

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 6, 2009**

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

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

**IN RE: SB760** by Davis, Wendy (Relating to a pilot test of an advanced control technology for the reduction of nitrogen oxides emissions.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB760, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from <i>Clean Air Account</i> 151</b>
2010	(\$750,000)
2011	(\$250,000)
2012	\$0
2013	\$0
2014	\$0

**Fiscal Analysis**

The bill would require the Texas Commission on Environmental Quality (TCEQ) to conduct a pilot test of an "advanced" nitrogen oxide (NOx) control technology and selective catalytic reduction (SCR) technology on one cement kiln in a nonattainment or near nonattainment area.

**Methodology**

Assuming the TCEQ would use a contractor to conduct the pilot test for NOx control technology and SCR technology and that a cement kiln owner would volunteer to participate in the pilot test, it is estimated that the study costs would total \$1.0 million and be spread out over a two-year period--\$750,000 in fiscal year 2010 and \$250,000 in fiscal year 2011--and be paid out of the General Revenue-Dedicated Clean Air Account No. 151. The actual cost would depend on the length of data

collection and the complexity of the SCR design installation. This estimate assumes that the TCEQ would use existing resources to oversee contract performance and produce a report on the pilot test.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JOB, ZS, TL, SD