

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 517 - SB 683

March 6, 2023

SUMMARY OF BILL: Expands the supervision responsibilities of the Department of Environment and Conservation (TDEC) regarding solid waste processing facilities and disposal facilities by requiring the Department to oversee solid waste authorities which have been formed and controlled by a county, municipality, or local board.

Requires TDEC to exercise general supervision over:

- The operation and maintenance of solid waste processing facilities and disposal facilities or sites in this state that have gained authority to operate under strict water control laws.; and
- All the features of operation and maintenance of a processing or disposal facility that affects or may affect the:
 - Public health or safety of the area in which the facility operates;
 - Quality of the environment of the area in which the facility operates;
 - Proper processing and disposal of solid waste; or
 - Enforcement of state law or actions authorized by state law.

Authorizes the Commissioner of TDEC to investigate a solid waste processing or disposal facility, as often as deemed necessary.

Authorizes the Underground Storage Tanks and Solid Waste Disposal Control Board (Board) to adopt and enforce rules governing the operation and maintenance of solid waste processing and solid waste disposal facilities, operations, and sites.

Establishes a new minimum civil penalty of \$5,000, for any person, including a landfill owner, landfill operator, or disposal hauling company, who fails to comply with a region's or authority's restriction on out-of-region solid waste. Specifies that each separate vehicle that is accepted with solid waste material from out the region in violation, constitutes a separate violation and that each day that a violation continues constitutes a separate violation and in addition, the person is liable for any damages to the state, county, or city resulting from a violation. Requires that all funds from the civil penalty be allocated to the solid waste department in the county in which the violation occurred, or the county solid waste authority of the county in which the violation occurred. Requires the funds to be placed in a special fund and may only be used for solid waste diversion.

FISCAL IMPACT:

Increase State Revenue - \$2,164,400/FY25-26 and Subsequent Years

Increase State Expenditures - \$2,194,400/FY25-26

\$2,164,400/FY26-27 and Subsequent Years

Assumptions:

- Pursuant to Tenn. Code Ann. § 68-211-107, TDEC is currently required to provide general supervision over solid waste processing facilities and disposal facilities or sites in this state.
- However, pursuant to Tenn. Code Ann. § 68-211-903, a county, municipality, or combination thereof, may form a solid waste authority as long as their standards are as stringent as those imposed by the Board.
- The TDEC does approve the plans set forth by these authorities, but does not currently enforce the standards established in such plans.
- This legislation would require the TDEC to enforce the standards adopted by these authorities; therefore, the department will need additional positions to meet such enforcement requirements, including the conduct of inspections, assessment of penalties and damages, collection and management of fees, and track and manage the unique rules passed by local authorities.
- Based on information provided by the TDEC, it will take a minimum of two years for rulemaking to establish policies and procedures, including the establishment of a fee system to help pay for this new enforcement requirement.
- It is assumed that these positions will be hired on July 1, 2025, or in FY25-26.
- The department would require 16 environmental scientist-2 positions, three environmental scientist-3 positions, three environmental consultant-1 positions, one environmental manager-3 position, one administrative assistant-2 positions, and one associate counsel.
- There will be an increase in state expenditures of \$2,194,425 (\$1,658,555 salaries + \$458,670 benefits + \$47,200 travel and supplies + \$30,000 computers) in FY25-26.
- There will be an increase in state expenditures of \$2,164,425 (\$1,658,555 salaries + \$458,670 benefits + \$47,200 travel and supplies) in FY26-27 and subsequent years.
- It is assumed that the TDEC will establish a fee schedule appropriate to cover the aforementioned expenditures; however, it is assumed that revenue from such fees will not be collected until FY25-26.
- There will be an increase in state revenue in FY25-26 and subsequent years of approximately \$2,164,421 to fund the provisions of this legislation.
- This legislation establishes a new civil penalty of \$5,000, for any person, including a landfill owner, landfill operator, or disposal hauling company, who fails to comply with a region's or authority's restriction on out-of-region solid waste.

- The number of such civil penalties that will be assessed and paid to the local government as a result of this legislation is unknown. However, it is assumed that any increase in local revenue from collection of additional civil penalties will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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