

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

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

**April 18, 2007**

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

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

**IN RE: SB1771** by Watson (Relating to the duties of the Texas Commission on Environmental Quality related to the state implementation plan for national ambient air quality standards.),  
**As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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If the administrator of the US Environmental Protection Agency would determine that the state implementation plan (SIP) for air quality is insufficient as it relates in any area to the federal eight-hour ozone standard, or if the Texas Commission on Environmental Quality (TCEQ) would determine that greater reductions of nitrogen oxides (NOx) emissions in any area are needed beyond what is in the eight-hour ozone SIP, the bill would require the TCEQ to adopt rules that would require all technically feasible reductions of NOx emissions from solid-fueled electric generating units that are permitted or constructed after January 1, 2007 and have nitrogen oxide (NOx) emission rates that exceed 0.019 pounds per million British thermal units (lb/MMBtu).

The bill is not expected to have any significant fiscal impact to the TCEQ.

**Local Government Impact**

House Bill 1771 could have fiscal implications for local governments that would choose to construct solid fueled electric generating units. Additional costs could be incurred in meeting the emission standards proposed by the bill, which are stricter than those contained in current TCEQ rules.

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

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