

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

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

**April 16, 2007**

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

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

**IN RE: SB1785** by Averitt (Relating to implementing ultraclean energy projects in this state.), **As Introduced**

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| <b>No significant fiscal implication to the State is anticipated.</b> |
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The bill would provide incentives for the use of clean coal technology by offering tax abatements and expedited permit processing for ultraclean energy projects. The bill would require the Texas Commission on Environmental Quality (TCEQ) to issue or deny a permit for an ultra clean energy project within one year after receiving an administratively complete permit application. The bill also would require the TCEQ to include all elements of modern coal fired Electric Generating Facilities (EGFs) in the list of equipment eligible for property tax abatements. The bill would make ultraclean energy projects eligible for limitations on appraised value for tax purposes.

The bill is not expected to have a significant impact on TCEQ workload.

Passage of the bill could result in some loss in future tax revenue increases due to the bill's provision of tax abatements on clean coal technology plants. The loss would depend on the number of clean coal EGFs that would take advantage of the tax abatements afforded by the bill and the value of each such EGFs.

**Local Government Impact**

Local taxing entities could forgo tax revenue increases they might otherwise realize absent the bill's tax abatement provisions. The loss would depend on the number of clean coal technology EGFs that would locate in a political subdivision and the assessed value of such entites.

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

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