

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

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

**May 4, 2003**

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

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

**IN RE: HB1823** by Hamric (Relating to financial assurance for certain solid waste processing facilities. ), **Committee Report 1st House, Substituted**

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

The bill would require the Texas Commission on Environmental Quality (TCEQ) to adopt rules to ensure that the owner or operator of a recycling facility, including a composting or mulching facility, to have sufficient financial assurance conditioned on the satisfactory operating and closing the recycling facility. The bill would exempt facilities with permits to dispose of municipal solid waste from these financial assistance requirements.

The TCEQ estimates that there are approximately 1,000 to 1,200 recycling facilities currently regulated by the agency. The TCEQ could incur some additional costs upon passage of the bill, since the agency would be required to determine whether levels of financial assurance are appropriate for operations and closings of facilities. There could also be additional costs involved to verify that financial assurance levels are sufficient. However, it is anticipated that such costs would be reasonably absorbed within agency resources currently dedicated to waste regulation.

**Local Government Impact**

The bill could result in increased costs to local governments operating recycling facilities, 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

**LBB Staff:** JK, CL, TL