

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 3653 - HB 3689

February 20, 2012

SUMMARY OF BILL: Requires the Commissioner of Environment and Conservation (TDEC) to establish a management system designed to achieve the goal of issuing or denying permits within 90 days of the submission of an application. Requires the Commissioner to prepare semi-annual permitting efficiency reports due February 1 and August 1 of each year. Requires the report to state the reason for each permit approval or denial that did not meet the goal of 90 days. Identifies requirements for the report. Requires the Commissioner to notify an applicant of whether or not the permit application is complete enough for processing within 30 days of receiving an application.

ESTIMATED FISCAL IMPACT:

**Increases State Expenditures – \$2,577,700/General Fund
\$9,396,000/Environmental Protection Fund**

Assumptions:

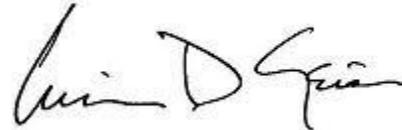
- Federal regulations impose various timing requirements on certain permit processes. Most permit applications require a review period by the Environmental Protection Agency which can include a time period of 45 days. Federal regulations also require the public be given 30 days to request a hearing regarding certain permits and 30 days advanced notice of any hearing. TDEC is required to respond to all comments and questions received during the public comment time and public hearing. Federal regulations could potentially prevent TDEC from issuing certain permits within 90 days.
- According to TDEC, the average time period to issue a disposal facility permit is 540 days. There are currently 11 solid waste permit writers who work on these permits. An additional 55 permit writers will be required to reduce the time period to 90 days.
- According to TDEC, the average time period to issue a treatment/storage/disposal facility permit is 720 days. There are currently 14 hazardous waste permit writers who work on these permits. An additional 98 permit writers will be required to reduce the time period to 90 days.
- Solid and Hazardous Waste Management expenditures are funded 77.1 percent by the Environmental Protection fund (EPF) and 22.9 percent by the General Fund.
- A total recurring increase in state expenditures for 153 new positions of \$10,058,400.
- A recurring increase in state expenditures from the EPF of \$7,755,026 (\$10,058,400 x 77.1%) and from the General Fund of \$2,303,374 (\$10,058,400 x 22.9%).

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- Based on information provided by TDEC, air pollution control permits have a weighted-average issuance time of 269 days. There are currently nine vacant positions in the Division of Air Pollution Control that will be filled. An additional 16 positions will be required to reduce the issuance time to 90 days.
- Air Pollution Control expenditures are funded 89.9 percent by the EPF and 10.1 percent by the General Fund.
- A total recurring increase in state expenditures for 16 new positions of \$1,712,665.
- A recurring increase in state expenditures from the EPF of \$1,539,686 ($\$1,712,665 \times 89.9\%$) and from the General Fund of \$172,979 ($\$1,712,665 \times 10.1\%$).
- According to TDEC, the Division of Water Pollution Control will require an additional two permit writers.
- Water Pollution Control expenditures are funded 50 percent by the EPF and 50 percent by the General Fund.
- A total recurring increase in state expenditures for two new positions of \$202,600
- A recurring increase in state expenditures from the EPF of \$101,300 ($\$202,600 \times 50\%$) and from the General Fund of \$101,300 ($\$202,600 \times 50\%$).
- A total recurring increase in state expenditures of 2,577,653 from the General Fund ($\$2,303,374 + \$172,979 + \$101,300$).
- A total recurring increase in state expenditures of \$9,396,012 from the EPF ($\$7,755,026 + \$1,539,686 + \$101,300$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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