

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 26, 2025

TO: Honorable Brooks Landgraf, Chair, House Committee on Environmental Regulation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3229 by Lambert (Relating to recycling of certain renewable energy components; authorizing an administrative penalty.), **As Introduced**

The fiscal implications of the bill cannot be determined due to the volume of administrative penalties, and the specific amounts of those penalties, assessed by the Texas Commission on Environmental Quality (TCEQ) on owners or operators of recycling facilities being unknown at this time.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend Health and Safety Code related to renewable energy component recycling facilities.

The bill would require renewable energy component recycling facilities that meet certain criteria to submit an annual report to TCEQ regarding details of the facility including: an inventory of all components accepted by the facility; an estimated timeline for recycling those components; and a cost estimate for recycling the components prepared by an independent, third-party professional engineer licensed in this state. The owner of the facility would be required to demonstrate a certain level of financial assurance and be responsible for paying costs associated with obtaining the financial assurance. The bill would require facility owners to provide financial assurance equal to 125 percent of estimated recycling costs, using a parent company guaranty, letter of credit, or bond.

The bill would require TCEQ to maintain and publish online a list of applicable facilities in compliance with these requirements. The bill would allow TCEQ to impose an administrative penalty on applicable facility owners in violation of the requirements. The penalty may not exceed \$500 a day for each violation.

Based on the analysis of the Comptroller of Public Accounts, the fiscal implications of imposing administrative penalties cannot be determined because the volume of administrative penalties, and the specific amounts of those penalties, that would be assessed on owners or operators of recycling facilities is unknown.

Based on information provided by TCEQ, it is assumed that technology costs totaling \$650,000 in General Revenue-Dedicated Waste Management Account No. 549 would be necessary in fiscal year 2026 to update three of the agency's technology systems including \$220,000 for the State of Texas Environmental Electronic Reporting System (STEERS), \$330,000 for the new Internal Data Application database, and \$100,000 for the Integrated Web Reporting System. It is assumed that any other costs associated with implementing the provisions of the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality
LBB Staff: JMc, FV, MW, AJL