

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 19, 2009

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

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

IN RE: SB1425 by Williams (Relating to the creation of an alternative fuel program to be funded by the Texas emissions reduction plan fund.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would create a Texas Clean Fleet Program (CFP) to be administered by the Texas Commission on Environmental Quality (TCEQ). The CFP would provide for the conversion of diesel-powered or gasoline-powered vehicles to alternative fuel vehicles and the purchase of alternative-fuel vehicles, including hybrid-electric, compressed natural gas, liquefied natural gas, hydrogen, or other alternative fuel (propane, ethanol, or fuel mixtures with at least 85 percent methanol or ethanol) vehicles, to reduce exposure of the citizens living in nonattainment areas of the state.

The bill would require that 5 percent of funding from the 87.5 percent of the money available in the General Revenue-Dedicated Texas Emissions Reduction Plan (TERP) Account No. 5071 fund for the diesel emissions reduction incentive program be spent on the CFP.

Administration costs of the new CFP and costs of conducting the alternative fueling facilities are expected to be absorbed using existing TCEQ resources.

Local Government Impact

Local governments could experience a positive fiscal impact if they were able to obtain grant funding through the new CFP program created by the bill. The amount of funding such entities could receive would depend on the competitiveness of the entities' grant proposals.

Source Agencies: 582 Commission on Environmental Quality, 712 Texas Engineering Experiment Station

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