

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 1, 2007**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Environmental Regulation

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

**IN RE: HB2320** by Gallego (Relating to a temporary moratorium on authorizations for certain coal-fired electric generating facilities.), **As Introduced**

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

The bill would place a two-year moratorium on authorizations for new or modified coal-fired electric generating facilities (EGFs). The bill would exclude from the moratorium construction of EGFs that would use integrated gasification combined cycle technology. The Texas Commission on Environmental Quality (TCEQ) would be prohibited from accepting or issuing permits for new or modified EGFs using technology currently permitted for two years starting with the enactment of the bill or September 1, 2007 if it does not receive two-thirds vote of both houses.

Because the moratorium would be temporary, the TCEQ expects that the bill would have limited effect on the agency. There may be some impact to fee revenue. The TCEQ reports that 12 proposed coal fired EGFs have already submitted their permits and paid their fees, the maximum of which is \$75,000. The bill could result in a revenue loss if additional EGFs that would have otherwise applied for permits were pre-empted from doing so during the 2008-09 biennium as a result of the bill's passage. The revenue loss would depend on the number of such applicants that would be affected by the bill. This estimate assumes that the majority of applicants have already applied; thus, the revenue loss is not expected to be significant.

**Local Government Impact**

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

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

**LBB Staff:** JOB, WK, TL, KJG