LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 27, 2017

TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1105** by Hinojosa (Relating to the abolishment of the used oil recycling account, deposits of used oil recycling fees, and use of the water resource management account.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1105, As Introduced: 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 *Used Oil Recycle Acct* 146	Probable Revenue (Loss) from *Used Oil Recycle Acct* 146	Probable Revenue Gain from *Water Resource Management* 153
2018	($21,317,000)	($2,200,000)	$23,517,000
2019	$0	($2,200,000)	$2,200,000
2020	$0	($2,200,000)	$2,200,000
2021	$0	($2,200,000)	$2,200,000
2022	$0	($2,200,000)	$2,200,000

Fiscal Analysis

The bill would amend Texas Health and Safety Code, Section 371.062, to transfer the deposit of fees, penalties and interest collected under this section to the General Revenue-Dedicated Water Resource Management Account No. 153 (Account 153); currently, this revenue is deposited to the General Revenue-Dedicated Used Oil Recycling Account No. 146 (Account 146). The bill would allow the Texas Commission on Environmental Quality (TCEQ) to use money in Account 153 for public education regarding used oil recycling, grants to certain used oil collection centers, registration of certain used oil collections centers and handlers, and administrative costs, in addition to other authorized uses of Account 153. The bill would remove language authorizing funding for these activities to be transferred to the General Revenue-Dedicated Waste Management Account No. 549 by either TCEQ or by legislative appropriation.

The bill would designate Account 153 as the account from which reimbursements to certain used oil collection centers are paid, replacing Account 146. Account 153 would not be exempt from application of Texas Government Code, Section 403.095, which Account 146 was exempt from. The bill would add the fees, penalties and interest currently deposited to Account 146 to the list of statutory fees which may be deposited to Account 153 to be appropriated and used to protect water resources in the state of Texas. The bill would specify that money remaining in Account 146 on September 1, 2017 is transferred to Account 153, and that Account 146 is abolished.

The bill would take effect September 1, 2017.

Methodology

The balance in Account 146 on September 1, 2017 is estimated by the Comptroller to be $21,317,000. The bill would transfer this balance from Account 146 to Account 153 in fiscal year 2018. Revenue currently deposited to Account 146 would instead be deposited to Account 153; this amount is estimated by the Comptroller to be $2,200,000 each fiscal year. This analysis assumes that expenditures made from Account 146 in previous years would continue in future years at the amount budgeted for fiscal year 2017, or $419,264 each fiscal year, from Account 153.

Local Government Impact

TCEQ notes that, in order to support current expenditures from Account 153, increases to the Consolidated Water Quality fee and the Public Health Service fee rates will be necessary. The majority of the entities that pay these two fees are local governments and other governmental entities. Under the provisions of the bill, local governments could see delays in future increases to fees.

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

LBB Staff: UP, SZ, MW, MSO, PM