

SUBJECT: Use of hazardous and solid waste remediation funds for battery recycling

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — Oliveira, Otto, Bohac, Hilderbran, C. Howard, P. King, Paxton, Peña, Taylor, Villarreal

0 nays

1 absent — Hartnett

WITNESSES: For — George Purefoy and Kerry Russell, City of Frisco

Against — None

On — (*Registered, but did not testify*: Brent Wade, Texas Commission on Environmental Quality)

BACKGROUND: In 1991, the 72nd Legislature adopted a fee on the sale of lead-acid batteries to be deposited in the general-revenue dedicated hazardous and solid waste remediation fee account. The fee is \$2 to \$3 per battery, depending on the size of the battery. This fee annually generates about \$14.3 million, which is used for a variety of activities to remediate the threat of hazardous substances, not including the impact of lead-acid battery recycling.

DIGEST: HB 3765 would amend the Health and Safety Code by requiring the Texas Commission on Environmental Quality (TCEQ) to use 10 to 20 percent of the fees collected from the sale of lead-acid batteries for lead-acid battery recycling activities including:

- remediation;
- promotion;
- mitigation of the economic, infrastructure, and environmental impact of lead-acid battery recycling on local governments; and
- encouragement of the adoption of innovative technology.

The bill would take effect September 1, 2009.

**SUPPORTERS  
SAY:**

HB 3765 would expand the allowable use of funding for battery fee revenue to include recycling activities, including upgrading the technology in recycling plants to produce cleaner emissions. The money from this fee currently is not available for the recycling of batteries or for addressing the environmental impacts of battery recycling. Battery fee revenue would be an appropriate and logical funding source for programs to recycle batteries.

With the recent tightening of U.S. Environmental Protection Agency (EPA) standards on air quality, local governments have had to absorb much of the costs of upgrading the technology in battery recycling centers to meet emission guidelines without state or federal funding. The city of Frisco, home to the only battery recycling center in Texas, is currently offsetting these costs even though there is money in the hazardous and solid waste remediation fee account that could be used for that purpose.

**OPPONENTS  
SAY:**

HB 3765 would reallocate, but would not increase, revenue generated through the fee on the sale of lead-acid batteries. The TCEQ would either need to cut funding for other programs funded out of the hazardous and solid waste remediation fee account, which is mainly the Superfund hazardous waste cleanup program, or receive increased appropriations.

**NOTES:**

The battery sales fee, which is deposited in the general revenue-dedicated hazardous and solid waste remediation fee account, is projected to generate \$14.3 million each in fiscal 2010 and fiscal 2011. HB 3765 would allocate 10 to 20 percent of that revenue for lead-acid battery recycling activities, about \$1.4 to \$2.9 million per fiscal year.

The companion bill, SB 1659 by Averitt, was reported favorably, as substituted, by the Senate Natural Resources Committee on April 16 and recommended for the Local and Uncontested Calendar.