

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 8, 2009

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: SB1659 by Averitt (Relating to the use of hazardous and solid waste remediation fee funds for lead-acid battery recycling activities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1659, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Hazardous/Waste Remed Acc</i> 550	Probable Revenue Gain from <i>All Local Units of Government</i>
2010	(\$1,430,000)	\$715,000
2011	(\$1,430,000)	\$715,000
2012	(\$1,430,000)	\$715,000
2013	(\$1,430,000)	\$715,000
2014	(\$1,430,000)	\$715,000

Fiscal Analysis

The bill would require the Texas Commission on Environmental Quality (TCEQ) to use at least 10 percent of the fees collected on batteries under Health and Safety Code, Section 361.138, for lead-acid battery-related programs. The bill would expand the allowable use of funding for the battery fee revenues to include remediation, promoting recycling, mitigating costs and impacts on local governments, and encouraging innovative technology in lead-acid battery recycling. The bill would limit expenditures on the newly covered types of expenses to 20 percent of fees collected on the sale of batteries. The bill would be effective September 1, 2009.

Methodology

According to the Comptroller's Biennial Revenue Estimate for 2010-11, the Battery Sales Fee, which is deposited to the credit of the General Revenue-Dedicated Hazardous and Solid Waste Remediation Fee Account No. 550, is projected to generate \$14,300,000 in each fiscal year 2010 and 2011.

Although the bill would not increase revenues generated through the fee, it would allocate 10 to 20 percent of the revenues (\$1.4 million to \$2.9 million per fiscal year) for lead-acid battery-related programs.

TCEQ reports that it does not spend a significant amount of funding on lead-acid battery-related programs. To implement the provisions of the bill, the TCEQ would either need to cut funding for other programs funded out of the Hazardous and Solid Waste Remediation Account No. 550, which is mainly the Superfund hazardous waste cleanup program, or receive increased appropriations to comply with the provisions of the bill.

This estimate assumes the TCEQ would receive additional appropriations to implement the program at a level equal to 10 percent of the annual revenue stream of the Battery Sales Fee, or \$1.4 million per fiscal year, to implement the provisions of the bill. This estimate assumes that the TCEQ would use existing staff to administer the program and that 50 percent of the funds would be used on contracts to remediate contamination from batteries and promote recycling and innovative technology, with the remaining 50 percent passed through to local governments.

Local Government Impact

This estimate assumes that local governments would be the recipients of 50 percent of the funds provided for lead-acid battery-related programs, or \$715,000 per fiscal year as shown in the table above.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, ZS, TL, SD, MN