

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 25, 2009

TO: Honorable Jim Keffer, Chair, House Committee on Energy Resources

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

IN RE: HB1731 by Pitts (Relating to money available for consumer incentive or rebate programs for alternatively fueled appliances or equipment.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Railroad Commission (RRC) to make available for consumer rebates related to alternative fuels any unexpended funds appropriated for rebates in the previous fiscal year from the General Revenue-Dedicated Alternative Fuels Research and Education (AFRED) Account No. 101. Under current law 50 percent of the annual revenue from Liquified Propane Gas (LPG) delivery fees deposited to the AFRED Account No. 101 must be spent administering the consumer incentive rebates program for purchasers of LPG fueled appliances and equipment. Additionally, not more than 50 percent of the funds within Account No. 101 may be used for rebates.

Because the RRC cannot predict what the exact annual amount of revenue that will be deposited to the AFTED Account No. 101 in an upcoming fiscal year, there are fiscal years where rebate program spending has been over or under the 50 percent requirement. The RRC reports that to meet the 50 percent requirement in any given year where the funds made available for rebates were not completely spent, the unused portion is carried forward and made available for rebates in the next year even if this amount exceeded the 50 percent statutory cap.

The bill would remove the statutory limit that funds useable for the rebate program be limited to not more than 50 percent of the funds available by allowing the Commission to make available for rebates during a fiscal year the entire amount of money made available for rebates during the preceding fiscal year that was not spent during the preceding fiscal year. The amount of money made available for rebates during the preceding fiscal year that had not been spent during the preceding fiscal year would not be counted in determining the limitation on the proportion of the fund usable for the rebate program during a fiscal year.

Because the bill would essentially not change the RRC's current practice significantly and because the amount of funds appropriated to the RRC would not be expected to change as a result of the bill's passage, no significant fiscal impact is expected.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

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