

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 13, 2015

TO: Honorable Geanie Morrison, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1242 by Rodríguez (Relating to the sale, storage, transportation, and disposal of scrap or used tires; providing a civil penalty; creating a criminal offense.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require scrap tire or used tire generators who stores scrap or used tires outdoors on business premises to be stored in a secure manner and locked during nonbusiness hours. The bill also would define scrap and used tires as well as scrap tire and used tire transporters. In addition, the bill would prohibit a customer from retaining a scrap tire removed from the customer's vehicle during the purchase of a tire from a retail seller.

The bill would require retailers to dispose of scrap tires according to local and state law. The bill would provide for a customer to retain a used tire removed from the customer's vehicle during purchase if the customer certifies on a form prescribed by the Texas Commission on Environmental Quality (TCEQ) that would require that the customer assumes liability for the disposal of the tire.

The bill would requires retail tire sellers to use only registered transporters to transport used or scrap tires who meet the requirements specified by the bill. The bill would impose a civil penalty of not less than \$1000 per violation and allows for a separate penalty for each day a violation occurs and for each tire to which the violation applies.

The bill would require scrap and used tire transporters to register with the TCEQ and maintain records and submit annual reports to the TCEQ of tires transported. The bill also would require transporters subject to the registration requirements to obtain a surety bond, establish a trust account, or obtain an irrevocable letter of credit in an amount of \$25,000 or more in the name of the state and be filed with the TCEQ, and the bill would provide that the TCEQ use this money for the cleanup of abandoned tire storage sites.

Any costs to the TCEQ in implementing the provisions of the bill would be absorbed using existing resources.

Local Government Impact

The bill would create an offense punishable by a fine, confinement in jail, or both. Costs associated with enforcement, prosecution, and confinement could likely be absorbed with existing resources. Revenue from fines imposed and collected is not anticipated to have a significant fiscal

impact.

The bill provisions may result in increased costs for local governments to dispose of, transport, or store tires.

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

LBB Staff: UP, SZ, AG, TL, TBo, KVe