

BILL ANALYSIS

C.S.H.B. 1823
By: Hamric
Environmental Regulation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, recycling facilities may operate without a permit and must meet only minimal standards set by TCEQ. Unlike owners or operators of other solid waste processing and disposal facilities, owners or operators of recycling facilities are not required to post any type of financial assurance.

In many areas of the state, facilities representing themselves as recyclers have caused substantial problems. In Harris County, for example, several facilities have caught fire. In one such instance, the county government was forced to spend approximately \$3 million to extinguish a fire. In other cases, where smaller yet still hazardous incidents have occurred, owners of the facilities simply abandoned the sites. While some responsible operators of recycling facilities have indicated a willingness to post financial assurance, requiring financial assurance of all recycling facilities will help to ensure financial responsibility and furthermore, will provide sufficient resources when problems arise.

House Bill 1823 directs the Texas Commission on Environmental Quality (TCEQ) to adopt rules requiring owners and operators of recycling facilities to post financial assurance.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 1 (Section 361.119, Health and Safety Code) of this bill.

ANALYSIS

SECTION 1. Amends Section 361.119, Health and Safety Code, by amending Subsection (d) and adding Subsection (f) as follows:

Section 361.119(d): exempts a municipal solid waste facility from the regulation and financial assurance requirements of this section.

Section 361.119(f): directs TCEQ to adopt rules which ensure that the owner or operator of a recycling facility, including a composting or mulching facility, has in place sufficient financial assurance conditioned on satisfactorily operating and closing the facility; and, consistent with Texas Health and Safety Code § 361.085, requirements for a solid waste facility other than a facility for the disposal of hazardous waste; and, applies subsection only to an owner or operator of the following:

- (1) facilities as which combustible material is stored outdoors;
or
- (2) facilities which pose significant risk to the public as determined by the TCEQ.

SECTION 2. Effective Date: immediate effect upon two-thirds vote of all members of both the House and Senate; or, September 1, 2003.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 1823 makes the following changes to the bill as filed:

- clarifies that composting and mulching facilities are included in the recycling and financial assurance requirements;
- clarifies that commercial smelters are exempt from the new financial assurance requirements.
- applies new financial assurance requirements only to recycling facilities storing combustible materials outside;
- applies new financial assurance requirements only to recycling facilities which pose a significant risk to public health and safety;
- exempts municipal solid waste facilities from the new financial assurance requirements.