

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 25, 2023

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1719 by Zaffirini (Relating to the permitting processes of the Texas Commission on Environmental Quality.), **As Introduced**

The fiscal implications of the bill cannot be determined because the number of amendments that would be made to permit applications, the timing of those applications, and the amount of fees for those applications; the number of permits that would be denied and the timing of those denials; and the timing, number, and amount of penalties that would be assessed for applications submitted in bad faith is unknown.

The bill would authorize the Texas Commission on Environmental Quality (TCEQ) to impose penalties for applications filed in bad faith and for amendments to applications after the first amendment. The bill would also require TCEQ to deny a permit if the application contains a false or misleading statement, if the applicant files more than three amendments, or if the application is not complete after five years. The bill would also require any fees associated with an application for a permit for solid waste facilities to be adjusted annually to reflect the cost of inflation as determined by the consumer price index.

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

For the purposes of this analysis, TCEQ considered amendments for the Municipal Solid Waste (MSW), Industrial Hazardous Waste (IHW), and Underground Injection Control (UIC) permit programs with the assumption that "amendment" in the bill would mean revisions to pending applications. For reference, TCEQ reports MSW application fees range from \$150 - \$2,050 and IHW application fees range from \$150 - \$50,000. TCEQ reports having made a decision on 388 applications per year on average over the last three years. The agency estimates that 25 percent of applications needed one revision, 50 percent needed two revisions, and 25 percent needed three revisions. According to TCEQ, the fiscal impact of establishing fees for amending applications cannot be determined because the agency has not determined a cost to process amendments and the fee rate for amending the applications is unknown.

Based on information provided by TCEQ, the fiscal impact for denying original or renewal permits with more than three amendments is not expected to be significant because the agency anticipates a majority of applicants would withdraw such applications before TCEQ would issue a denial. Current procedures allow the applicant to apply the application fee of the withdrawn application to the subsequent resubmittal.

According to TCEQ, the fiscal impact from revenues collected from penalties that would be assessed for applications submitted in bad faith with false or misleading statements cannot be determined but is not expected to be significant because most applications are submitted in good faith.

Based on information provided by TCEQ and the Comptroller of Public Accounts, the fiscal impact of the bill cannot be determined because the number of amendments that would be made to permit applications, the timing of those applications, and the amount of fees for those applications; the number of permits that would be denied and the timing of those denials; and the timing, number, and amount of penalties that would be assessed for applications submitted in bad faith is unknown.

This analysis assumes that TCEQ could absorb any cost related to implementing the provisions of this bill within existing resources.

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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