

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 26, 2007

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

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

IN RE: SB1672 by Averitt (Relating to nitrogen oxide allowance allocation adjustments and the incorporation of modifications to federal rules under the state implementation plan.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would adjust the dates of the control periods for nitrogen oxide (NO_x) allocations specified by current Commission on Environmental Quality rules to allow for incorporation of the Federal Clean Air Interstate Rule (CAIR) and the Clean Air Mercury Rule (CAMR) to dates that meet the current requirements of federal regulations. This will allow the state to have requirements that are consistent with federal requirements and to submit an approvable state implementation plan (SIP) to U.S. Environmental Protection Agency (EPA).

The TCEQ would be required to do rulemaking; however, associated costs are not expected to be significant. Failure to prove attainment to the EPA through the SIP, however, could result in negative fiscal implications to the state in future years since Federal Funds can be withheld if the state does not have an approved SIP.

Local Government Impact

There would be no significant costs to local governments associated with passage of the bill. However, failure to prove attainment to the EPA through the SIP, however, could result in negative fiscal implications to local governments in future years since Federal Funds can be withheld if the state does not have an approved SIP.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL