

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 23, 2009

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

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

IN RE: SB126 by Ellis (Relating to a temporary moratorium on authorizations for certain coal-fired electric generating facilities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would place a two-year moratorium on the issuance of a permit, the renewal of a permit, or the amendment of a permit by the Texas Commission on Environmental Quality for new or modified coal-fired electric generating facilities (EGFs), unless the EGF captures or sequesters carbon dioxide. The moratorium on permit issuance or renewal would also apply to applications that are pending on the effective date of the bill, which would be immediate if the bill receives two-thirds vote of both houses or on September 1, 2009 if not.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Local governments expecting to build or modify coal-fired EFGs could be affected. The costs to local entities resulting from permit delays would depend on whether an entity has a permit pending on the effective date of the bill or whether an entity would have expected to submit an application during the moratorium.

Local governments that would otherwise experience property tax revenue gains as a result of construction of a coal-fired EFG within their jurisdiction could see delays or forgo such revenues all together if an entity decided to abandon a project completely. The loss of revenue would depend on the value of the plant that would otherwise have been constructed, the entity's taxing rate, and whether any tax abatements would have been applied to the plant.

Source Agencies: 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality

LBB Staff: JOB, WK, TL, TP