

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

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

**May 1, 2013**

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

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

**IN RE:** **HB2996** by King, Tracy O. (Relating to regulation by the Texas Commission on Environmental Quality of the land application of Class B sludge.), **Committee Report 1st House, Substituted**

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

The bill would change the current authorization mechanism issued by the Texas Commission on Environmental Quality (TCEQ) to Class B sludge facilities from individual permits to registrations, and it would remove the requirement for certain small businesses to obtain and maintain commercial liability and environmental impairment insurance policies that are currently required for Class B sludge land application authorizations. The bill would redefine "Class B sludge" to include domestic sewage or sludge which, if combined with grease trap waste, grit trap waste, or septage is combined and processed with domestic sewage sludge within the boundaries of a wastewater treatment plant, meets one of the pathogen and one of the vector reduction requirements in TCEQ rule. The bill also bill would repeal certain provisions allowing sludge registration holders to apply sludge to land per requirements of a registration prior to September 1, 2002 while the TCEQ took action on newly required individual permit applications.

The bill's provisions would apply only to Class B sludge applications filed with the TCEQ on or after September 1, 2013, and Class B sludge applications filed with the TCEQ before September 1, 2013 that are not administratively complete. The bill also would allow an approved Class B sludge application permit holder to apply the sludge to land according to the terms of a permit approved before September 1, 2013.

By changing Class B sludge permits to registrations, the TCEQ reports that certain public notice requirements and contested case hearing opportunities could be eliminated, which could result in some savings to the agency. The savings is not expected to be significant. In addition, the TCEQ would be expected to charge the same fee to a registration holder that it currently does to a permit holder upon passage of the bill. Therefore, passage of the bill is not expected to impact fee revenue collected by the TCEQ.

**Local Government Impact**

Local governments could experience some savings because they would not have to pay costs associated with notice or public hearings if such entities would apply for an authorization to apply Class B sludge on land. The savings are not expected to be significant.

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

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