

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 28, 2005

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: SB444 by Staples (Relating to registration fee credits for the owners of certain dry cleaning facilities that do not participate in the dry cleaning facility release fund.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for SB444, Conference Committee Report: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

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 Revenue Gain/(Loss) from Dry Cleaning Facility Release Acct 5093
2006	(\$223,000)
2007	(\$222,000)
2008	(\$236,000)
2009	(\$235,000)
2010	(\$238,000)

Fiscal Analysis

The bill would extend a deadline for dry cleaners to opt out of participation in the Dry Cleaning Facility Release program operated by the Texas Commission on Environmental Quality (TCEQ) from January 1, 2004 to December 31, 2005. In addition, the bill would require the TCEQ to issue a credit to dry cleaning facilities not participating in the program equal to the difference between the fee paid by these facilities in 2004 and 2005 and \$250 (the fee paid by nonparticipating dry cleaners).

Methodology

According to the TCEQ, approximately 30 percent of dry cleaning facilities qualify to opt out of

participation in the Dry Cleaning Facility Release program. Of those eligible, 18 percent had filed to opt out of the program on or before the January 1, 2004 deadline. TCEQ reports that registration fees for facilities in the program range from \$250 to \$2,500, depending on the gross annual receipts of the facility.

Because any facility opting out of the Dry Cleaning Facility Release program would pay only \$250, the bill is likely to result in a loss of revenue and a cost to provide credits for amounts paid in fiscal years 2004 and 2005. Assuming that the number of facilities opting out of the program would increase from 18 percent to 22.5 percent of facilities, a revenue loss of approximately \$225,000 is expected. No significant decrease in costs to provide cleanups are expected as a result of the bill's passage, since dry cleaning facilities that could opt out would be ones that have never used perchloroethylene and are therefore would not have been likely to have required cleanups.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, JRO, CL, WK, ZS, TL