

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

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

**April 16, 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.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1659, Committee Report 1st House, Substituted: 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from Hazardous/Waste Remed Acc 550</b>
2010	(\$715,000)
2011	(\$715,000)
2012	(\$715,000)
2013	(\$715,000)
2014	(\$715,000)

**Fiscal Analysis**

The bill would allow the Texas Commission on Environmental Quality (TCEQ) to use up to 20 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 and the creation of incentives for the adoption of innovative technology to increase efficiency and effectiveness of the recycling process or reduce the negative environmental impacts of the recycling process. 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 allow for up to 20 percent of the revenues (up to \$2.9 million per fiscal year) for remediation and incentive 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 5 percent of the annual revenue stream of the Battery Sales Fee, or \$0.7 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 the additional funding would be used for remediation and incentive programs.

## **Local Government Impact**

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

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

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