

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 26, 2007

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

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

IN RE: HB1956 by Hancock (Relating to the financial responsibility requirements applicable to owners or operators of underground storage tanks.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require petroleum storage tank (PST) owners/operators to maintain financial responsibility and give the Texas Commission on Environmental Quality (TCEQ) authority to shut down a PST system whose owner or operator does not maintain financial assurance on the system. In addition, insurance policies covering PST systems are mandated to contain provisions that require insurers to notify the agency in writing within 30 days of when a PST system owner/operator ceases to be covered by that insurer. The bill also would require proof of financial responsibility to be submitted when a facility self-certifies.

Administrative and enforcement costs to the TCEQ are not expected to be significant. Passage of the bill could result in reduced liability to the state because the bill could result in fewer PST sites becoming the state's responsibility for remediation.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 454 Department of Insurance, 582 Commission on Environmental Quality

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