

## **BILL ANALYSIS**

Senate Research Center

H.B. 2290  
By: Lozano; Ashby (Estes)  
Natural Resources  
5/13/2013  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Commission on Environmental Quality (TCEQ) assesses fines to organizations found to have caused environmental harm, and, in lieu of the fine, an organization may fund a supplemental environmental project. Rural counties, however, find the requirements to administer these project funds are burdensome if they do not have enough administrative employees. The legislation seeks to remedy this issue by allowing certain entities to spend a portion of the money received on administrative costs associated with implementing the project.

Specifically, the legislation amends the Water Code to authorize TCEQ to allow a local government or a charitable organization exempted from federal income tax under the federal Internal Revenue Code of 1986 that receives money from a respondent to implement a supplemental environmental project to use a portion of the money, capped at 10 percent of the direct cost of the project, for administrative costs associated with implementing the project, including overhead costs, personnel salary and fringe benefits, and travel and per diem expenses. The bill applies to money received to implement a supplemental environmental project regardless of whether the money was received on, before, or after the bill's effective date.

H.B. 2290 amends current law relating to the use for administrative costs of a portion of money received by certain entities to implement a supplemental environmental project.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 7.067, Water Code, by adding Subsection (c), as follows:

(c) Authorizes the Texas Natural Resource Conservation Commission to allow a local government or an organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code, that receives money from a respondent to implement a supplemental environmental project under this section to use a portion of the money, not to exceed 10 percent of the direct cost of the project, for administrative costs, including overhead costs, personnel salary and fringe benefits, and travel and per diem expenses, associated with implementing the project. Requires that money used for administrative costs under this subsection be used in accordance with Chapter 783 (Uniform Grant and Contract Management), Government Code.

SECTION 2. Provides that Section 7.067(c), Water Code, as added by this Act, applies to money received to implement a supplemental environmental project under Section 7.067, Water Code, regardless of whether the money was received on, before, or after the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2013.