

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 3, 2005**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB965** by Haggerty (Relating to a prohibition on the regulation of emissions from certain residential water heaters.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would require the Texas Commission on Environmental Quality (TCEQ) to complete a study by December 31, 2005 regarding the economic feasibility of regulating residential water heaters. If TCEQ finds that the regulation of water heaters is infeasible, the executive director shall recommend to the commission that the rules concerning water heaters be repealed and shall propose emissions reductions to offset the loss of state implementation plan credits currently received for water heaters.

**Local Government Impact**

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

**Source Agencies:** 582 Commission on Environmental Quality

**LBB Staff:** JOB, SD, WK, ZS, TL