

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 7, 2005

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

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

IN RE: SB484 by Barrientos (Relating to restrictions on the imposition of the operating permit fee under the Clean Air Act.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would increase the existing cap on the number of tons of air pollution for which an entity is assessed an emissions fee by the Texas Commission on Environmental Quality (TCEQ). The cap, currently at 4,000 tons, would be increased to 8,000 tons. The bill also would require the TCEQ to examine whether the current fee rate would need to be reduced due to additional revenue being generated by the increase in the cap.

Upon passage of the bill, if the TCEQ would not change the air emissions fee rate, an additional \$6.1 million in new revenue would be generated and deposited to the credit of the Operating Permit Fee Account No. 5094. However, this estimate assumes that the agency currently collects sufficient revenue for its operating permit program, and the TCEQ would therefore decrease the fee rate to a level that would generate approximately the same amount of revenue per fiscal year as is being collected currently.

Local Government Impact

A local government that emits more than 4,000 tons of air contaminants per year would experience an increase in its annual operating permit fee cost. The increase is expected to be less than \$120,000 per year for the largest sources of air contaminants.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL