F I S C A L   I M P A C T   R E P O R T

SPONSOR:	Taylor, TC	DATE TYPED:	03/15/01	HB 533/aSPAC
SHORT TITLE:	Nondomestic Waste Disposal			SB
		ANALYST:	Belmares	

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Department of Environment (DOE)
Energy, Minerals and Natural Resources Department (Oil Conservation Division)
Department of Health (DOH)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment adds petroleum-contaminated soils from oil and gas fields to the list of waste not included as "nondomestic waste." The amendment allows for acceptance (by a solid waste facility operator) of such wastes in cases of emergency as declared by the director of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department. The amendment would also require solid waste facility operators proposing to accept nondomestic waste to comply with all solid waste regulations regarding testing, manifesting, inspections, and record keeping.

Synopsis of Original Bill

House Bill 533 would amend the Solid Waste Act to allow solid waste facilities to accept for disposal certain nondomestic waste associated with the exploration, development, production, transportation, storage, treatment or refinement of crude oil, natural gas, carbon dioxide gas or geothermal energy. The waste could only be accepted with the approval of the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department and only if the waste otherwise meets the requirements of the Solid Waste Act applicable to the solid waste facility. House Bill 533 includes an emergency clause.

Significant Issues

The Solid Waste Act currently excludes nondomestic oil, gas and geothermal waste from the definition of solid waste. Additionally, the Solid Waste Act presently reserves authority to OCD to regulate nondomestic waste associated with exploration, development, production, transportation, storage, treatment or refinement of crude oil, natural gas, carbon dioxide gas or geothermal energy. Pursuant to this authority and pursuant to authority granted by the Oil and Gas Act, OCD issues permits for disposal of such waste. Such waste had been accepted at several solid waste landfills with the concurrence of the Department of Environment and OCD until December 2000.

The Secretary of the Department of Environment, in the final order resulting from an adjudicatory hearing involving a permit modification application to accept such waste, found that such waste cannot be accepted at solid waste facilities. Following the Secretary's final order on December 18, 2000, solid waste facilities were advised to not accept nondomestic oil, gas and geothermal waste. There are only two facilities permitted by the Oil Conservation Division to accept such wastes. The change resulting from the Secretary's final order left numerous companies involved in oil and gas production without suitable alternatives for waste disposal.

Much of the nondomestic oil, gas and geothermal waste is similar to industrial waste that is currently disposed in solid waste landfills. The Department of Environment has indicated the disposal of such wastes in solid waste facilities is not an environmental issue.

House Bill 533 removes the statutory barrier which currently prevents disposal of nondomestic oil, gas and geothermal wastes, while maintaining the Oil Conservation Division's regulatory oversight of such wastes.

ADMINISTRATIVE IMPLICATIONS

House Bill 533 would require coordination between the Department of Environment and OCD regarding nondomestic oil, gas and geothermal waste. House Bill 533 would have minimal administrative impact since the agencies have already been coordinating on such issues for several years.

EB/ar