

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 19, 2013

TO: Honorable Patricia Harless, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1490 by Bell (Relating to the amount and disposition of fees collected for municipal solid waste disposal.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1490, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2015. To the extent that appropriations are made out of the available balance in the Solid Waste Disposal Account No. 5000, there would be a certification loss.

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
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from Solid Waste Disposal Acct 5000
2014	(\$17,772,000)
2015	(\$17,514,000)
2016	(\$17,600,000)
2017	(\$17,600,000)
2018	(\$17,600,000)

Fiscal Analysis

The bill would reduce the municipal solid waste (MSW) tipping fee by 50 percent if the unobligated balance in the General Revenue-Dedicated Solid Waste Disposal Account No. 5000 equals or exceeds \$30 million. During the period for which the fee would be collected at the 50 percent rate, all revenues from tipping fees would be distributed to the General Revenue-Dedicated Waste Management Account No. 549. The tipping fee would automatically revert to 100 percent when the unobligated balance in the Solid Waste Disposal Account No. 5000 would fall below \$20 million, and the fees would revert to being equally distributed between the two accounts.

The bill also would make additional projects and activities eligible to be funded out of Waste Management Account No. 549, including natural gas fueling stations (located in nonattainment areas and Travis, Williamson, Hays, and Bexar counties) and certain renewable and waste-to-energy facilities.

The bill would become effective on September 1, 2013.

Methodology

The Comptroller's Biennial Revenue Estimate for 2014-15 projects an ending balance of \$114.3 million for the Solid Waste Disposal Account No. 5000 on August 31, 2013. Because the balance already exceeds \$30 million, upon passage of the bill it is expected that tipping fee rates would be reduced by 50 percent. Beginning in fiscal year 2014, all revenue from the tipping fee would be distributed to the Waste Management Account No. 549. This would not impact revenues to the Waste Management Account No. 549 because the account already receives 50 percent of the revenue stream from tipping fees assessed at the 100 percent rate. Revenues to the Solid Waste Disposal Account No. 5000 would be reduced by \$17.3 million in fiscal year 2014, or the entire revenue stream of that account. Given the \$114.3 million available balance in the Solid Waste Disposal Account No. 5000, and assuming the 2012-13 expenditure levels of \$5.5 million per year out of the Solid Waste Disposal Account No. 5000, it is not expected that the \$20 million minimum fund balance threshold established in the bill would be reached in the foreseeable future.

Although the bill would add two new types of activities to be funded out of the Waste Management Account No. 549, gas fueling stations and the renewable and waste-to-energy facilities, this estimate does not assume any additional funding would be appropriated out of that account for those purposes; because the bill would not provide additional revenues to Account 549, and because Account 549 has not been building up significant fund balances, this analysis assumes no additional expenditures would be made out of the account upon passage of the bill.

Local Government Impact

Local governments would expect to experience a 50 percent savings in tipping fees they would pay upon enactment of the bill.

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

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