

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 28, 2017

TO: Honorable Joseph Pickett, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1856** by King, Ken (relating to the creation of a defense under the Solid Waste Disposal Act for persons engaged in certain scrap metal recycling transactions.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1856, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2019.

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
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Hazardous/Waste Remed Acc</i> 550
2018	(\$400,000)
2019	(\$400,000)
2020	(\$400,000)
2021	(\$400,000)
2022	(\$400,000)

Fiscal Analysis

The bill would amend Texas Health and Safety Code, Section 361.2755 to add a recyclable material defense from liability provided that the person meets criteria established under 42 U.S.C. Section 9627 for certain transactions involving recyclable scrap metal.

The bill would take effect September 1, 2017.

Methodology

The Texas Commission on Environmental Quality (TCEQ) recovers costs incurred by the state to remediate former recycling sites under the state Superfund program. These sites include sites proposed or listed on the state Superfund registry and sites at which immediate response actions are conducted. The bill would provide a defense to liability for entities that TCEQ labels as responsible parties, exempting some entities from being required to conduct or fund these cleanup activities.

TCEQ estimates that one current cleanup at a former metals recycling would be impacted by the bill. The potentially responsible parties that could fund or perform the cleanup would likely be exempted from liability under this bill. According to the analysis provided by TCEQ, the site would require an estimated \$2,000,000 to complete the cleanup activities. TCEQ estimates that cleanup activities will take 5 years to complete. This estimate assumes an average annual cost of \$400,000 for the cleanup activities. These costs, borne by potentially responsible parties under current law, would be borne by the state under the bill's provisions. This estimate does not include future cleanup activities that, under the provisions of this bill, would be funded by the state instead of by a potentially responsible party.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: UP, SZ, MW, MSO