

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 4, 2013

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB459** by Rodríguez (Relating to the sale, storage, transportation, and disposal of scrap, unsafe, or used tires; providing a civil penalty; creating an offense.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would prohibit tire retailers from allowing customers to retain a scrap tire or unsafe tire removed from their vehicle when buying new tires. The bill provides an exemption from this requirement if a customer is able to certify on a Texas Commission on Environmental Quality (TCEQ) form that the tires will be used for agricultural business and the customer assumes liability for the tires.

The bill would require tire retailers to dispose of the tires in accordance with local and state laws and to contract with registered tire transporters. Registered tire transporters would be required to obtain a surety bond, establish a trust account, or obtain an irrevocable letter of credit in an amount of at least \$100,000. Tire transporters would also be required to keep records to demonstrate that the tires were transported to a registered or permitted storage site or disposal facility. The bill proposes civil penalty provisions of \$500 per violation and allows for a separate penalty for each day a violation occurs. It allows actions to be brought by the Attorney General, District Attorney, or County Attorney in the county where the person resides or where their business is located.

In addition, the bill would require scrap and used tire generators to store tires in secure lockable areas or containers. The bill would define scrap and used tires as well as scrap tire and used tire transporters. The bill also would define "unsafe tire" and prohibit the sale of unsafe tires.

TCEQ reports that passage of the bill could result in the agency being required to manage an estimated 500 new surety bonds. This additional workload is not expected to result in significant costs to the agency.

Local Government Impact

The bill would allow the attorney general or a district or county attorney to bring an action against an offender in district court. Costs to district courts would vary depending on the number of actions brought under the provisions of the bill but are not anticipated to be significant.

A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Costs associated with enforcement, prosecution and confinement could likely be absorbed within existing resources. New revenue from fines imposed and collected is not anticipated to have a significant fiscal impact.

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

LBB Staff: UP, AG, TL, KKR