

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 8, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4049 by Lopez, Janie (Relating to the tracking of greenhouse gas emissions; creating a civil penalty.), **As Introduced**

The fiscal implications of the bill cannot be determined because the number of entities that would be subject to, or in violation of, prohibited greenhouse gas emissions tracking are unknown at this time. The number of entities subject to the new civil penalty outlined in the bill, and the number of potential suits that would be instituted to recover penalties, are also unknown at this time.

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

The bill would amend Health and Safety Code to prohibit companies from tracking its greenhouse gas emissions except as required by federal law. The bill would further prohibit any entity from penalizing, or threatening to penalize, any company from refusing to track greenhouse gas emissions. Any company or entity in violation of these provisions would be subject to a civil penalty equal to the great of \$10,000 or twice the amount the company expended on greenhouse gas emissions tracking. At the request of the Texas Commission on Environmental Quality (TCEQ), the Office of the Attorney General (OAG) must bring suit to recover these penalties if necessary.

According to the Comptroller of Public Accounts (CPA), the revenue implications cannot be determined because the number of entities that would be subject to, or in violation of, prohibited greenhouse gas emissions tracking and the new civil penalty outlined in the bill as well as the number of enforcement actions that would be taken are unknown at this time.

According to the OAG, the number of potential suits instituted to recover penalties if necessary is unknown at this time.

According to the Office of Court Administration (OCA), the fiscal impact on the state court system resulting from any suits is unknown at this time but is not anticipated to be significant.

According to the CPA, OAG, OCA, and TCEQ, it is assumed that any costs associated with the bill could be absorbed using existing resources.

The bill would take effect on September 1, 2025, and would only apply to an expenditure of resources by a company initiated on or after this date.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

LBB Staff: JMc, WP, MW, AJL