

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 16, 2019**

**TO:** Honorable J. M. Lozano, Chair, House Committee on Environmental Regulation

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB4344** by Stephenson (Relating to municipal solid waste management services contracts; limiting the amount of a fee.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Health and Safety Code to require that a municipality may not charge franchise fees to a solid waste management service of more than two percent of the gross receipts of the franchise and would specify that a municipality may not restrict the right of a solid waste management service company from contracting with another entity for commercial or industrial waste services.

Based on the analysis of the Texas Commission on Environmental Quality, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

According to the City of Houston: The impact to the City of Houston on revenue from existing franchises will begin in Fiscal Year 2023. The estimated loss amounts are based on projected FY20 fees to the City of Houston by solid waste franchisees. Beginning FY 23 the estimated loss is \$368,986; FY 24-25 \$3.8 million; FY 26 - \$3.9 million; FY 27 \$4.0 million.

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

**LBB Staff:** WP, SZ, GDz, AF