

By: Morrison

H.B. No. 3816

Substitute the following for H.B. No. 3816:

By: Lozano

C.S.H.B. No. 3816

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the regulatory analysis of rules proposed by the Texas
3 Commission on Environmental Quality.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 2001.0225(a), Government Code, is
6 amended to read as follows:

7 (a) This section applies only to a major environmental rule
8 adopted by a state agency other than the Texas Commission on
9 Environmental Quality, the result of which is to:

10 (1) exceed a standard set by federal law, unless the
11 rule is specifically required by state law;

12 (2) exceed an express requirement of state law, unless
13 the rule is specifically required by federal law;

14 (3) exceed a requirement of a delegation agreement or
15 contract between the state and an agency or representative of the
16 federal government to implement a state and federal program; or

17 (4) adopt a rule solely under the general powers of the
18 agency instead of under a specific state law.

19 SECTION 2. Section 382.051961(b), Health and Safety Code,
20 is amended to read as follows:

21 (b) The commission may not adopt a new permit by rule or a
22 new standard permit or amend an existing permit by rule or an
23 existing standard permit relating to a facility to which this
24 section applies unless the commission:

1 (1) conducts a regulatory analysis as provided by
2 Section 5.1032, Water [~~2001.0225, Government~~] Code;

3 (2) determines, based on the evaluation of credible
4 air quality monitoring data, that the emissions limits or other
5 emissions-related requirements of the permit are necessary to
6 ensure that the intent of this chapter is not contravened,
7 including the protection of the public's health and physical
8 property;

9 (3) establishes any required emissions limits or other
10 emissions-related requirements based on:

11 (A) the evaluation of credible air quality
12 monitoring data; and

13 (B) credible air quality modeling that is not
14 based on the worst-case scenario of emissions or other worst-case
15 modeling scenarios unless the actual air quality monitoring data
16 and evaluation of that data indicate that the worst-case scenario
17 of emissions or other worst-case modeling scenarios yield modeling
18 results that reflect the actual air quality monitoring data and
19 evaluation; and

20 (4) considers whether the requirements of the permit
21 should be imposed only on facilities that are located in a
22 particular geographic region of the state.

23 SECTION 3. Subchapter D, Chapter 5, Water Code, is amended
24 by adding Section 5.1032 to read as follows:

25 Sec. 5.1032. ADOPTION OF ENVIRONMENTAL RULES. (a) In this
26 section:

27 (1) "Cost" means a reasonably identifiable,

1 significant, and direct or indirect negative economic effect.

2 (2) "Environmental benefit" means a reasonably
3 identifiable, significant, and direct effect, including a
4 quantifiable environmental, health, or economic effect, that is
5 expected to result from regulation of the pollutant or pollutants
6 targeted by an environmental rule. The term does not include
7 incidental co-benefits expected to result from the implementation
8 of an environmental rule, including the reduction of pollutants
9 already regulated by separate environmental rules.

10 (3) "Environmental rule" means a rule the specific
11 intent of which is to protect the environment or reduce risks to
12 human health from environmental exposure.

13 (4) "Small business" means a business that employs not
14 more than 250 individuals.

15 (b) Before adopting an environmental rule, the commission
16 shall conduct a regulatory analysis that:

17 (1) identifies the problem the rule is intended to
18 address;

19 (2) determines whether a new rule is necessary to
20 address the problem; and

21 (3) considers the benefits and costs of the proposed
22 rule in relationship to state agencies, local governments, the
23 public, the regulated community, and the environment.

24 (c) When giving notice of an environmental rule, the
25 commission shall incorporate into the fiscal note required by
26 Section 2001.024, Government Code, a draft impact analysis
27 describing the anticipated effects of the proposed rule. The draft

1 impact analysis, at a minimum, must:

2 (1) identify the problem the rule is intended to
3 address;

4 (2) identify the environmental benefits that the
5 agency expects to result from implementation of and compliance with
6 the rule, including the projected level of reduction of pollutants
7 or contaminants in air, water, and soil media;

8 (3) identify and describe the costs that the agency
9 expects that state agencies, local governments, the public, and the
10 affected regulated entities, other than small businesses, will
11 incur from implementation of and compliance with the rule; and

12 (4) identify and describe in a separate economic
13 impact analysis the costs that the agency expects that small
14 businesses will incur from implementation of and compliance with
15 the rule.

16 (d) In identifying the environmental benefits of an
17 environmental rule under Subsection (c)(2), the commission shall
18 include the modeled improvement for the criteria pollutant design
19 value expected from implementation of the rule, if the rule will be
20 included in the state implementation plan under the federal Clean
21 Air Act (42 U.S.C. 7401 et seq.).

22 (e) After considering public comments submitted under
23 Section 2001.029, Government Code, and determining that a proposed
24 environmental rule should be adopted, the commission shall prepare
25 a final regulatory analysis that complies with Section 2001.033,
26 Government Code.

27 SECTION 4. The change in law made by this Act applies only

C.S.H.B. No. 3816

1 to an environmental rule proposed by the Texas Commission on
2 Environmental Quality for which notice is given under Sections
3 [2001.023](#) and [2001.024](#), Government Code, on or after December 1,
4 2019.

5 SECTION 5. This Act takes effect September 1, 2019.