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: **HB2742** by Jones, Jesse (Relating to incineration of hazardous waste as fuel in cement plants.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2742, 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 Revenue (Loss) from *WASTE MANAGEMENT ACCT* 549	Probable Revenue (Loss) from *HAZARDOUS/WASTE REMED ACC* 550
2004	($168,750)	($168,750)
2005	($168,750)	($168,750)
2006	($168,750)	($168,750)
2007	($168,750)	($168,750)
2008	($168,750)	($168,750)

Fiscal Analysis

The bill would require the Texas Commission on Environmental Quality (TCEQ) to prohibit the incineration of hazardous wastes in a cement plant. The TCEQ would be required to adopt a rule prohibiting the incineration of such wastes by January 1, 2006.

Methodology

According to the TCEQ, there is currently one cement plant permitted to burn hazardous waste. Prohibiting this activity would result in the loss of the hazardous waste/disposal management fee the entity currently pays to the TCEQ. According to the TCEQ, this fee averages $450,000 per year.

This estimate assumes that there would continue to be one cement plant burning hazardous waste and that the associated fee revenue stream would remain constant under current law. This estimate assumes that the TCEQ would prohibit incineration of hazardous waste in cement plants on September 1, 2005, resulting in a reduction in revenues beginning in 2006. Since 25 percent of the fees are distributed to the county in which the facility is located, the loss to the state would be a total of $337,500 per year. Since 50 percent of such fee revenues are deposited to each the Waste Management Account No. 549 and the Hazardous and Solid Waste Remediation Fee Account No. 550, each account would experience a projected annual revenue loss of $168,750.

Local Government Impact

Since 25 percent of waste disposal/management fees are returned to the county in which a facility is located, the county containing the cement incinerating hazardous waste would be expected to lose $112,500 per year beginning in fiscal year 2006.

Source Agencies: 455 Railroad Commission, 582 Commission on Environmental Quality, 601 Department of Transportation

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