

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 18, 2009

TO: Honorable Byron Cook, Chair, House Committee on Environmental Regulation

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

IN RE: HB1171 by Martinez, "Mando" (Relating to the addition of certain counties to the Texas Emissions Reduction Plan.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1171, 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:

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

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>Texas Emissions Reduction Plan</i> 5071	Probable Savings/(Cost) from <i>Texas Emissions Reduction Plan</i> 5071
2010	\$3,887,890	(\$3,887,890)
2011	\$3,887,890	(\$3,887,890)
2012	\$3,887,890	(\$3,887,890)
2013	\$3,887,890	(\$3,887,890)
2014	\$3,887,890	(\$3,887,890)

Fiscal Analysis

The bill would add four counties to the list of affected counties eligible for Texas Emissions Reduction Plan (TERP) grant funding. The counties added to the list include: Cameron, Hidalgo, Starr, and Willacy Counties. By adding these counties, projects in these areas could be eligible for TERP funding. In addition, the fees charged for a new or transferred vehicle title in these counties would increase from \$28 to \$33. The additional Funds would be deposited to the TERP Account No. 5071. The bill would take effect September 1, 2009.

Methodology

By adding those four counties to the list of counties affected by TERP, projects in those areas would be eligible for TERP grant funding. In addition, the fees imposed for a new or transferred vehicle title

in those counties would increase from \$28 to \$33. As a result, there would be an increase in revenue deposited to the state TERP Account No. 5071.

Based on information provided by the Texas Commission on Environmental Quality, administrative costs associated with implementing the bill could be absorbed within existing resources. It is assumed that administrative costs for the Texas Department of Transportation (TxDOT) could also be absorbed within existing resources.

Based on the number of vehicles registered in these counties, as provided by TxDOT, the additional \$5 per vehicle registered would result in an increase of almost \$3.9 million to the TERP account. This estimate does not include estimated increases in the number of vehicles registered or transferred into those counties.

This estimate assumes that the additional \$3.9 million per year in new revenues to the TERP Account No. 5071 would be appropriated to the TCEQ to provide additional TERP grant funding in the four counties added to the program.

Local Government Impact

Local governments in the counties added by the bill to the TERP program would be eligible to receive TERP grant funding; however, the fiscal impact is not expected to be significant since the government entities would compete with private entities for grant awards.

Source Agencies: 582 Commission on Environmental Quality, 601 Department of Transportation

LBB Staff: JOB, WK, ZS, DB, TL