

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**March 31, 2003**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Environmental Regulation

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB1765** by Smith, Wayne (Relating to requiring financial assurance as a condition of issuing a permit or registration to haulers of certain solid wastes.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would require the Texas Commission on Environmental Quality (TCEQ) to regulate entities involved in collecting, transporting, or processing of sewage sludge, water treatment sludge, domestic septic waste, chemical toilet waste, grit trap waste, or grease trap waste to have financial assurance sufficient to cover the degree and duration of risk associated with the type of waste authorized to be collected. The financial assurance requirement would be a condition of a permit or registration issued by the agency for such entities.

The bill could result in some costs to the TCEQ in determining the level of financial assurance that would be appropriate for regulated entities. There also could be additional costs in tracking and monitoring the status of entities' financial assurance. However, it is anticipated that such costs could be reasonably absorbed within agency resources currently dedicated to waste permitting activities.

**Local Government Impact**

The bill could result in increased costs to local governments transporting their own sludge, since they would be required to demonstrate sufficient financial assurance. However, these costs are not anticipated to be significant.

**Source Agencies:** 582 Commission on Environmental Quality

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