

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: SB1177 by Brimer (Relating to a pilot test of an advanced control technology for the reduction of nitrogen oxides emissions.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1177, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>CLEAN AIR ACCOUNT</i> 151
2008	(\$750,000)
2009	\$0
2010	\$0
2011	\$0
2012	\$0

Fiscal Analysis

The bill would require the Texas Commission on Environmental Quality (TCEQ) to select a cement kiln stack for pilot testing of Selective Catalytic Reduction (SCR) technology. The agency would be required to conduct, supervise, and monitor a pilot study of SCR and report the results to the Legislature by January 1, 2009.

Methodology

This estimate assumes that the TCEQ would contract with the Energy and Environmental Research Center (EERC) in North Dakota because a testing unit is available there. The cost of a contract with EERC is estimated at \$750,000. This estimate assumes that the TCEQ would enter into a contract with the EERC for fiscal year 2008, with the agency developing the required report in the first months of

fiscal year 2009, and that contract costs would be paid out of the General Revenue-Dedicated Clean Air Account No. 151. This estimate also assumes that TCEQ staff and operating costs related to the pilot program would be absorbed within the agency's existing budget.

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, ZS, TL