

1-1 By: Estes S.B. No. 1407  
1-2 (In the Senate - Filed March 10, 2005; March 21, 2005, read  
1-3 first time and referred to Committee on Natural Resources;  
1-4 April 18, 2005, reported favorably by the following vote: Yeas 9,  
1-5 Nays 0; April 18, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the demonstration of financial assurance by a local  
1-9 government in relation to the operation of a municipal solid waste  
1-10 landfill facility.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter C, Chapter 361, Health and Safety  
1-13 Code, is amended by adding Section 361.0855 to read as follows:

1-14 Sec. 361.0855. DEMONSTRATION OF FINANCIAL ASSURANCE.

1-15 (a) In this section:

1-16 (1) "Bonds" means financial obligations issued by a  
1-17 local government, including general obligation bonds, revenue  
1-18 bonds, and certificates of obligation.

1-19 (2) "Local government" includes:

1-20 (A) a local government corporation created under  
1-21 Chapter 431, Transportation Code, to act on behalf of a local  
1-22 government; and

1-23 (B) a conservation and reclamation district  
1-24 created under Section 59, Article XVI, Texas Constitution.

1-25 (b) Notwithstanding any requirement of the commission for  
1-26 the demonstration of financial assurance, a local government that  
1-27 owns or operates a municipal solid waste landfill facility  
1-28 regulated by this chapter is considered to have satisfied all  
1-29 requirements of the commission for the demonstration of financial  
1-30 assurance in relation to closure, post-closure, or corrective  
1-31 action, if the local government:

1-32 (1) establishes and passes a financial test in  
1-33 accordance with commission rules; and

1-34 (2) demonstrates that the outstanding bonds of the  
1-35 local government that are not secured by insurance, a letter of  
1-36 credit, or any other collateral or guarantee have a current rating  
1-37 of AAA, AA, A, or BBB as determined by Standard and Poor's or Aaa,  
1-38 Aa, A, or Baa as determined by Moody's.

1-39 (c) A local government must demonstrate financial assurance  
1-40 under this section:

1-41 (1) before the date of the initial receipt of waste at  
1-42 the facility; or

1-43 (2) as soon as practicable if, on the effective date of  
1-44 this section, the facility was in operation and had received waste.

1-45 SECTION 2. This Act takes effect immediately if it receives  
1-46 a vote of two-thirds of all the members elected to each house, as  
1-47 provided by Section 39, Article III, Texas Constitution. If this  
1-48 Act does not receive the vote necessary for immediate effect, this  
1-49 Act takes effect September 1, 2005.

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