

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 13, 2015

TO: Honorable Geanie Morrison, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3264** by Guillen (Relating to emergency orders suspending, administrative and civil actions enjoining, and penalties for operating certain wastewater treatment facilities without a permit.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would provide authority to the Texas Commission on Environmental Quality (TCEQ) to issue an emergency order to suspend the operations of a domestic wastewater treatment facility that is operating without a required permit. TCEQ could either issue an order requiring the facility to cease operations until a permit is issued and impose an administrative penalty or institute a civil action to enjoin operations and impose a civil penalty.

The bill would only apply to a violation that occurs on or after the effective date of the bill. The bill would take effect immediately if it receives two-thirds vote both houses; otherwise, it would take effect September 1, 2015.

Any administrative costs to the TCEQ in implementing the provisions of the bill are expected to be absorbed using existing resources.

Local Government Impact

The TCEQ reports that the bill could result in both increased costs and decreased revenues to local governments that own domestic wastewater treatment facilities and operate without a permit. For instance, such entities could be forced to suspend operations, find alternative treatment options and/or pay penalties under this bill. Such local governments could incur penalty costs and the consequences of forgone revenues while not in service.

Although the TCEQ reports that during fiscal years 2013 and 2014 approximately 22 enforcement actions against domestic wastewater treatment facilities for violations of failure to have/renew a wastewater permit, and that over 70 percent of those entities were local governmental entities, this estimate assumes that local governments would be encouraged by the penalties proposed by the bill to operate wastewater facilities with valid permits, thus increasing compliance with related laws and TCEQ rules.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: UP, SZ, TL, LM

