

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 2, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2780 by Paddie (Relating to the safety of aboveground storage tanks.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2780, 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 Savings/(Cost) from General Revenue Dedicated Aboveground Storage Tank Safety Program Account	Probable Revenue Gain/(Loss) from General Revenue Dedicated Aboveground Storage Tank Safety Program Account	Change in Number of State Employees from FY 2021
2022	(\$931,625)	\$931,625	10.0
2023	(\$886,625)	\$886,625	10.0
2024	(\$886,625)	\$886,625	10.0
2025	(\$886,625)	\$886,625	10.0
2026	(\$886,625)	\$886,625	10.0

Fiscal Analysis

This bill would amend the Water Code to establish the Aboveground Storage Tank Safety Program within the Texas Commission on Environmental Quality (TCEQ) and would require the TCEQ to adopt performance standards for the design, construction, operation, and maintenance of aboveground storage tanks (AST). The bill would require the owner or operator of an AST to assess and report to the TCEQ on its current compliance status with the program no later than September 1, 2027. The bill requires that AST owners or operators must comply with program requirements upon completion of the next regularly scheduled out-of-service maintenance that occurs after September 1, 2027. The bill would require certification of compliance status every ten years and provides exemptions for certain ASTs as defined in the bill.

The bill would create the new General Revenue–Dedicated Aboveground Storage Tank Safety Program Account and would require TCEQ to establish certification fees in amounts sufficient to cover program costs for deposit to the account.

This bill would take effect September 1, 2021.

Methodology

Based on the analysis of the TCEQ, this estimate assumes that establishing an AST program within the TCEQ with a five-year onsite inspection frequency and a ten-year certification record review for an estimated 8,200 aboveground storage tanks would require two additional Program Specialist IV (\$59,473 per year with estimated benefits of \$20,233) for support and management of AST registration within the Office of Waste. In addition, an additional eight Natural Resource Specialist IIIs (\$55,602 per year with estimated benefits of \$18,916) that would focus on compliance, investigation, enforcement, and education within the Program Support and Environmental Assistance Division would be necessary. This estimate also assumes that TCEQ would need three additional vehicles for the Natural Resource Specialists for a one-time cost of \$82,500 to support travel required to implement the bill's provisions and annual operating expenses of \$93,571 in fiscal year 2022 and \$48,571 each subsequent fiscal year.

This analysis assumes that TCEQ would establish fees as necessary to cover all costs associated with implementing the provisions of the bill.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

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

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

LBB Staff: JMc, AJL, MW, GDZ