

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 5, 2011**

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

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

**IN RE: SB1504** by Seliger (Relating to the disposal of nonparty compact low-level radioactive waste at the Texas Low-Level Radioactive Waste Disposal Compact waste disposal facility.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1504, As Introduced: 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

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

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from Low-level Waste Acct 88</b>
2012	\$24,731,855
2013	\$24,731,855
2014	\$24,731,855
2015	\$24,731,855
2016	\$24,731,855

**Fiscal Analysis**

The bill would bill create limits for imported low-level radioactive waste (LLRW) and defines "nonparty compact waste." The bill sets a maximum annual volume of LLRW that may be imported from nonparty compact waste generators that the license holder of the Texas compact waste disposal facility may accept for disposal. The bill also sets a new volume and radioactivity surcharge for nonparty compact waste imported into the Texas compact waste disposal facility of \$1,000 per cubic foot and \$500 per curie. The new surcharge revenues are to be deposited to the General Revenue-Dedicated Low Level Waste Account No. 88. The bill would set the maximum volume of imported nonparty compact waste at 20,000 cubic feet per year, with no more than 9,000 cubic feet of Class B and Class C low-level radioactive waste. The bill also limits the annual volume of imported nonparty compact waste over the life of the Texas compact waste disposal facility to 30 percent of the total

volume of Texas generated waste and clarifies that the 30 percent limit does not apply to non-host party states, which currently would apply only to Vermont-generated waste.

The bill prohibits importation of internationally-generated LLRW or nonparty compact waste that does not meet the waste characteristics and waste forms applicable to other compact waste as set forth by the Texas Commission on Environmental Quality (TCEQ) in the compact waste disposal facility license.

This bill provides clarification on how compact waste disposal fees should be set by TCEQ. The TCEQ would set the amount of the compact waste disposal fee by rule, and the establishment of interim disposal rates by TCEQ would be prohibited. The bill also provides that no waste can be accepted for disposal prior to TCEQ formal rulemaking to set disposal rates.

In addition, the bill would provide for a fee for new states to join the Texas Compact as party states, and clarifies the TCEQ's authority over the acceptance of nonparty compact waste imported from states outside the Texas Compact.

The bill would add fees that the state, as host state, is to charge other states to allow them to join the compact after January 1, 2011. Fees for joining after January 1, 2011 would be an initial payment to the state of \$20 million with an additional \$20 million paid on the date of the opening of the compact waste disposal facility or the date the facility first accepts waste from the state, whichever is later. Each state that becomes a party state after January 1, 2011, and before September 1, 2015, would be required to pay a total of \$40 million to the host state. After September 1, 2015, and before September 1, 2020, the amount required to become a party state is \$60 million. These fee requirements would apply to a state that becomes a party state after January 1, 2011, regardless of whether the state had previously been a party to the compact. The bill provides that payments are nonrefundable even if a party state withdraws from the Texas Compact.

The bill would require the TCEQ to conduct, not later than September 1, 2012, a study regarding LLRW generated by party and nonparty states to the Texas compact. The study would include a projection of the volume and radioactivity of the waste and be used by the Texas Low-Level Radioactive Waste Disposal Compact Commission to anticipate the future capacity of the site. The TCEQ would be required to submit the results of the study to the appropriate committees of the legislature not later than January 1, 2013.

### **Methodology**

The bill is not expected to result in significant administrative costs to the TCEQ.

Passage of the bill is expected to increase the revenue deposited to the Low-Level Waste Account No. 88 from required surcharges on imported nonparty compact waste. Based on average radioactivity concentrations for possible imported nonparty compact waste streams taken from the disposal facility licensee's license application and the 2000 TCEQ Report on Low-Level Radioactive Waste Disposal Projections, the TCEQ developed an estimate of potential annual revenue due to the proposed surcharges. Based on that estimate, it is projected that the annual surcharge revenue would be \$11,019,876 for Class A waste; \$11,039,804 for Class B waste; and \$2,672,175 for Class C waste. Thus, total annual surcharge revenue is estimated to be \$24,731,855 per fiscal year.

Additional fees would be deposited Low-Level Waste Account No. 88 if additional states would join the compact. However, for purposes of this estimate, it is assumed that there would be no additional members joining the compact.

### **Local Government Impact**

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:** 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

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