

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 10, 2013

TO: Honorable Patricia Harless, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1714** by Smith (Relating to the discontinuance of the Texas Commission on Environmental Quality 's compliance history program.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would repeal the compliance history-related sections of Chapter 5 of the Water Code. The bill would strike references to repealed sections and establish a five year compliance summary review period for violations constituting a recurring pattern of egregious conduct that demonstrates a consistent disregard for the regulatory process, including the failure to make a timely and substantial attempt to correct the violations.

Passage of the bill would result in some administrative costs to the Texas Commission on Environmental Quality (TCEQ) in the first year of implementation because it would change some of the agency's operating procedures. However, such costs are not expected to be significant. In addition, because currently, the TCEQ considers compliance history in all enforcement actions when calculating administrative penalties, passage of the bill could result in some change in revenue to the state from administrative penalties. Any revenue gain or loss resulting from passage of the bill is not expected to be significant.

Local Government Impact

The TCEQ reports that some local governments could experience a fiscal benefit by the proposed legislation. Entities that are currently classified with an unsatisfactory performance rating are not eligible to obtain certain authorizations under general permits or standard permit authorizations. Also entities that are currently classified with an unsatisfactory performance rating received additional requirements in individual permit or state permits to address compliance issues. By modifying the compliance history program these entities may now be eligible to obtain authorizations under general permits and standard permits (rather than be authorized by more costly individual permits) which would result in a cost savings.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: UP, SZ, TL