

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 12, 2021

TO: Honorable Tracy O. King, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB242 by Zwiener (Relating to the authority of the Texas Commission on Environmental Quality to require water pollution abatement plans from certain facilities regulated by the Railroad Commission of Texas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB242, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from Water Resource Management 153	Probable Savings/(Cost) from Water Resource Management 153	Change in Number of State Employees from FY 2021
2022	\$270,000	(\$301,965)	3.0
2023	\$270,000	(\$255,465)	3.0
2024	\$270,000	(\$255,465)	3.0
2025	\$270,000	(\$255,465)	3.0
2026	\$270,000	(\$255,465)	3.0

Fiscal Analysis

The bill would amend the Water Code to authorize the Texas Commission on Environmental Quality (TCEQ) to require owners or operators of facilities concerning production of certain resources as defined in the bill and regulated by the Railroad Commission of Texas to submit a water pollution abatement plan if the facility is located in the recharge zone of the Edwards Aquifer.

The bill would take effect September 1, 2021.

Methodology

Based on the analysis of TCEQ, this estimate assumes an average of 54 new water pollution abatement plan submissions each fiscal year. Current WPAP application fees range from \$3,000 to \$10,000 depending on acreage, sewage system, or linear feet of pipe. This estimate assumes an estimated per WPAP application fee of \$5,000 for 54 new WPAP applications. This would result in additional \$270,000 in fee revenue per fiscal year deposited to the credit of the General Revenue-Dedicated Water Resource Management Account No. 153.

This estimate assumes that TCEQ would require additional personnel to review the increased number of WPAP applications and conduct compliance investigations for newly regulated activities within the recharge zone of the Edwards Aquifer. This would include 2.0 FTEs for two Natural Resource Specialists (\$47,688 each fiscal year) and 1.0 FTE for one Engineer IV (\$83,298 each fiscal year) with estimated annual benefits totaling \$60,785. Additional operational and maintenance costs are estimated at \$62,506 in fiscal year 2022 and \$16,006 each subsequent year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission, 582 Commission on Environmental Quality

LBB Staff: JMc, AJL, MW, GDZ