



## LEGISLATIVE BUDGET BOARD

# Overview of the Waste Management Account and the Solid Waste Disposal Fee Account

PRESENTED TO HOUSE APPROPRIATIONS COMMITTEE  
LEGISLATIVE BUDGET BOARD STAFF

MAY 2018

# Statement of Interim Charge

---

## House Appropriations Committee Interim Charge #16:

Study the allocation of the **municipal solid waste disposal fee** between Waste Management Account 0549 and Solid Waste Disposal Fee Account 5000. Determine whether changes should be made to support future program costs.

# Solid Waste Disposal Fee

- The Solid Waste Disposal Fee consists of a **disposal fee** and a **registration fee**.
  - Texas Health and Safety Code, §361.013(a) requires the Texas Commission on Environmental Quality (TCEQ) to assess a fee for the disposal of all solid waste. Statute establishes the fee as 94 cents/ton, 30 cents/cubic yard (compacted), or 19 cents/cubic yard (uncompacted) and authorizes TCEQ to raise or lower fees in accordance with appropriation levels.
  - Texas Health and Safety Code, §361.013(c) requires TCEQ to charge an annual registration fee within a range of \$25-\$500 to a transporter of municipal solid waste. This fee is currently set by volume in TCEQ rule (Texas Administrative Code, Title 30, Part 1, §312.9(c) and §312.142(j)).
- Revenue distribution from the Solid Waste Disposal Fee (per Texas Health and Safety Code, §361.014):
  - **66.7%** to the GR-D Waste Management Account No. 549
  - **33.3%** to the Solid Waste Disposal Fees Account No. 5000

# GR-D Account 549 Funding

- Revenues deposited to the GR-D Waste Management Account No. 549 (Account 549) include various industrial and hazardous solid waste fees, in addition to 66.7% of the Solid Waste Disposal Fee.
- The Solid Waste Disposal fee revenue deposited to Account 549 is anticipated to comprise approximately 60% of the total revenues deposited to the account in the 2018-19 biennium in the Comptroller's Biennial Revenue Estimate.
- **Account 549 is dedicated for TCEQ program implementation and administration**, including “municipal solid waste permitting programs, enforcement programs, and site remediation programs, and to pay for activities that will enhance the state’s solid waste management program.”

# GR-D Account 549 Funding

The Solid Waste Disposal Fee comprises a portion of the revenues deposited to Account 549. Total appropriations from Account 549, which include appropriations funded by the Solid Waste Disposal Fee revenue, are shown below.

	(IN MILLIONS)	
<b>TCEQ Program</b>	<b>2016-17 Expended</b>	<b>2018-19 Appropriated</b>
Administration	\$21.2	\$21.3
Field Inspections & Complaint Response	\$15.2	\$15.6
Municipal Solid Waste	\$7.2	\$7.2
Enforcement	\$6.6	\$6.7
Industrial Hazardous Waste	\$6.4	\$7.0
Waste Assessment and Planning	\$1.4	\$1.4
Other	\$6.5	\$6.3
<b>Total</b>	<b>\$64.6</b>	<b>\$65.5</b>
<b>Solid Waste Disposal Fee Revenue</b>	<b>2016-17</b>	<b>2018-19</b>
Account 549	<b>\$43.1</b>	<b>\$40.0</b>

**Account 549 Revenues vs. Appropriations:** Over the past 5 years, Account 549 revenues (from all sources) and appropriations have been roughly equivalent, resulting in a fairly steady fund balance, which was \$31.8 million at the end of FY 2017.

SOURCE: Legislative Budget Board, State Budget by Program; GAA, 2018-19; Comptroller's Biennial Revenue Estimate, 2018-19; Comptroller of Public Accounts

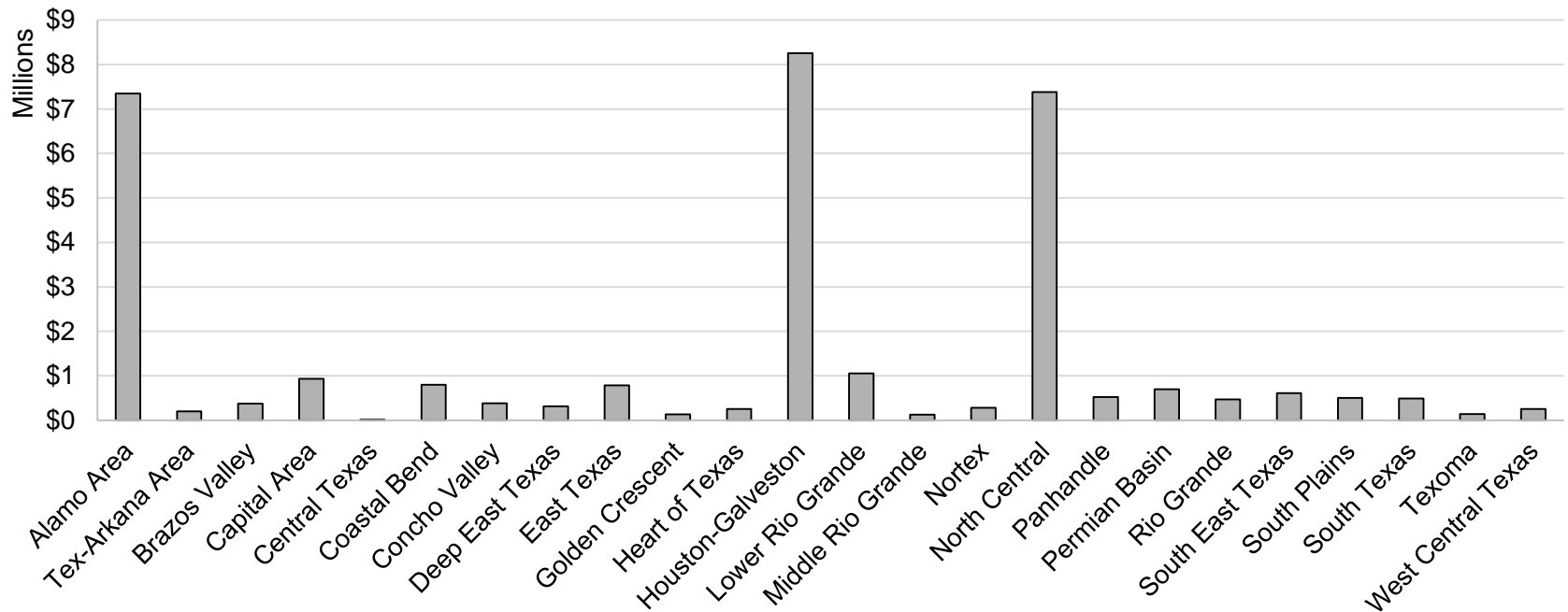
# GR-D Account 5000

- Revenue deposited to the GR-D Solid Waste Disposal Fees Account No. 5000 (Account 5000) consists entirely of 33.3% of the Municipal Solid Waste Disposal Fee.
- **Account 5000 is dedicated for local and regional solid waste projects (Health and Safety Code, Section 361.014(b)).** TCEQ allocates this funding to local governments and regional planning commissions through its Municipal Solid Waste Disposal Grant program.
- Expenditures in the 2016-17 biennium for the Municipal Solid Waste Disposal Grant program totaled \$11.0 million.
- Appropriations for the Municipal Solid Waste Disposal Grant program total \$11.0 million for the 2018-19 biennium.
- In November 2017, an emergency appropriation of \$90.0 million in Account 5000 balances was made to assist affected local communities with debris removal related to Hurricane Harvey.

# GR-D Account 5000 Revenues and Grant Allocations

- Grants provided to local and regional entities are allocated by TCEQ based on population, area, solid waste fee generation, and public health needs.

Solid Waste Disposal Fee Revenues by Region, Fiscal Year 2017

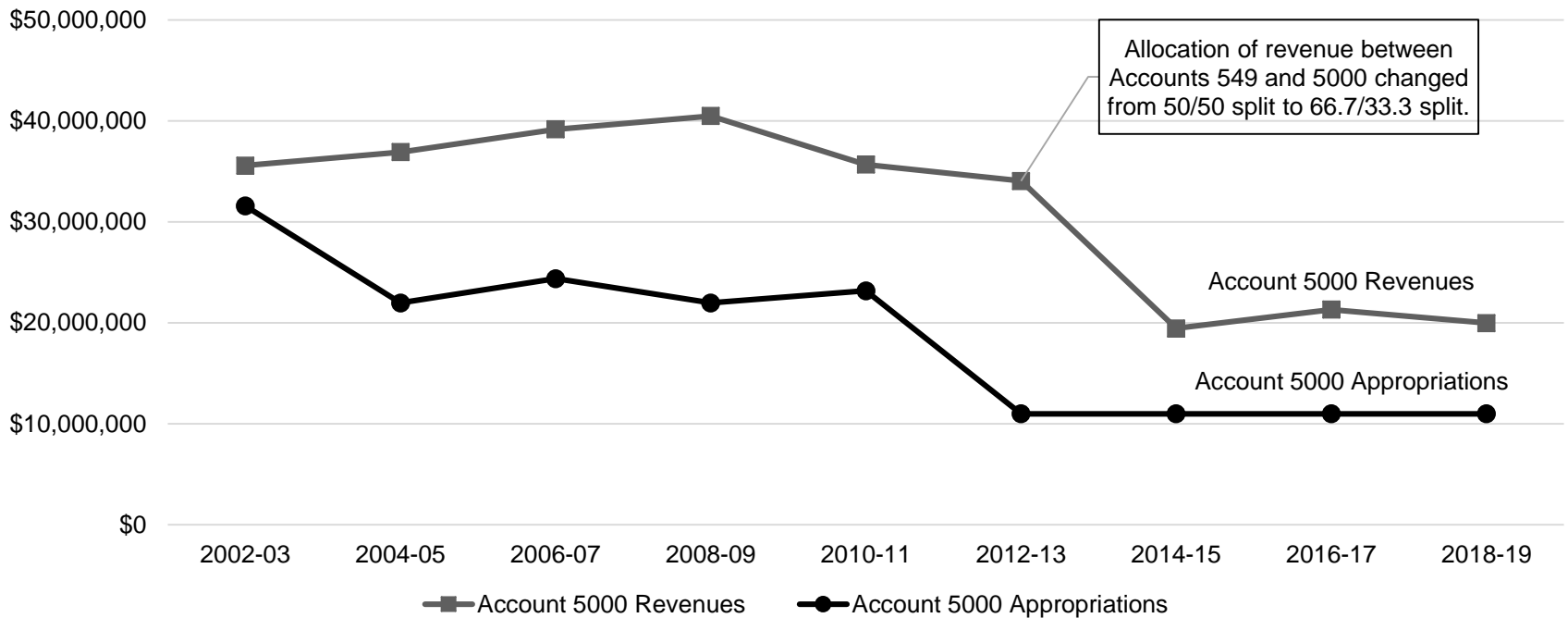


Note: Revenues collected from Brooks, Cochran, Coleman, Galveston, Kinney, McMullen, Menard, and Oldham Counties were not included in the revenue estimates, as revenues from these counties did not exceed the threshold value of \$1,000.

Source: Texas Commission on Environmental Quality

# Solid Waste Disposal Fee Revenues and Municipal Solid Waste Disposal Grant Program Appropriations

- The solid waste disposal fee was directed to be deposited to the GR-D Account 549 and the GR-D Account 5000 beginning in fiscal year 1998 (House Bill 3231, 75<sup>th</sup> Legislature, Regular Session, 1997).



NOTES: Due to House Bill 7, Eighty-third Legislature, Regular Session, the allocation of the solid waste disposal fee between the GR-D Account 549 and the GR-D Account 5000 changed from a 50/50 split to a 66.7/33.3 split.

Revenues for the 2018-19 biennium are estimated.

SOURCE: For fiscal years 2002-2017, revenues are from the Comptroller. For fiscal years 2018-19, revenues are from the Comptroller's Biennial Revenue estimate. Appropriations are from the General Appropriations Act.





## LEGISLATIVE BUDGET BOARD

# Contact the LBB

Legislative Budget Board

[www.lbb.state.tx.us](http://www.lbb.state.tx.us)

512.463.1200