

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 6, 2009**

**TO:** Honorable Byron Cook, Chair, House Committee on Environmental Regulation

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

**IN RE: HB3427** by Hernandez (Relating to requirements for businesses that offer plastic checkout bags to customers; providing civil and administrative penalties.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would require certain businesses that offer plastic checkout bags to customers to establish a checkout bag recycling program. The recycling program would include requirements for the printing of recycling information on the bags, placement of collection bins, and maintenance of records documenting recycling efforts. The proposed statutory language would also amend the Texas Water Code to establish administrative penalty amounts for violations, including provisions for increased penalty amounts for repeat or ongoing violations. In addition, the bill establishes civil penalties for violation of the statute, rules or orders. The bill would require the Texas Commission on Environmental Quality (TCEQ) to establish an online clearinghouse of information relating to the use and recycling of plastic checkout bags and to conduct a study to determine the impact of the new requirements.

Because the proposed statutory language does not mandate scheduled investigations or enforcement, therefore, this estimate assumes that TCEQ's compliance efforts would be complaint basis only, and would not result in significant costs to the agency. The bill's requirement that the TCEQ establish an online clearinghouse of information relating to the use and recycling of plastic checkout bags and the additional workload from tracking repeat violators is not expected to result in significant costs to the agency. The agency does estimate that the study required by the bill would be accomplished through use of an outside contractor at a cost of \$100,000. This estimate assumes that all such costs could be absorbed using existing agency resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JOB, TL, SD