

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 26, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB791 by Seliger (Relating to the regulation of low-level radioactive waste disposal facilities and radioactive substances.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB791, As Introduced: a positive impact of \$1,400,000 through the biennium ending August 31, 2015.

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	\$700,000
2015	\$700,000
2016	\$700,000
2017	\$700,000
2018	\$700,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Savings/(Cost) from Perpetual Care Fund 5096	Probable Revenue Gain/(Loss) from Perpetual Care Fund 5096	Probable Revenue Gain/(Loss) from New General Revenue Dedicated-Environmental Radiation Perpetual Care Account
2014	\$700,000	(\$252,941)	\$266,298	\$277,000
2015	\$700,000	(\$535,451)	\$266,298	\$277,000
2016	\$700,000	(\$535,577)	\$266,298	\$277,000
2017	\$700,000	(\$535,708)	\$266,298	\$277,000
2018	\$700,000	(\$535,842)	\$266,298	\$277,000

Fiscal Year	Probable Revenue Gain/(Loss) from Low-level Waste Acct 88	Probable Revenue Gain/(Loss) from Andrews County
2014	\$2,800,000	\$700,000
2015	\$2,800,000	\$700,000
2016	\$2,800,000	\$700,000
2017	\$2,800,000	\$700,000
2018	\$2,800,000	\$700,000

Fiscal Analysis

The bill would allow the Department of State Health Services (DSHS) to use funds in the perpetual care account for first responder training in counties with designated transportation routes, and it would remove the \$500,000 cap for fees collected and deposited into the General Revenue-Dedicated Perpetual Care Account No. 5096.

The bill would create a new account within the General Revenue Fund to be called the Environmental Radiation and Perpetual Care Account for the use of the Texas Commission on Environmental Quality (TCEQ) to prevent or mitigate the adverse effects of radioactive substances and ensure protection of public health. Funds in the account could be used for the decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, and disposal of radioactive substances for the protection of the public health and safety and the environment. The account would consist of fees on licenses and registrations and fees collected for technical review, administrative review, and technical review of the application. The bill would provide that the existing Perpetual Care Account No. 5096 be exclusively for the use of DSHS and the newly created account would be for the exclusive use of the TCEQ. The bill would require the TCEQ to deposit financial assurance security from a licensee into the newly created Environmental Radiation and Perpetual Care Account.

The bill would define an operational year for the Texas Low-level Radioactive Waste Disposal facility as the period between April 27-April 26 of each year. The bill would require a volume reduction for non-party waste beginning in operational year three and that the Commission adopt rules to implement this requirement. The bill would prohibit acceptance of nonparty Class A waste and it would raise the annual curie limit for nonparty waste that may be accepted at the facility to 220,000 curies from 120,000 curies under current law.

The bill would require the license holder and party state compact generators to export Class A waste to the greatest extent practicable. The bill also requires the Low-Level Radioactive Waste Disposal Compact Commission (LLRWDC) to support this effort by granting export petitions for Class A waste. The bill would set an annual limit of party state compact waste to 50,000 cubic feet unless the LLRWDC grants an exception.

The bill would allow the TCEQ and DSHS to double the fee set on licenses and registrations that they issue from 5 percent to 10 percent.

The bill would also repeal sections of the Texas Health and Safety Code related to State Office of Administrative Hearings (SOAH) rate and interim rate hearings, and would repeal sections related to requiring Compact Commission biennial reports. The bill would require TCEQ and DSHS to update the memorandum of understanding (MOU) regarding the regulation and oversight of radioactive materials and sources of radiation.

Methodology

DSHS anticipates contracting to provide 200 eight-hour training classes per year for first responders, at a cost of \$440,000 for the training. Implementing the training classes and contracts will require one FTE to be hired in the second quarter of fiscal year 2014. The agency can absorb the additional FTE within its existing FTE cap. The additional FTE would cost \$43,213 in salary and wages and \$12,851 in benefits in fiscal year 2014 and \$57,463 in salary and wages and \$17,089 in benefits in each subsequent year. The other operating expenses and travel costs associated with the FTE are estimated to be \$29,877 in fiscal year 2014 and \$20,899 in fiscal year 2015. The total cost to General Revenue-Dedicated Account No. 5096, Perpetual Care Account (GR-D 5096) is \$525,941 in fiscal year 2014 and \$266,298 in fiscal year 2015. It is assumed that the fees and the balance of the account may be used to fund the training classes.

DSHS anticipates increased revenue in the amount of \$111,700 annually from low-level radioactive waste fees due to removing the cap on the Perpetual Care Account (GR-D 5096). DSHS estimates an increase in revenue due to the 10% surcharge on administrative penalties in the amount of \$154,598 annually deposited to the credit of GR-D 5096.

The TCEQ and the Comptroller of Public Accounts anticipate increased revenue in the amount of \$277,000 per fiscal year to the newly created GR-D Environmental Radiation Perpetual Care Account as a result of the bill's increase in the licensing and registration fee from 5 percent to 10 percent and the absence of a fund balance ceiling. These revenues would be a result of fees that would be assessed for the Compact Waste Disposal, Radioactive Disposal, and Radioactive By-Product annual license fees.

Because the bill would increase the number of curries of nonparty waste that can be accepted at the disposal facility, the amount of nonparty waste is expected to increase. The TCEQ estimates that the 20 percent surcharge on non-party waste would generate an additional \$2.8 million to the GR-D Low-Level Waste Account No. 88 each fiscal year. Because the General Revenue Fund and Andrews County each receive 5 percent of gross receipts of the disposal facility, an increase of \$700,000 per fiscal year in revenues is expected for both the General Revenue Fund and Andrews County.

Because the bill would require the TCEQ to deposit financial assurance security from the licensee into the newly created Environmental Radiation and Perpetual Care Account, an additional \$143 million in financial assurance would be added to the new account. Because this amount would not become available unless there was an incident involving radioactive materials, and because the TCEQ reports that 97 percent of the amount is in non-cash securities, the financial assurance amounts are not included in the tables above.

Passage of the bill is not expected to result in any significant additional workload for the TCEQ.

Local Government Impact

Passage of the bill is expected to result in Andrews County receiving \$700,000 in additional revenue each fiscal year from the 5 percent fee on gross receipts resulting from the increase in curries for out of compact waste proposed by the bill.

Source Agencies: 304 Comptroller of Public Accounts, 535 Low-level Radioactive Waste Disposal Compact Commission, 537 State Health Services, Department

of, 582 Commission on Environmental Quality

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