

SUBJECT: Used oil registration and reporting requirements

COMMITTEE: Environmental Regulation — committee substitute recommended

VOTE: 8 ayes — Chisum, Jackson, Dukes, Hirschi, Howard, Kuempel, Puente, Talton
0 nays
1 absent — Allen

WITNESSES: For — Wade Stansell, Association of Electric Companies of Texas
Against — None
On — Debra Bohl, Texas Natural Resource Conservation Commission

BACKGROUND : Used oil handlers — businesses that transport, market, or process used oil — must register every two years with the Texas Natural Resource Conservation Commission (TNRCC) and report annually the quantity and sources of used oil, the date received, and the destination or end use of the oil. In order to become a used oil handler, a business must be familiar with state laws and rules regarding used oil and provide proof of liability insurance or evidence of financial responsibility for any liability that could occur while transporting, marketing, or processing used oil.

DIGEST: CSHB 3221 would make used oil handlers subject to a one-time registration requirement and eliminate annual reporting requirements. The bill also would exempt from liability insurance requirements used oil generators, regardless of whether they would otherwise be used oil handlers, and entities under common ownership with a used oil generator.

Used oil processors and re-refiners would have to report the quantity of oil accepted and the process used for processing or re-refining to the TNRCC by December 1 of odd-numbered years.

The bill would take effect September 1, 1997.

SUPPORTERS SAY: CSHB 3221 would make state law concerning used oil handling consistent with federal law and eliminate for businesses the burden of having to operate under requirements that exceed federal provisions. The bill would not adversely affect the safety of used oil handling or generation because it would simply make conforming changes to the statute. It would not expose the state to liability, because accidents with used oil would be covered by a business' general liability insurance or its self-insurance program.

OPPONENTS SAY: CSHB 3221 could expose the state to liability to pay for the clean-up of oil spill disasters caused by used oil handlers and generators that did not have liability insurance. It also would relax state registration requirements and make it more difficult for TNRCC to regulate used oil handlers. The commission developed rules to fit conditions and problems in Texas; the federal provisions are broadly drafted and do not address special needs and circumstances in different regions. Abdicating state rules in favor of federal standards would go against the trend toward local control over local issues.

NOTES: The committee substitute changed the reporting date deadline from March 1 to December and deleted language that proof of liability insurance would have to be consistent with federal standards.

A very similar bill, SB 1150 by Nixon, was passed by the Senate on the Senate Local and Uncontested Calendar on May 1 and has been referred to the House Environmental Regulation Committee.