

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 11, 2005**

**TO:** Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

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

**IN RE: SB1407** by Estes (Relating to the demonstration of financial assurance by a local government in relation to the operation of a municipal solid waste landfill facility.), **As Introduced**

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| <p><b>No significant fiscal implication to the State is anticipated.</b></p> |
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The bill would allow local governments who own or operate a municipal solid waste (MSW) landfill facility to self insure for closure, post closure, or corrective actions at the facilities. To provide financial assurance for closure, post closure, or corrective actions, a local government would have to pass a financial test defined by Texas Commission on Environmental Quality (TCEQ) rules and demonstrate that its outstanding bonds, not secured by insurance, letter of credit, collateral, or other guarantee meet certain bond ratings. The local government would have to demonstrate such financial assurance before it receives waste at a municipal solid waste facility or, if the facility is already in operation, as soon as practicable. The TCEQ does not expect that the bill would result in a significant increase in its workload.

**Local Government Impact**

The bill could have fiscal implications on local government corporations and conservation and reclamation districts that operate a MSW landfill. These local governments should see annual savings for fees currently paid to provide financial assurance instruments. These savings could be significant but they will vary on a case-by-case basis.

**Source Agencies:** 582 Commission on Environmental Quality

**LBB Staff:** JOB, KJG, WK, ZS, TL