

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 28, 2003

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1039 by Van de Putte (relating to fuel cell demonstration and deployment for electric generation.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1039, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from APPROPRIATED RECEIPTS 666
2004	\$63,257
2005	\$63,257
2006	\$63,257
2007	\$63,257
2008	\$63,257

Fiscal Analysis

The bill would provide for the Texas Council on Environmental Technology (TCET) to charge grant recipients a fee of up to five percent of the amount of a grant to cover administrative costs in managing grants and tracking the progress of projects.

The bill also would provide that projects involving fuel cells, catalysts, and fuel additives are eligible for TCET grant funding. It would also direct the TCET to appoint an advisory council on fuel cell power plant technology and provide legislative recommendations on the commercialization of advanced environmental technologies.

The bill also would exempt the sale of fuel cell power plants from sales and use taxes.

Methodology

Assuming the TCET would assess the five percent fee authorized by the bill on all grants, and based on expected available grant funding in 2004 of \$1.3 million, it is anticipated that \$63,257 in new Appropriated Receipts revenues would be generated to reimburse the agency for administrative costs. It is expected that this additional funding would replace current administrative funding for the TCET, thereby making an additional \$63,257 available for grant funding each year. It is not expected that the agency's overall administrative budget would increase since there is a statutory limit of \$250,000 for TCET administrative costs.

No significant fiscal implications are expected as a result of the bill's provisions regarding the following: the expansion of items eligible for TCET grant funding; the establishment of an advisory council on fuel cell additives; provisions requiring TCET to provide legislative recommendations on the commercialization of advanced environmental technologies; or the exemption of the sale of fuel cell power plants from sales and use taxes.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 369 Council on Environmental Technology, 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality

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