SENATE AMENDMENTS

2nd Printing

By: Phelan, Fallon H.B. No. 2771

A BILL TO BE ENTITLED

AN ACT

relating to the elimination of a fee collected for an on-site wastewater treatment permit application.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 367.010, Health and Safety Code, is repealed.

SECTION 2. Section 367.007(a), Health and Safety Code, is amended to read as follows:

(a) The commission may accept gifts, grants, and donations to [~~from other sources to supplement the fees collected under Section 367.010. Grants and donations shall~~] be deposited to the credit of the water resource management account. Grants [~~and~~] may be disbursed as the commission directs and in accordance with Section 367.008.

SECTION 3. Section 5.701(p), Water Code, is amended to read as follows:

(p) Notwithstanding any other law, fees collected for deposit to the water resource management account under the following statutes may be appropriated and used to protect water resources in this state, including assessment of water quality, reasonably related to the activities of any of the persons required to pay a fee under:

(1) Subsection (b), to the extent those fees are paid by water districts, and Subsections (e), (f), and (n); or

(2) Section 54.037(c) [~~, or~~

[~~(3) Section 367.010, Health and Safety Code~~].

SECTION 4. The changes in law made by this Act apply only to an application for an on-site wastewater treatment permit received by the Texas Commission on Environmental Quality on or after the effective date of this Act. An application received before the effective date of this Act is governed by the law in effect on the date the application was received, and the former law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2017.

ADOPTED

MAY 24 2017

Secretary of the Senate

By: _____ H.B. No. 2771

Substitute the following for H.B. No. 2771:

By: _____ C.S.H.B. No. 2771

A BILL TO BE ENTITLED

AN ACT

relating to the fee collected for an on-site wastewater treatment permit application.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 367.008(b) and (c), Health and Safety Code, are amended to read as follows:

(b) The commission shall [~~may~~] award competitive grants to[~~:~~

[~~(1)~~] support applied research and demonstration projects by accredited colleges and universities in this state, by other governmental entities, or by acceptable public or private research centers regarding on-site wastewater treatment technology and systems applicable to this state that are directed toward improving the quality of wastewater treatment and reducing the cost of providing wastewater treatment to consumers, including wastewater reuse [~~, and~~

[~~(2) enhance technology transfer regarding on-site wastewater treatment by using educational courses, seminars, symposia, publications, and other forms of information dissemination~~].

(c) The commission shall seek the advice of relevant experts when choosing research topics and [~~,~~] awarding grants[~~, and holding educational conferences associated with activities~~] under this chapter.

SECTION 2. Section 367.010(d), Health and Safety Code, is amended to read as follows:

(d) The fee proceeds shall be deposited to the credit of the water resources management account and may be used only for the purposes of Sections 367.007 and 367.008.

SECTION 3. Section 5.701(p), Water Code, is amended to read as follows:

(p) Notwithstanding any other law, fees collected for deposit to the water resource management account under the following statutes may be appropriated and used to protect water resources in this state, including assessment of water quality, reasonably related to the activities of any of the persons required to pay a fee under:

(1) Subsection (b), to the extent those fees are paid by water districts, and Subsections (e), (f), and (n); or

(2) Section 54.037(c) [~~, or~~

[~~(3) Section 367.010, Health and Safety Code~~].

SECTION 4. (a) The changes in law made by this Act apply only to an application for an on-site wastewater treatment permit received by the Texas Commission on Environmental Quality or an authorized agent, as defined by Section 366.002, Health and Safety Code, on or after the effective date of this Act. An application received before the effective date of this Act is governed by the law in effect on the date the application was received, and the former law is continued in effect for that purpose.

(b) The changes in law made by this Act apply only to an application for a grant under Section 367.008, Health and Safety

Code, as amended by this Act, submitted on or after the effective date of this Act. An application for a grant submitted before the effective date of this Act is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2017.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 25, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2771** by Phelan (Relating to the fee collected for an on-site wastewater treatment permit application.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2771, As Passed 2nd House: an impact of $0 through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	$0
2019	$0
2020	$0
2021	$0
2022	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from *Water Resource Management* 153
2018	($330,000)
2019	($330,000)
2020	($330,000)
2021	($330,000)
2022	($330,000)

Fiscal Analysis

The bill would amend Texas Health and Safety Code, Section 367.008(b) to require the Texas Commission on Environmental Quality (TCEQ) to award competitive grants to support applied research and demonstration projects regarding on-site wastewater treatment technology and systems directed toward improving the quality of wastewater treatment and reducing the cost of providing wastewater treatment to consumers, including wastewater reuse. The bill would remove the authority to conduct seminars, educational courses, and other forms of dissemination as part of the competitive grant program. The bill would amend Texas Health and Safety Code, Section 367.010(d) to require that the $10 fee collected for the processing of an on-site wastewater treatment permit application be used only for the purposes of awarding these competitive grants and for associated administrative costs. The bill would amend Texas Water Code, Section 5.701(p) to remove the permit fee reference from the list of fees deposited to Account 153 that may be appropriated and used to protect water resources in the state of Texas notwithstanding any other law.

The bill would apply only to applications received by TCEQ on or after the effective date of the bill. The bill would take effect September 1, 2017.

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.

Methodology

Under current law, TCEQ is permitted by Texas Water Code, Section 5.701(p) to use fee revenue from the processing of on-site wastewater treatment permit applications to protect Texas water resources; the fee revenue supports water quality activities funded from Account 153. TCEQ is not currently spending the fee revenue on competitive grants.

The Comptroller estimates that revenue collections from the permit fee would total $330,000 each fiscal year. This analysis assumes that the full amount of revenue would be used by TCEQ to award competitive grants and support associated administrative costs to implement the provisions of the bill.

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: UP, SD, MSO, SZ, MW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 19, 2017

TO: Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2771** by Phelan (relating to the fee collected for an on-site wastewater treatment permit application.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2771, Committee Report 2nd House, Substituted: an impact of $0 through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	$0
2019	$0
2020	$0
2021	$0
2022	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from *Water Resource Management* 153
2018	($330,000)
2019	($330,000)
2020	($330,000)
2021	($330,000)
2022	($330,000)

Fiscal Analysis

The bill would amend Texas Health and Safety Code, Section 367.008(b) to require the Texas Commission on Environmental Quality (TCEQ) to award competitive grants to support applied research and demonstration projects regarding on-site wastewater treatment technology and systems directed toward improving the quality of wastewater treatment and reducing the cost of providing wastewater treatment to consumers, including wastewater reuse. The bill would remove the authority to conduct seminars, educational courses, and other forms of dissemination as part of the competitive grant program. The bill would amend Texas Health and Safety Code, Section 367.010(d) to require that the $10 fee collected for the processing of an on-site wastewater treatment permit application be used only for the purposes of awarding these competitive grants and for associated administrative costs. The bill would amend Texas Water Code, Section 5.701(p) to remove the permit fee reference from the list of fees deposited to Account 153 that may be appropriated and used to protect water resources in the state of Texas notwithstanding any other law.

The bill would apply only to applications received by TCEQ on or after the effective date of the bill. The bill would take effect September 1, 2017.

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.

Methodology

Under current law, TCEQ is permitted by Texas Water Code, Section 5.701(p) to use fee revenue from the processing of on-site wastewater treatment permit applications to protect Texas water resources; the fee revenue supports water quality activities funded from Account 153. TCEQ is not currently spending the fee revenue on competitive grants.

The Comptroller estimates that revenue collections from the permit fee would total $330,000 each fiscal year. This analysis assumes that the full amount of revenue would be used by TCEQ to award competitive grants and support associated administrative costs to implement the provisions of the bill.

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: UP, MSO, SZ, MW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 10, 2017

TO: Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2771** by Phelan (Relating to the elimination of a fee collected for an on-site wastewater treatment permit application.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2771, As Engrossed: an impact of $0 through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	$0
2019	$0
2020	$0
2021	$0
2022	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from *Water Resource Management* 153
2018	($341,000)
2019	($341,000)
2020	($341,000)
2021	($341,000)
2022	($341,000)

Fiscal Analysis

The bill would amend Texas Health and Safety Code by deleting Section 367.010, which instructs the Texas Commission on Environmental Quality (TCEQ) and each county, municipality, public health department, and river authority to collect a $10 fee for the processing of an on-site wastewater treatment permit application. This fee is currently deposited to the General Revenue-Dedicated Water Resource Management Account No. 153 (Account 153). The bill would affect only applications for on-site wastewater treatment permits received on or after the effective date of this Act.

The bill would take effect September 1, 2017.

Methodology

The Comptroller estimates that the total revenue deposited to Account 153 in future fiscal years under current law would be $341,000, based on estimated from TCEQ. This revenue would not be collected under the provisions of the bill and would result in a revenue loss to Account 153.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Local authorized agents that currently collect the $10 fee and submit the fee to TCEQ for deposit to Account 153 would no longer collect and submit the fee.

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

LBB Staff: UP, SZ, MW, MSO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 13, 2017

TO: Honorable Joseph Pickett, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2771** by Phelan (relating to the elimination of a fee collected for an on-site wastewater treatment permit application.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2771, Committee Report 1st House, Substituted: an impact of $0 through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	$0
2019	$0
2020	$0
2021	$0
2022	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from *Water Resource Management* 153
2018	($341,000)
2019	($341,000)
2020	($341,000)
2021	($341,000)
2022	($341,000)

Fiscal Analysis

The bill would amend Texas Health and Safety Code by deleting Section 367.010, which instructs the Texas Commission on Environmental Quality (TCEQ) and each county, municipality, public health department, and river authority to collect a $10 fee for the processing of an on-site wastewater treatment permit application. This fee is currently deposited to the General Revenue-Dedicated Water Resource Management Account No. 153 (Account 153). The bill would affect only applications for on-site wastewater treatment permits received on or after the effective date of this Act.

The bill would take effect September 1, 2017.

Methodology

The Comptroller estimates that the total revenue deposited to Account 153 in future fiscal years under current law would be $341,000, based on estimated from TCEQ. This revenue would not be collected under the provisions of the bill and would result in a revenue loss to Account 153.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Local authorized agents that currently collect the $10 fee and submit the fee to TCEQ for deposit to Account 153 would no longer collect and submit the fee.

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

LBB Staff: UP, SZ, MW, MSO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 10, 2017

TO: Honorable Joseph Pickett, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2771** by Phelan (Relating to the wastewater treatment permit application; eliminating a fee.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2771, As Introduced: an impact of $0 through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	$0
2019	$0
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2022	$0

All Funds, Five-Year Impact:

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The bill would amend Texas Health and Safety Code by deleting Section 367.010, which instructs the Texas Commission on Environmental Quality (TCEQ) and each county, municipality, public health department, and river authority to collect a $10 fee for the processing of an on-site wastewater treatment permit application. This fee is currently deposited to the General Revenue-Dedicated Water Resource Management Account No. 153 (Account 153). The bill would affect only applications for on-site wastewater treatment permits received on or after the effective date of this Act.

The bill would take effect September 1, 2017.

Methodology

The Comptroller estimates that the total revenue deposited to Account 153 in fiscal year 2018 and each subsequent fiscal year under current law would be $341,000, based on estimates from TCEQ. This revenue would not be collected under the provisions of the bill and would result in a revenue loss to Account 153.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Local authorized agents that currently collect the $10 fee and submit the fee to TCEQ for deposit to Account 153 would no longer collect and submit the fee.

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

LBB Staff: UP, SZ, MW, MSO