LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 19, 2019

TO: Honorable J. M. Lozano, Chair, House Committee on Environmental Regulation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB3114** by Kacal (Relating to contested case hearings on matters under the jurisdiction of the Texas Commission on Environmental Quality.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government and Water Codes to transfer contested case hearings from the State Office of Administrative Hearings (SOAH) to the Texas Commission on Environmental Quality (TCEQ) through establishment of an Office of the Administrative Law Judge and would authorize TCEQ to employ or contract with administrative law judges to conduct these contested hearings.

Under current law, TCEQ is appropriated $816,000 each fiscal year to cover the cost of contracting with SOAH for the purpose of conducting administrative hearings of which approximately $400,000 is expended each year for this purpose. This estimate assumes that this interagency contract would no longer be necessary and that TCEQ would, instead, direct these funds towards the costs associated with implementing the provisions of the bill for which the agency estimates the need for three FTEs: a Master Administrative Law Judge, an Administrative Law Judge, and an office manager.

In addition, this estimate assumes anticipated construction costs associated with converting existing office space into courtroom, office, and storage space for the Office of the Administrative Law Judge could be absorbed within available resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings, 582 Commission on Environmental Quality

LBB Staff: WP, SZ, MW, GDz