

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 16, 2011

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

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

**IN RE: HB695** by Allen (Relating to the establishment of a program for the collection, transportation, recycling, and disposal of mercury-added thermostats.), **As Engrossed**

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

The bill would require manufacturers of mercury-added thermostats sold in Texas to establish and maintain a collection and recycling program for out-of-service mercury-added thermostats. Program requirements for manufacturers would include responsibility for collecting, handling, transporting, and recycling or disposing of out-of-service mercury-added thermostats, as well as providing and posting education and outreach materials on the Internet, providing the Texas Commission on Environmental Quality (TCEQ) with a link to such materials, and making educational and other outreach materials available to participating retailers, wholesalers, and household hazardous waste programs. Manufacturers would be directed to submit annual progress reports to the TCEQ and to post the progress reports on the internet and provide the TCEQ with a link.

The bill would further create responsibilities for thermostat retailers, wholesalers, and air-conditioning and refrigeration contractors. The bill would prohibit persons from selling or offering for sale thermostats manufactured by noncompliant manufacturers.

The bill would require TCEQ to: post or provide a link on its website to progress reports and a link to education and outreach materials; track and post a list of noncompliant manufacturers; require revision of manufacturer collection plans as deemed necessary; review and assess progress reports to evaluate whether collection goals are being met; post commenting instructions, and review and consider public comments on progress reports; compile progress reports and comments into an annual report to be submitted electronically to the legislature; conduct optional outreach and education; write rules for a review procedure for progress reports including a public-comment procedure; consider writing rules for the handling and collection of thermostats and other aspects of the bill; and ensure compliance with requirements. The TCEQ would be authorized to discontinue the progress report requirement on manufacturers if it would find that the reporting requirements would only result in a de minimis number of thermostats being returned.

The bill would also prescribe requirements for air-condition and refrigeration contractors. The Texas Department of Licensing and Regulation (TDLR) would be required to refer complaints filed against such contractors to the TCEQ.

Costs associated with additional workload to the TCEQ resulting from the bill's passage are expected to be absorbed using existing agency resources. No significant fiscal impact to the TDLR is expected as a result of the bill's passage.

#### Local Government Impact

No significant fiscal implication to units of local government is anticipated. Some local governments may experience costs savings as waste going to local landfills could be reduced upon passage of the bill.

**Source Agencies:** 452 Department of Licensing and Regulation, 582 Commission on Environmental Quality

**LBB Staff:** JOB, SZ, TL