

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 23, 2007

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

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

IN RE: HB3388 by Olivo (Relating to the review of solid waste facility permits.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3388, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from WASTE MANAGEMENT ACCOUNT 549
2008	(\$252,648)
2009	(\$229,898)
2010	(\$229,898)
2011	(\$229,898)
2012	(\$229,898)

Fiscal Analysis

The bill would require that waste management permits be reviewed every five years if a facility has a low compliance classification, or if requested by a state legislator from the area, a local governmental entity with jurisdiction, a local council of governments with jurisdiction, a nearby homeowners' association, or a group of 10 local homeowners. If approved, the bill would require that the Texas Commission on Environmental Quality (TCEQ) develop rules for the review procedure including public notice of the review, and consideration of complaints and alleged noncompliances over the previous five year period. Based on the review, the TCEQ may then recommend changes to the permit or limit the term of the permit. The bill also repeals §361.088(g) of the Solid Waste Disposal Act, requiring a five-year assessment of a solid waste permit holder's compliance history.

Methodology

It is expected that the TCEQ would incur additional costs associated with an increase in permit review requests. A procedure would be required for the handling of review requests from outside parties. The TCEQ expects that the bill would impact an estimated 10% of Industrial Solid Waste (ISW) permits and 33% of Municipal Solid Waste (MSW) permits, for a total of an estimated 25 ISW and 100 MSW permit reviews every 5 years, or 5 ISW and 20 MSW permit reviews per year. In addition, the bill will impact those permits for poor performers based on compliance history, and it is expected to increase the agency's workload with respect to contested case hearings. This estimate assumes an additional 2 FTEs would be required in the TCEQ's MSW Permits Section; 0.5 FTE in the IHW Permits Section; and 1 FTE in the Office of Legal Services to assist with responses to comments, participation at public meetings, and preparation for contested case hearings. Costs associated with these additional FTEs would total \$252,648 in fiscal year 2008 and \$229,898 in subsequent fiscal years. This estimate assumes that these costs would be paid out of the General Revenue-Dedicated Waste Management Account No. 549.

Local Government Impact

Passage of the bill could result in increased costs to local governments holding waste management permits associated with additional public hearings, data collection, and reporting because the bill could result in a more frequent permit review schedule. Whether a local government would be subject to such additional reviews would depend on whether a party authorized to request an additional review would do so and whether the local government has a compliance history rated as the lowest classification.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL