

By: Estes

S.B. No. 1407

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the demonstration of financial assurance by a local
3 government in relation to the operation of a municipal solid waste
4 landfill facility.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter C, Chapter 361, Health and Safety
7 Code, is amended by adding Section 361.0855 to read as follows:

8 Sec. 361.0855. DEMONSTRATION OF FINANCIAL ASSURANCE. (a)

9 In this section:

10 (1) "Bonds" means financial obligations issued by a
11 local government, including general obligation bonds, revenue
12 bonds, and certificates of obligation.

13 (2) "Local government" includes:

14 (A) a local government corporation created under
15 Chapter 431, Transportation Code, to act on behalf of a local
16 government; and

17 (B) a conservation and reclamation district
18 created under Section 59, Article XVI, Texas Constitution.

19 (b) Notwithstanding any requirement of the commission for
20 the demonstration of financial assurance, a local government that
21 owns or operates a municipal solid waste landfill facility
22 regulated by this chapter is considered to have satisfied all
23 requirements of the commission for the demonstration of financial
24 assurance in relation to closure, post closure, or corrective

1 action, if the local government:

2 (1) establishes and passes a financial test in
3 accordance with commission rules; and

4 (2) demonstrates that the outstanding bonds of the
5 local government that are not secured by insurance, a letter of
6 credit, or any other collateral or guarantee have a current rating
7 of AAA, AA, A, or BBB as determined by Standard and Poor's or Aaa,
8 Aa, A, or Baa as determined by Moody's.

9 (c) A local government must demonstrate financial assurance
10 under this section:

11 (1) before the date of the initial receipt of waste at
12 the facility; or

13 (2) as soon as practicable if, on the effective date of
14 this section, the facility was in operation and had received waste.

15 SECTION 2. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2005.