

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 361 - SB 417

February 24, 2019

SUMMARY OF BILL: Prohibits the construction or expansion of a landfill for the disposal of solid or hazardous waste within five miles of a residence. Requires the Department of Environment and Conservation (TDEC) to coordinate a meeting between interested persons and a permittee within 30 days of being petitioned by 10 or more affected persons after a permittee is found to be in violation of specified state laws.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$51,400/Environmental Protection Fund
\$14,500/General Fund**

Other Fiscal Impact – To the extent the proposed legislation results in closures of landfills in the state, the Solid Waste Management Fund would experience a decrease in revenue of \$283,000 in FY20-21. Such decrease would increase at accelerating rates over the following 25 years.

Assumptions:

- The Division of Solid Waste Management, the Division of Radiological Health, the Division of Air Pollution Control, and the Division of Water Resources are assumed to be impacted by the meeting requirements of the proposed legislation.
- The level of a violation that would trigger a meeting and the number of such meetings that will occur in any given year are unknown. Based on information provided by TDEC, it is assumed that there will be 111 additional meetings held each year across the affected divisions.
- Total expenditures associated with each meeting are estimated to average \$593.
- The recurring increase in state expenditures is estimated to be \$65,823 (111 meetings x \$593 per meeting). Of this amount, \$51,370 will be a recurring increase to the Environmental Protection Fund, and \$14,453 will be a recurring increase to the General Fund.
- The amount of available land in the state that is not within five miles of a residence is very limited. As a result, it would be very unlikely a new landfill could be constructed or an existing one expanded upon passage of this legislation.
- At current disposal rates, Tennessee has approximately 25 years of permitted landfill capacity. The proposed legislation could lead to closure of landfills over a period of 25

years as landfills would stop accepting waste due to the established expansionary prohibition. Increases in population could accelerate any such landfill closures, while increases in waste diversion practices and exporting of waste could decelerate them.

- TDEC receives permit fees from landfills and surcharge revenue from landfill disposal.
- If such closures were to occur as a result of this legislation, based on information provided by TDEC, the resulting decrease in permit and surcharge fee revenue to the Solid Waste Management Fund is estimated to be approximately \$283,000 in FY20-21. Such decrease would increase at an accelerated rate over the following 25 years.

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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