

## BILL ANALYSIS

Senate Research Center  
79R6550 KEG-F

S.B. 1407  
By: Estes  
Natural Resources  
4/11/2005  
As Filed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Certain solid waste facilities are operated and maintained by a political subdivision created by an act of the legislature or an act of a local governmental entity. These facilities are not owned or operated by either a private entity or a single municipality, both of which have specific financial assurance requirements for a facility's closure and post-closure care periods, in accordance with requirements of the Texas Commission on Environmental Quality (TCEQ). TCEQ is forced to defer to the unclear language in the statute and demonstrate financial assurance by way of several financial vehicles for operation, despite the owner's or operator's governmental status.

Under current statute and TCEQ rules, all owners and operators of solid waste disposal facilities are required to demonstrate financial assurance to protect the state through a facility's closure and post-close care periods. Municipalities can choose to demonstrate financial assurance using their bond ratings. Unique political subdivisions, as described above, are not allowed to demonstrate financial assurance through the use of their members' bond ratings and their existence is unclear in statute.

As proposed, S.B. 1407 allows these unique political subdivisions to rely on their own financial strength to demonstrate financial assurance.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 361, Health and Safety Code, by adding Section 361.0855, as follows:

Sec. 361.0855. DEMONSTRATION OF FINANCIAL ASSISTANCE. (a) Defines "bonds" and "local government."

(b) Provides that a local government that owns or operates a municipal solid waste landfill facility regulated by this chapter is considered to have satisfied all requirements of the Texas Commission on Environmental Quality (TCEQ) for the demonstration of financial assurance in relation to closure, post closure, or corrective action, notwithstanding any requirement of TCEQ for the demonstration of financial assurance, if the local government establishes and passes a financial test in accordance with TCEQ rules and demonstrates that the outstanding bonds of the local government that are not secured by insurance, a letter of credit, or any other collateral or guarantee have a specific current rating.

(c) Requires a local government to demonstrate financial assurance under this section 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, on the effective date of this section.

SECTION 2. Effective date: upon passage or September 1, 2005.