subject to contested case hearing requirements, and it would remove requirements for public notice. The bill would also remove provisions in the Water Code for the Executive Director of the Texas Commission on Environmental Quality (TCEQ) to use of a third party expert for recommendations in production area authorizations.

The bill would provide that a new, amended or renewal area permit must have a table of pre-mining low and high values representing the range of groundwater quality within the area of review for each water quality parameter used to measure groundwater restoration in a commission-required restoration table. The TCEQ would be required to use all available wells to establish the table. The bill would provide that if a restoration table value for a production area authorization exceeds the range listed in the area permit table, the value within the area permit range table must be used or a major amendment to alter the range is required; such major amendments would be subject to a contested case hearing. The bill would provide for specific exemption for certain authorizations to be considered uncontested matters, not subject to a contested case hearing.

The bill's provisions would apply to applications for production area authorizations submitted on or after the effective date of the bill (immediately upon receiving two-thirds vote of both Houses or on September 1, 2013).

The bill would require the TCEQ to engage in rulemaking and result in certain other administrative duties. However, due to the low number of contested case hearings regarding production area authorizations, any costs to the agency as a result of the bill's passage are expected to be minimal.

**Local Government Impact**

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

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

**LBB Staff:** UP, SD, SZ, TL