

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

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

**March 27, 2013**

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

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

**IN RE:** **SB1300** by Eltife (Relating to environmental or health and safety audits under the Texas Environmental, Health, and Safety Audit Privilege Act.), **Committee Report 1st House, Substituted**

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

The bill would modify the Texas Environmental, Health, and Safety Audit Privilege (TEHSAP) Act to provide prospective purchasers of facilities regulated by the Texas Commission on Environmental Quality (TCEQ) the opportunity to avail themselves of the Act for violations identified during their pre-acquisition investigation prior to acquisition of the facility. Currently, the Act only applies to existing owners and operators. The bill would also prescribe a six-month time frame for the completion of an audit after a prospective buyer closes on the acquisition of a facility, and it would provide immunity in certain circumstances for the disclosure of violations within the first six months of acquisition of the facility. The bill would provide that a person that begins an audit before becoming the owner of a regulated facility or operation could continue the audit after the acquisition closing date if the person would give notice to the TCEQ. The bill would that a period of ownership of a regulated facility or operation could be considered as a mitigating factor if a penalty was assessed under the TEHSAP Act.

Passage of the bill is not expected to result in a significant increase in TCEQ's workload.

**Local Government Impact**

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

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

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