

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 25, 2015**

**TO:** Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

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

**IN RE:** SB394 by Perry (relating to the use of supplemental environmental projects by a local government to come into compliance with environmental laws or remediate environmental harm caused by the local government.), **Committee Report 1st House, Substituted**

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

The bill would require that the Texas Commission on Environmental Quality (TCEQ) approve a compliance Supplemental Environmental Project (SEP) for a local government in place of a penalty if the local government has not previously committed the same violation at the same site with the same underlying cause in the preceding five years; and the local government did not agree to perform the SEP before the date the TCEQ initiated enforcement action.

The TCEQ reports that enactment of the bill could have an impact on the number of SEPs the agency reviews; however, any administrative costs to the agency are not expected to be significant.

The TCEQ reports that there could be some loss in penalties deposited to the General Revenue Fund, depending on the number of local governments that would opt for SEPs in lieu of penalties as a result of the bill's passage. However, because the bill provides that the SEP is only required to be approved in cases where the local government has not previously committed the same violation, no significant revenue loss is expected.

**Local Government Impact**

The bill would allow qualifying local governments that have not committed the same violation previously to spend the administrative penalty amount on compliance and remediation of the alleged area of violation. The local government may no longer have to pay a penalty in addition to the cost of coming into compliance with an enforcement order.

**Source Agencies:** 582 Commission on Environmental Quality, 304 Comptroller of Public Accounts

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