

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 26, 2005

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB3469 by Hochberg (Relating to the establishment of a program to provide grants to be used to reduce emissions of diesel exhaust from school buses and to the use of the Texas emissions reduction plan to fund the program.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would establish a clean school bus program within the Texas Emissions Reduction Plan (TERP) program operated by the Texas Commission on Environmental Quality (TCEQ). The bill would provide for up to 4 percent of the 87.5 percent of TERP Account No. 5071 funds currently used for diesel emissions reduction incentive grants to be used for grants for the clean school bus program. The bill would provide that money be allocated to the clean school bus program only if the money is available after being used to achieve emissions reductions objectives in the state implementation plan (SIP) for air quality or if revenues to the TERP Account No. 5071 are received in excess of the Comptroller's Biennial Revenue Estimate. Since it is not anticipated that excess funds will be available after achieving emissions reductions objectives in the SIP or that revenues would exceed the BRE, this estimate does not assume that a significant amount of funds would be available for the clean school bus program.

Any administrative costs to the TCEQ could be absorbed using existing agency resources.

Local Government Impact

Local school districts, regional planning commissions, and councils of government could expect increased revenues, if a district would apply for an receive a Texas Clean School Bus program grant. Based on expected TERP Account No. 5071 in fiscal year 2006, up to approximately \$1.7 million each fiscal year could go to school districts throughout the state for projects aimed at reducing emissions from school bus engines, assuming the needs of the state implementation plan were met using remaining TERP Account No. 5071 funds.

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

LBB Staff: JOB, SD, DLBa, WK, ZS, TL