

BILL ANALYSIS

H.B. 2131
By: Phillips
Environmental Regulation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to current statute and Texas Commission on Environmental Quality (TCEQ) rules, all owners and operators of solid waste disposal facilities are required to demonstrate financial assurance to protect the state through the facilities' closure and post-close care periods. Municipalities can choose to demonstrate financial assurance using the municipalities' bond ratings. Political subdivisions or quasi-governmental entities are not allowed to demonstrate financial assurance through the use of their bond ratings. They are forced to demonstrate financial assurance through several financial vehicles, such as a bond, letter of credit, trust, and insurance.

House Bill 2131 amends the Health and Safety Code to allow these political subdivisions or quasi-governmental entities to rely on their own financial strength to demonstrate financial assurance.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

House Bill 2131 amends the Health and Safety Code to provide that a local government that owns or operates a municipal solid waste landfill facility regulated by the Solid Waste Disposal Act is considered to have satisfied all requirements of the TCEQ for the demonstration of financial assurance, if the local government: (1) establishes and passes a financial test in accordance with commission rules; and (2) demonstrates that the outstanding unsecured bonds of the local government have a satisfactory rating by Standard & Poor's or Moody's.

The bill requires a local government to demonstrate financial assurance before the date of the initial receipt of waste at the facility; or as soon as practicable if the facility was in operation and had received waste when this Act took effect.

EFFECTIVE DATE

If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.