

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 22, 2003

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
 Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1567 by West, George "Buddy" (Relating to the disposal of low-level radioactive waste; authorizing the exercise of the power of eminent domain.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1567, Conference Committee Report: an impact of \$0 through the biennium ending August 31, 2005.

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
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>LOW-LEVEL WASTE ACCT</i> 88	Probable (Cost) from <i>LOW-LEVEL WASTE ACCT</i> 88	Change in Number of State Employees from FY 2003
2004	\$1,000,000	(\$594,837)	5.0
2005	\$1,178,953	(\$1,178,593)	6.5
2006	\$1,210,138	(\$1,210,138)	7.0
2007	\$1,157,588	(\$1,157,588)	7.0
2008	\$807,588	(\$807,588)	7.0

Fiscal Analysis

The bill would repeal Chapter 402 and modify Chapters 401 and 403 of the Health and Safety Code to provide for the licensing of a low-level radioactive waste (LLRW) disposal facility. The bill establishes the procedures for the Texas Commission on Environmental Quality (TCEQ) to accept and assess license applications from private entities to dispose of LLRW. Sec. 401.201 requires the TCEQ to directly regulate the disposal of low-level radioactive waste. The bill requires the person making the disposal to comply with statute and TCEQ rules. Sec. 401.202 authorizes TCEQ and the Texas Department of Health (TDH), to grant, deny, renew, revoke, suspend, or withdraw licenses for the disposal of low-level radioactive waste from other persons and for the processing of that waste. It also allows TCEQ to refer one application, after technical review and public comment, to the State

Office of Administrative Hearings for a contested case hearing, if requested by an affected person, the applicant, or the TDH.

The bill would require TCEQ, the TDH, and local public health officials to develop a health surveillance survey for the population surrounding the facility. It would also require the quarterly transfer from the license holder to the host county 5 percent of the gross receipts from waste received at the disposal facility and any adjacent facility. The bill would require that the revenue be spent on public projects in the host county.

The bill would repeal Chapter 402 (the Texas Low Level Radioactive Waste Disposal Authority Act) in its entirety and repeals provisions which provide that a LLRW disposal license be issued only to a public entity specifically authorized for LLRW disposal. The bill would provide that the licensed disposal facility would be the regional disposal facility established and operated under the compact agreement. The bill would also authorize the licensed disposal facility to accept federal facility waste for disposal at a separate and distinct facility adjacent to the compact facility. Section 12 of the bill moves Section 402.275, Health and Safety Code, to Subchapter F, Chapter 401 Health and Safety Code relating to the Low Level Radioactive Waste Account No. 088.

The bill would re-create the Radiation and Perpetual Care Account in the General Revenue Fund, to which shipping fees remitted to TCEQ by the facility license holder are to be deposited under the bill. Money and security in the account would be used by TCEQ only for the decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, and disposal of radioactive material for the protection of the public health and safety and the environment under this chapter.

Methodology

It is assumed that applications for disposal are submitted in July 2004, the successful applicant would be selected by March 2005 and the technical review of the application would be completed in fiscal year 2006. Costs for 7.0 FTEs, travel, professional services, other operating, and equipment at the TCEQ are included in this estimate. The FTEs would include a civil engineer, an environmental engineer, a hydrologist, an information specialist, an attorney, and two administrative technicians. The costs to the TCEQ would be paid out of the Low-Level Radioactive Waste Account No. 088. It is assumed the commission would assess fees sufficient to cover costs of administering the program.

Chapter 401.301 of the Health and Safety Code provides TCEQ the authority to collect fees sufficient to cover the expense of regulation. Hence, the costs of TCEQ functions pursuant to the bill may be offset by fees. It is assumed that TCEQ will receive two application processing fees in the first year of \$500,000 each, with expenses only offsetting \$500,000 of the fees in fiscal year 2004. It is assumed that the license will be issued in fiscal year 2007 and construction of the facility would be completed in fiscal year 2009. The revenue raised from shipping fees and gross receipts from waste is not included in this fiscal analysis because the facility would not begin accepting waste until fiscal year 2009.

Local Government Impact

Beginning in FY 2009, the host county of a low-level radioactive waste disposal facility licensed under the proposed revisions to Chapter 401, Subchapter F would be entitled to 5 percent of the gross revenues of all waste receipts to the facility.

Source Agencies: 360 State Office of Administrative Hearings, 501 Department of Health, 582 Commission on Environmental Quality

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