

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 7, 2005

TO: Honorable Dennis Bonnen, Chair, House Committee on Environmental Regulation

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1705 by Bonnen (Relating to the release of a solid waste in connection with dredging and placement or storage of dredged material by a political subdivision.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1705, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>HAZARDOUS/WASTE REMED</i> <i>ACC</i> <i>550</i>
2006	\$0
2007	(\$4,000,000)
2008	(\$4,000,000)
2009	\$0
2010	\$0

Fiscal Analysis

The bill would amend the Health and Safety Code to add to the list of activities that are exempt from regulation under the Solid Waste Disposal Act those activities by political subdivisions performed in connection with the construction and maintenance of waterways to facilitate navigation in waters in their jurisdiction. The bill would also specify that a political subdivision is not included in the definition of a person responsible under Chapter 361, Health and Safety Code, for solid waste released or threatened to be released in connection with the dredging of and storage of materials dredged.

The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005. The proposed change in law would not apply to an act or governmental proceeding of a political subdivision that is the subject of litigation pending on the effective date.

Methodology

Because the bill would release parties from permitting requirements and liability for activities associated with waterway maintenance and construction and dredging, the bill's passage could result in the creation of various areas in the state contaminated by hazardous wastes. Since the parties involved would not be responsible for the cost of cleanups, this estimate assumes the liability would rest with the state.

Based on data from the TCEQ, the average cost to remediate the type of sites that would result from the bill's passage would be approximately \$8 million. Although it is possible that numerous sites could materialize, this estimate assumes that one site would need to be cleaned up starting in fiscal year 2007 and ending in fiscal year 2008. Cleanup costs would be paid out of the General Revenue-Dedicated Hazardous Waste Management Account 550.

Local Government Impact

Exempting political subdivisions from solid waste regulations for certain activities would provide a savings from not having to pay certain fees associated with enforcement of regulation. Excluding political subdivisions from responsibility for solid waste associated with dredging would provide a political subdivision with a potential savings from otherwise potential legal actions.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, SD, WK, ZS, TL, DLBa