

BILL ANALYSIS

H.B. 3477
By: Rose
Environmental Regulation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Environmental disasters may cause health problems for residents who live in the affected areas. These residents may face health concerns such as asthma, cancer, and premature death due to exposure to carcinogens and pollutants resulting from a disaster. Some businesses in Texas have a history of causing environmental disasters, and while the Texas Commission on Environmental Quality may levy fines against these businesses, they are still able to operate even if a disaster has not been remedied. H.B. 3477 seeks to address this issue by providing for the termination of a business that is responsible for an environmental disaster in order to prevent the business from continuing to operate without remedying the disaster.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 3 of this bill.

ANALYSIS

H.B. 3477 amends the Water Code to require the Texas Commission on Environmental Quality (TCEQ) to adopt rules to establish criteria for determining whether a filing entity that is subject to an applicable enforcement action is responsible for an environmental disaster in Texas. The bill defines the following:

- "filing entity" as a domestic entity that is a corporation, limited partnership, limited liability company, professional association, cooperative, or real estate investment trust; and
- "environmental disaster" as a violation of law under TCEQ jurisdiction resulting in significant harm to human life.

H.B. 3477 requires TCEQ, in adopting the rules, to consider whether a violation leading to an enforcement action has caused the following:

- an increase in fatal diseases, including cancer, in the population near the facility where the violation occurred;
- contaminated water;
- contaminated air; or
- a negative effect on the quality of life of the population near the facility where the violation occurred.

H.B. 3477 requires TCEQ to do the following if it determines that a filing entity that is subject to an applicable enforcement action is responsible for an environmental disaster in Texas:

- issue an order for the entity's termination; and
- deliver a copy of the order to the secretary of state and the entity.

The order must include a provision for how the filing entity may meet requirements for reinstatement through the remediation of the environmental disaster.

H.B. 3477 authorizes a filing entity that receives a termination order to file with TCEQ evidence showing that the entity has met the remediation requirements described by the order. The bill requires TCEQ to do the following if it determines that the filing entity has met the remediation requirements:

- issue an order for the entity's reinstatement; and
- deliver a copy of the order to the secretary of state and the entity.

H.B. 3477 amends the Business Organizations Code to authorize the secretary of state to terminate a filing entity's existence if TCEQ has issued an order of termination under the bill's provisions. The bill requires the secretary of state to reinstate a filing entity that has been involuntarily terminated if the entity files a certificate of reinstatement and TCEQ has issued an order of reinstatement under the bill's provisions if the involuntary termination was based on an order of termination under those provisions.

EFFECTIVE DATE

September 1, 2021.