

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 10, 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 low-level radioactive waste at the Texas Low-Level Radioactive Waste Disposal Compact waste disposal facility.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1504, 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 Revenue Gain/(Loss) from <i>Low-level Waste Acct</i> 88
2012	\$8,000,000
2013	\$24,000,000
2014	\$20,000,000
2015	\$12,000,000
2016	\$12,000,000

Fiscal Analysis

The bill would bill create limits for imported low-level radioactive waste (LLRW) and defines "nonparty compact waste" and "waste of international origin." Waste of a foreign origin could not be accepted at the LLRW disposal facility licensed by the state.

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. That limit would be 50,000 total cubic feet year, and there would be a limit of 120,000 curies of nonparty compact waste per year.

The bill also sets a new surcharge for nonparty compact waste imported into the Texas compact waste

disposal facility of 20 percent of the total contracted rate that is assessed by the license holder. The new surcharge revenues are to be deposited to the General Revenue-Dedicated Low Level Waste Account No. 88.

The 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.

In addition, the bill would provide for a fee for new states to join the Texas Compact as party states. For states joining on or after January 1, 2011 but before September 1, 2018, there would be an initial payment to the state of \$30 million, half of which would be due on the date the state becomes a party to the compact and one-half due when the facility first accepts waste from the state. States joining between 2018 and 2023 would pay \$50 million. 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 December 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.

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 20 percent surcharge on imported nonparty compact waste. The Comptroller provided revenue estimates based on information from the TCEQ and the facility operator. Beginning in 2012, as the facility becomes operational, an estimated \$8.0 million is projected to be collected, increasing to \$24 million in 2013 and \$20.0 million in 2014 as disposers of waste that have been waiting for a disposal site would send their waste to the facility in Andrews County. Beginning in 2015, the revenue stream is projected to decrease to an annual level of \$12.0 million.

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

LBB Staff: JOB, TL, SZ, ZS