

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 7, 2003

TO: Honorable George "Buddy" West, Chair, House Committee on Energy Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1192 by West, George "Buddy" (Relating to the purchase of vehicles using alternative fuels by the Railroad Commission of Texas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1192, As Introduced: a positive impact of \$110,720 through the biennium ending August 31, 2005.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$76,120
2005	\$34,600
2006	\$31,140
2007	\$31,140
2008	\$31,140

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from GENERAL REVENUE FUND 1	Probable Savings from OIL-FIELD CLEANUP ACCT 145	Probable Savings from FEDERAL FUNDS 555
2004	\$76,120	\$96,880	\$13,840
2005	\$34,600	\$31,140	\$6,920
2006	\$31,140	\$38,060	\$6,920
2007	\$31,140	\$38,060	\$6,920
2008	\$31,140	\$38,060	\$6,920

Fiscal Analysis

The bill would exempt the Railroad Commission from being required to buy and use alternative-fueled vehicles unless the vehicles were for use in an area designated as a nonattainment area for federal air quality standards.

Methodology

Under current law, the Railroad Commission is required to maintain a fleet with 50 percent alternative-fueled vehicles. The Railroad Commission would be expected to realize savings as a result of the bill's passage, since it would be allowed to purchase conventional-fueled vehicles which cost less than alternative-fueled vehicles. The savings amounts shown above reflect the following

assumptions: since 16 percent of the agency's vehicles are for nonattainment areas, 50 percent of these (or 8 percent of total Commission vehicle purchases) would continue to be alternative-fueled vehicles. The remaining 92 percent (42 percent more than under current law) would be conventional fueled vehicles.

The breakdown of projected savings by method of financing is based on the Railroad Commission's expected allocation of new vehicles by agency program. The estimate assumes the agency would receive all funding for vehicles included in its Building Block request for 2004-05.

It should be noted that there are 25 counties in Texas classified as near-nonattainment areas. If any of these counties would become nonattainment areas prior to the end of fiscal year 2008, the savings amounts in this estimate could be reduced, depending on the number of counties designated as nonattainment and the number of vehicles the agency would purchase for use in those areas.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: JK, CL, MS, TL