

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 26, 2007

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

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

IN RE: SB529 by Watson (Relating to the clean school bus program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would eliminate an existing four percent limit on the amount of General Revenue-Dedicated Texas Emissions Reduction Plan (TERP) Account No. 5071 funding that can be used for the Clean School Bus Program administered by the Texas Commission on Environmental Quality (TCEQ); however, it would leave in place a 10 percent limit on the amount of TERP funds that can be used for purchase or lease incentives of qualifying on-road diesel vehicles, which includes most school buses. The bill would also specify the types of projects that can be considered for school bus modification or replacement and specify a preference for closed crankcase filtration systems and diesel particulate filters. Furthermore, the bill would require the TCEQ to consult with the Texas Education Agency to determine reasonable replacement schedules for school buses, and it would limit the amount of grants to replace eligible school buses to 50% of replacement costs. The bill would also allow the TCEQ to adopt guidelines to allow a regional education service center to apply for and receive Clean School Bus Program grants.

This estimate assumes that costs to handle increased interest in the Clean School Bus Program and to implement other provisions of the bill could be reasonably absorbed using existing appropriations to the TCEQ from the General Revenue-Dedicated TERP Account No. 5071 and the General Revenue-Dedicated Clean Air Account No. 151.

Local Government Impact

Local governments could experience a positive impact as a result of passage of the bill because of the bill's provision eliminating the four percent cap on TERP Account No. 5071 funding for the Clean School Bus Program. The impact would vary by district, and it would depend on the amount of additional funding the TCEQ would allocate to the program.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality, 701 Central Education Agency, 712 Texas Engineering Experiment Station

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