

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 5, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

IN RE: HB3699 by Isett (Relating to eligibility for and the effect for school finance purposes of the ad valorem tax exemption for pollution control property and the adjustment of the rollback tax rate of a taxing unit to compensate for the costs of compliance with pollution control requirements.), **Committee Report 1st House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend the Tax Code to require the Texas Commission on Environmental Quality to include in their list of facilities, devices, or methods for the control of pollution that qualify for the pollution-control exemption, property used for transportation of carbon dioxide from an anthropogenic (human-produced) source in this state that is geologically sequestered in this state.

Current law restricts an exemption for carbon dioxide pollution control property to property affected by a final U.S. Environmental Protection Agency rule or regulation regulating carbon dioxide as a pollutant. The bill would broaden this language by including similar rules or regulations issued by the state or federal government.

The exemption and adjustment to the rollback rate would only apply to property placed in service after September 1, 2009.

The bill would only clarify existing law.

The bill would take effect January 1, 2010.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

LBB Staff: JOB, MN, SD, SJS