

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**May 14, 2007**

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

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

**IN RE: SB1687** by Watson (Relating to emission reduction strategies for greenhouse gases.), **As Engrossed**

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

The bill would require the Texas Commission on Environmental Quality (TCEQ) to identify emission reduction strategies for greenhouse gases (including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride) in the state and submit a report to the Legislature no later than December 31, 2008. The report would identify strategies that may result in net savings for consumers or businesses in the state and that could be achieved without financial cost to consumers or businesses in the state. The TCEQ would be required to consider the total net costs over the course of the strategy as opposed to the short-term capital costs and reduction strategies implemented by other states and nations. The TCEQ could appoint advisory committees to assist in identifying and evaluating greenhouse gas emission reduction strategies.

Although there would be some costs to the TCEQ in identifying emission reduction strategies for green house gases, as well as costs associated with conducting cost analyses and preparing a report for the Legislature, this estimate assumes that such costs would not be significant and could be absorbed within existing agency appropriations. This estimate also assumes that advisory committee expertise would be available from state, federal, or industrial experts and that any committee costs incurred by these individuals would be paid by the organizations that employ them. The TCEQ's cost for miscellaneous committee expenses would be minimal and also would be paid out of existing appropriations.

**Local Government Impact**

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

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

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