

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION
Revision 1

March 30, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3128 by Kitzman (Relating to the regulation of on-site sewage disposal systems, including requiring a license for on-site sewage disposal system pumping technicians.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3128, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

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 <i>General Revenue Related Funds</i>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>Occupational Licensing 468</i>	Probable (Cost) from <i>Occupational Licensing 468</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	\$0	(\$151,652)	2.0
2025	\$0	(\$204,652)	2.0
2026	\$0	(\$141,652)	2.0
2027	\$0	(\$141,652)	2.0
2028	\$294,000	(\$141,652)	2.0

Fiscal Analysis

The bill would amend the Health and Safety Code to add a requirement that individuals that pump and haul domestic septage for on-site sewage disposal systems must be registered with the Texas Commission on Environmental Quality (TCEQ) and would require counties with a population of more than 40,000 to permit onsite sewage disposal systems of a single residence on ten acres or more.

This bill would create a new fee for permitting individuals that pump and haul domestic septage for on-site sewage disposal systems. The permit registration would be active for 3 years.

The bill would require that TCEQ adopt rules to implement the provisions of this legislation.

Methodology

Based on information provide by TCEQ, this analysis assumes the program created by the bill would be fully implemented in fiscal year 2028, three years after rule adoption for the program. This would include include developing a training curriculum, providing curriculum to training providers, TCEQ approving of courses to be offered by training providers, and completion of training by applicants before registrations would be issued.

Based on the active number of sludge transporters currently registered with TCEQ, TCEQ estimates there would be between 5,297 and 10,594 domestic septage pumpers that would need to register under the bill. TCEQ also anticipates establishing a \$111 registration fee for the 3-year registrations and staggering registrations to have varying expiration dates to distribute the workload more evenly over the 3-year cycle. TCEQ also anticipates pro-rating the application fee to account for a shorter registration, which would average out to approximately \$196,000-\$392,000 each year. Based on the analysis of the Comptroller of Public Accounts, it is assumed that \$294,000 in fee revenue would be collected in fiscal year 2028 and deposited to the General Revenue-Dedicated Occupational Licensing Account No. 468.

Based on information provided by TCEQ, this analysis assumes that 2.0 License and Permitting Specialist III (B16) and funding to make changes to the agency's data and online payment collection systems would be needed to implement the provisions of the bill. Costs for these positions would include operating equipment and expenses, professional services expenses and onetime rule making costs to implement the provisions of the bill out of General Revenue-Dedicated Occupational Licensing Account No. 468. Personnel costs (Salary, benefits, and operating) for the FTEs are estimated to be \$151,652 in FY 2024 and \$141,652 in fiscal years 2025 though 2028. In addition, professional service costs of \$63,000 would be needed to develop necessary information technology systems.

Technology

Based on information provided by TCEQ, the agency would require \$63,000 in fiscal year 2025 out of General Revenue-Dedicated Occupational Licensing Account No. 468 to update the Consolidated Compliance Environmental Data System, Texas.gov online renewal portal, Occupational Licensing Electronic Application, ePay, and online licensing search system.

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

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