

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 3, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4551 by Kacal (Relating to a required water quality permit for construction of a high-speed rail project.), **As Introduced**

The fiscal implications of the bill cannot be determined because the number of applicants that would apply for a permit, the number of application and water quality fees that would be assessed, and the amount of fees that would be assessed and collected are unknown.

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

The bill would amend the Water Code to authorize the Texas Commission on Environmental Quality (TCEQ) to issue a permit authorizing the construction and operation of a high-speed rail project. The bill would require the agency to determine if the construction and operation of a high-speed rail project would adversely impact the quality of drinking water, surface water, or ground water. TCEQ would be required to adopt rules establishing application procedures and fees for permits required by the bill.

Based on information provided by the Comptroller of Public Accounts (CPA), the bill would authorize TCEQ to issue permits for high-speed rail projects but does not specify any fees to be collected for these permits.

Based on information provided by TCEQ, the agency would establish application fees and annual water quality fees for permits required by the bill. TCEQ anticipates a permit application fee of \$1,250 and annual water quality fees that would begin at \$500 per authorization for storm water discharges and that would increase if the permit authorization would cover industrial wastewater. The amount of increase would be dependent on factors including flow volume, type of flow, pollutants, toxicity, and other related qualifiers.

This analysis assumes that the number of permits that would be issued under the provisions of the bill would be limited and that any fee revenues that may be collected by the agency would be deposited to the credit of the General Revenue fund. This analysis also assumes that costs for TCEQ associated with implementing the provisions of the bill could be absorbed using existing resources.

Based on information provided by TCEQ and the CPA, the amount of revenue that would be assessed and collected from new fees and permits established under the provisions of the bill cannot be determined because the number of applicants that would apply for a permit, the number of fees that would be assessed, and the amount of fees that would be assessed are unknown.

Local Government Impact

No 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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