

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 17, 2011

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

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

IN RE: SB329 by Watson (Relating to the sale, recovery, and recycling of certain television equipment; providing administrative penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB329, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2013.

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
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2012	\$0	\$0
2013	(\$150,000)	\$150,000
2014	(\$150,000)	\$150,000
2015	(\$150,000)	\$150,000
2016	(\$150,000)	\$150,000

Fiscal Analysis

The bill would create a television equipment recycling program at the Texas Commission on Environmental Quality (TCEQ). The bill would require manufacturers of covered television equipment to register with the TCEQ and pay a registration fee of \$2,500 each year, in addition to providing other information about their television equipment recycling activities. Manufacturers who are participating in a recycling leadership program, which is created by the bill, as of January 1 of a given year are not subject during that year to the registration and renewal fees. Manufacturers would also be required to establish programs for the collection, transport, and recycling of television equipment from consumers. The programs would be at no cost to consumers at the time of recycling. Manufacturers would have to submit a plan with details of their recycling program to the agency and report on the program annually. The bill would allow the TCEQ to use registration fees paid by manufacturers to implement the television recycling program.

Recyclers would be required to register with the TCEQ, renew their registration annually; report annually to the TCEQ the total weight of covered television equipment received and recycled in the preceding 12 months; and follow certain standards for recycling covered television equipment.

The bill would also require the TCEQ to: educate consumers regarding television equipment reuse and recycling; provide an internet site listing required information about television manufacturers and recycling; provide a toll-free telephone number to provide specific information on television recycling; update website information quarterly to remove non-compliant manufacturers; provide information in writing to each county and municipality in the state on the legal disposal and recycling of television equipment; and, to compile the results of television manufacturers' reports and provide them annually to the legislature.

The bill would also require vendors who bid on state contracts for the purchase or lease of television equipment to certify compliance with the program created by the bill. State contracts would also include a procurement preference for prospective bidders on state contracts for television equipment manufacturers whose programs go beyond certain requirements of the bill. The Comptroller would be required to adopt rules implementing purchasing preferences for state agencies regarding state-agency purchasing of television equipment.

The bill would require the TCEQ to adopt rules before May 1, 2012, enforcement would not be required until September 1, 2012.

Methodology

The bill would require the TCEQ to incur costs that would fall into several categories including: consumer education, investigations/enforcement, financial tracking of penalties, managing a hotline and quarterly website updates, and collecting/ preparing data to determine the annual state recycling rate and each manufacturer's market share allocation.

Costs of implementing the bill to the TCEQ are estimated at \$150,000 per fiscal year, and it is expected that these costs would be offset by the registration fees established in the bill that would be levied on an estimated 60 manufacturers. Because enforcement is not required until September 1, 2012, this estimate assumes that costs and revenues would not begin until fiscal year 2013. If a significant number of manufacturers would participate in a recycling leadership program, as established in the bill, actual revenue generated by registration fees could be lower than the estimates presented in the table above. This estimate assumes that costs to the TCEQ could also be reduced if a significant number of manufactures would participate in the leadership program, thereby partially offsetting any reduction in revenue from registration fees.

No significant fiscal implications to state agencies other than the TCEQ are expected as a result of the bill's passage.

Local Government Impact

Some local governments operating their own television recycling programs could experience savings as a result of the bill's passage. The savings would depend on the number of televisions the entity recycles in a fiscal year and the entity's cost for recycling each unit.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality, 302 Office of the Attorney General

LBB Staff: JOB, SZ, ZS, TL