

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 5, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1812 by Edwards (Relating to the location and operation of a concrete crushing facility.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB1812, As Introduced: 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 (Cost) from STATE HIGHWAY FUND 6
2004	(\$3,000,000)
2005	(\$5,137,131)
2006	(\$5,137,131)
2007	(\$5,137,131)
2008	(\$5,137,131)

Fiscal Analysis

The bill would remove an exemption that currently exempts rock crushing facilities existing prior to September 1, 2003 from prohibitions from such operations located within 440 yards of a building used as a single or multifamily residence, school, or place of worship.

The bill also directs the Texas Commission on Environmental Quality (TCEQ) to develop rules to authorize a concrete crushing facility not in compliance with the bill to continue to operate in its current location until the first anniversary of the effective date of this act.

The bill would take effect immediately upon receiving two-thirds vote of both houses. Otherwise, the bill would become effective September 1, 2003.

Methodology

It is estimated that costs to the Texas Department of Transportation (TxDOT) would increase as a result of the bill's passage. According to TxDOT, the bill would result in higher prices for contractor bid's for projects that use aggregate material generated by rock crushing facilities, since the material would have to be transported over greater distances.

According to TxDOT, the bill would affect 5 percent of volume of aggregate produced for TxDOT and would result in an increase in costs of \$5.00 per cubic yard of concrete mix, cubic yard of recycled concrete, and ton of flex base. Based on fiscal year 2000 usage of 20.5 million tons of such materials, it is estimated that the price increase would apply to approximately one million tons of aggregate materials, resulting in a cost increase to TxDOT of \$5.1 million per year. Assuming the bill would take effect on September 1, 2003, these costs would be expected to begin in fiscal year 2005, since rock crushing facilities would have one year to continue operations in their current location.

TxDOT expects to incur one-time additional costs in the first year of implementation, since costs in that year would increase as rock crushing facilities currently located within 440 yards of prohibited locations would have to shutdown and relocate. TxDOT anticipates a one-time increase of \$3.0 million in material costs due to such shutdowns and relocations. This estimate assumes that these costs would be realized during fiscal year 2004, since affected facilities would be expected to relocate during that year.

No significant fiscal implications to the TCEQ are expected as a result of the bill's provisions.

Local Government Impact

Local governments could expect to incur cost increases of \$5 per ton of concrete mix, cubic yard of recycled concrete and ton of flex base currently purchased by facilities located within 440 yards of a prohibited location, as provided by the bill. Costs to each unit of local government would depend on the amount of materials used each year and the portion of such materials that would otherwise be purchased at locations prohibited by the bill.

Source Agencies: 582 Commission on Environmental Quality, 601 Department of Transportation

LBB Staff:

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