LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 1, 2025

TO: Honorable Gary VanDeaver, Chair, House Committee on Public Health

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB5248** by Guillen (Relating to a pilot program for the safe disposal of prescription drugs, including controlled substance prescription drugs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB5248, As Introduced: an impact of $0 through the biennium ending August 31, 2027.

However, there is an estimated two year net impact of ($2,039,916) to the General Revenue-Dedicated Opioid Abatement Account No. 5189 (Account No. 5189).

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***
2026	$0
2027	$0
2028	$0
2029	$0
2030	$0

All Funds, Five-Year Impact:

Fiscal Year	**Probable Savings/(Cost) from *Opioid Abatement* 5189**	***Change in Number of State Employees from FY 2025***
2026	($1,141,808)	2.0
2027	($898,108)	2.0
2028	($898,108)	2.0
2029	($898,108)	2.0
2030	($898,108)	2.0

Fiscal Analysis

The bill would amend Health and Safety Code to amend the Prescription Drug Disposal Pilot Program (PDDPP) and transfer its authority from the Texas State Board of Pharmacy (TSBP) to the Texas Commission on Environmental Quality (TCEQ).

The bill would require TCEQ by rule to develop and implement the PDDPP to increase the number of collection receptacles in this state in which unused prescription drugs are collected from the public for safe disposal. The bill would expand eligible uses of Account No. 5189 to provide TCEQ access to the fund to implement the PDDPP established by the bill. TCEQ may also collect gifts, grants, and donations to fund the PDDPP.

The bill would require TCEQ to assist pharmacies participating in the PDDPP and to pay costs of maintaining one collection receptacle at each participating pharmacy location, destroying the drugs deposited in the receptacle, and a one-time fee to offset initial costs of program participation. The bill would permit TCEQ to contract with a federal United States Drug Enforcement Agency (USDEA) reverse distributor to install collection receptacles at participating pharmacy locations and to treat the collected waste at USDEA registered incineration facilities. Additionally, TCEQ would be permitted to provide financial incentives to chain retail pharmacies at up to 15 locations.

The bill would require TCEQ to conduct outreach and distribute educational materials, which may be used by participating pharmacy locations, to promote awareness of and participation in the PDDPP. The bill would require TCEQ to produce a report by December 1 of even-numbered years summarizing the results of the PDDPP and providing recommendations regarding the continuation of the PDDPP.

The bill would take effect on September 1, 2025.

Methodology

The bill would allow for voluntary participation by pharmacies in the PDDPP. In Senate Bill (SB) 2173, Eighty-eighth Legislature, Regular Session, 2023, the initial legislation which established the PDDPP to be administered by TSBP, the analysis assumed that 100 pharmacies were estimated to participate in the PDDPP, which TCEQ now incorporated into its methodology for this bill. Therefore, this analysis also assumes that 100 pharmacies will participate in the PDDPP which was used by TCEQ to determine other programmatic costs. Based on information provided by TCEQ, additional staff and resources would be necessary to implement the provisions of the bill at costs totaling $1,141,808 in fiscal year 2026 and $898,108 in fiscal year 2027 and paid from Account No. 5189.

Many of the PDDPP responsibilities would be delegated to the contracted USDEA reverse distributor as TCEQ lacks the technical capability to properly evaluate the lawful possession, custody transfer, or handling of controlled substances. Based on information provided by TCEQ, the USDEA reverse distributor would be contracted with to install collection receptacles at participating pharmacy locations and to treat waste collected through the receptacles. The contracted costs would total $943,700 in fiscal year 2026 and $717,000 in fiscal years 2027 through 2030.

Based on information provided by TCEQ, an additional 2.0 Full-Time Equivalent (FTE) positions and associated costs totaling $198,108 in fiscal year 2026 and $181,108 in fiscal year 2027 to assist in administering the PDDPP. The FTEs would consist of an Accountant IV and Program Specialist IV to assist with developing application forms, overseeing the evaluation process, developing selection criteria for application, processing reimbursements for financial incentives, and preparing reports.

Salary and wage costs for the 2.0 FTEs would total $132,510 per fiscal year from 2026 to 2030. Benefit costs would total $37,659 per fiscal year from 2026 to 2030. Other administrative and staff costs would total $27,939 in fiscal year 2026 and $10,939 per fiscal year from 2027 to 2030. This would include initial capital costs for licenses, furniture, and equipment in fiscal year 2026.

Based on information provided by TSBP, no significant fiscal implications are anticipated from transferring the PDDPP to TCEQ because TSBP did not receive any funding to implement the PDDPP in the 2024-25 biennium.

Based on information provided by the Comptroller of Public Accounts, the fiscal impact cannot be determined because the amounts and timing of appropriations, reimbursements, or gifts, grants, and donations that would be provided is unknown.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 515 Board of Pharmacy, 582 Commission on Environmental Quality

LBB Staff: JMc, NPe, MW, AJL