

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 9, 2007**

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

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

**IN RE: HB3554** by Isett, Carl (Relating to the reimbursement from the Petroleum Storage Tank Remediation Account and relating to the fee on delivery of certain petroleum products.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3554, 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)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2008        | \$0  |
| 2009        | \$0  |
| 2010        | \$0  |
| 2011        | \$0  |
| 2012        | \$0  |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Revenue Gain/(Loss) from<br><i>PETRO STO TANK REMED ACCT</i><br>655 | Probable Savings/(Cost) from<br><i>HAZARDOUS/WASTE FEE ACCT</i><br>549 |
|-------------|--|--|
| 2008        | \$39,539,000   | (\$596,132)  |
| 2009        | \$39,539,000   | (\$596,132)  |
| 2010        | \$39,539,000   | \$0  |
| 2011        | \$39,539,000   | \$0  |
| 2012        | \$39,539,000   | \$0  |

**Fiscal Analysis**

The bill would extend the operating period and funding for the Petroleum Storage Tank (PST) Remediation program as follows: the deadline for submission of site closure requests would be extended from September 1, 2007 to September 1, 2009; the deadline for reimbursements for corrective actions would be extended from August 31, 2007 to August 31, 2009; the deadline for placing sites in the state lead program would be extended from July 1, 2007 to July 1, 2009; the deadline for submitting reimbursement claims would be extended from March 1, 2008 to March 1, 2010. In addition, the bill would extend the petroleum products delivery fee deposited to the credit of the General Revenue-Dedicated PST Remediation Account No. 655 indefinitely at a rate equal to one-half the rate during the 2006-07 biennium.

## **Methodology**

Under current law, the petroleum products delivery fee is set to expire on August 31, 2007. Based on current revenue streams, the Texas Commission on Environmental Quality (TCEQ) projects that extending the petroleum products delivery fee at one-half the rate schedule it is being assessed during the 2006-07 biennium would result in an increase in revenues to the General Revenue-Dedicated PST Remediation Account No. 655 of \$39.5 million per fiscal year in future fiscal years.

Because the bill would extend the PST Reimbursement program, this estimate assumes that sites that would have otherwise been cleaned up through the state lead program would instead revert to the reimbursement program; therefore, this estimate assumes no change in the level of expenditures out of the PST Remediation Account No. 655. However, extension of the PST Reimbursement program would result in increased FTE-related costs to the TCEQ for processing reimbursement claims. The agency would require an additional 7 FTEs and \$596,132 in fiscal years 2008 and 2009, as compared to requirements under current law, which sunsets the reimbursement program; however, these additional FTEs are not shown in the table above because they are FTEs that exist in fiscal year 2007 but would be eliminated in 2008 absent the extension of the program proposed by the bill. This estimate assumes the FTE-related costs would be paid out of the General Revenue-Dedicated Waste Management Account No. 549.

According to the agency, the unexpended balance in the General Revenue-Dedicated PST Remediation Account No. 655 at the end of fiscal year 2007 is sufficient to fund anticipated reimbursement claims and state lead program expenditures as well as the transfer to the General Revenue-Dedicated Waste Management Account No. 549 for administrative costs during the 2008-09 biennium. However, beginning in fiscal year 2010 balances are not expected to be available to fund those sites that would be cleaned up through the state lead program. Passage of this legislation would provide a revenue source to fund the state lead program in future years once the balance in the General Revenue-Dedicated PST Remediation Account No. 655 is depleted.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

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