

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 18, 2021**

**TO:** Honorable Brooks Landgraf, Chair, House Committee on Environmental Regulation

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1912** by Wilson (Relating to air quality permits for aggregate production operations and concrete batch plants.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1912, 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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from Clean Air Account 151</b>	<b>Probable Savings/(Cost) from Operating Permit Fees Account 5094</b>	<b>Change in Number of State Employees from FY 2021</b>
2022	(\$187,020)	(\$124,680)	3.0
2023	(\$215,242)	(\$143,495)	4.0
2024	(\$182,542)	(\$121,695)	4.0
2025	(\$235,364)	(\$156,909)	5.0
2026	(\$232,664)	(\$155,109)	5.0

**Fiscal Analysis**

The bill would amend the Health and Safety Code to place additional requirements upon aggregate production or concrete patch plant standard permits concerning acceptable noise levels, outdoor lighting specifications and the use of blasting technology.

The bill would require permit holders to install equipment to monitor noise levels and air emissions from the facility at locations defined in the bill, to ensure that outdoor lighting installed complies with Illuminating Engineering Society standards, and to obtain computer-controlled blasting technology to minimize seismic

impacts on adjacent property caused by blasting. The bill establishes maximum noise decibel levels for permit holders and requires that owners or operators maintain records of monitoring data for emissions and noise levels for at least five years. The bill would require TCEQ to publish a list of monitoring equipment that owners or operators may use to meet the bill's requirements.

The bill would require a facility owner or operator to provide the Texas Commission on Environmental Quality (TCEQ) with a plan for the area on which the facilities operate that ensures this location will be safe and useful after operations cease and to provide TCEQ with a performance bond or other form of financial assurance to ensure payment of the costs of executing that plan.

The bill would require TCEQ to inspect facilities for compliance with these new permit requirements at the same time as when agency staff regularly inspect these facilities. The bill would require an owner or operator to submit to TCEQ all available monitoring data from monitoring equipment when the permit holder is subject to a complaint and requires TCEQ to evaluate this data to determine if the complaint is valid.

The bill would take effect on January 1, 2022 and would apply to permits submitted to TCEQ on or after January 1, 2023.

### **Methodology**

According to TCEQ, there are 1,537 facilities that will eventually require financial assurance. This requirement will occur as the facility's permit is renewed which occurs every 10 years. TCEQ renews approximately 150 permits each year and anticipates an additional 180 new APO facilities would be permitted annually. The agency estimates that one financial analyst can manage approximately 500 financial assurances from these facilities. The total estimated workload for all financial assurances is anticipated to increase over time as more facilities face permit renewal and the new financial assurance obligations under the bill's provisions. The agency estimates 330 effected permits in fiscal year 2022, 660 in fiscal year 2023, 990 in fiscal year 2024, and 1,320 in fiscal year 2025, and 1,650 in fiscal year 2026.

Based on the analysis of TCEQ, this estimate assumes the agency would require an additional 3.0 FTEs in fiscal year 2022 that includes one Financial Analyst I (\$59,473 with \$19,341 in benefits) for increased obligations associated with financial assurances submitted by facility owners and operators and two additional Natural Resource Specialist II (\$47,688 with \$15,508 in benefits) positions due to the increase in the scope of regular inspections of regulated facilities to include the bill's new requirements. This estimate assumes one additional Financial Analyst I will be needed in fiscal year 2023 and another one in fiscal year 2025 due to the gradual increase in financial assurances submitted by owners and operators as their facilities require permit renewal and new facilities receive permits.

In addition, the estimate assumes an additional \$27,500 in fiscal year 2022 for vehicles to support field operations and \$50,000 each year of the 2022-23 biennium for the purchase of monitoring equipment to measure quantifiable sound and light levels. Additional funding for other operating expenses is estimated at \$28,994 for fiscal year 2022, \$24,717 for fiscal year 2023, \$20,217 for fiscal year 2024, \$29,440 for fiscal year 2025, and \$24,940 for fiscal year 2026.

### **Local Government Impact**

The Texas Association of Counties does not anticipate a significant fiscal impact to counties.

**Source Agencies:** 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality, 601 Department of Transportation

**LBB Staff:** JMc, AJL, MW, GDZ, AF