

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 15, 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: HB4116 by Zwiener (Relating to a voluntary financial assurance program for permit holders under the Texas Pollutant Discharge Elimination System.), **Committee Report 1st House, Substituted**

There would be an indeterminate fiscal impact to the state. The number of permit holders that would voluntarily join the financial assurance program established under provisions of the bill, and the amount of funds that would be deposited and held by the Texas Commission on Environmental Quality, is unknown.

The bill would amend the Water Code to establish a voluntary financial assurance program for wastewater discharge permit holders under the National Pollutant Discharge Elimination System to allow permit holders to deposit an amount of money or evidence of equivalent financial assurance with the Texas Commission on Environmental Quality (TCEQ) to be used in the event that the permit holder causes a discharge that results in damage to the environment. The bill defines financial assurance to include payment bonds and letters of credit. The bill specifies that if the permit holder does not comply with the terms of the agreement then the deposited money is to be withdrawn and deposited to the Texas Water Resources Fund for use in the green project reserve program.

According to the Comptroller of Public Accounts and TCEQ, the number of permit holders that would voluntarily join the financial assurance program and the amount of funds that would be deposited is unknown.

Local Government Impact

A local governmental entity that is a permit holder under the National Pollutant Discharge Elimination System would have additional costs if the entity participated in the program. The number of local governmental entities that would participate is unknown.

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

LBB Staff: WP, SZ, MW, GDz