

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 8, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

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

IN RE: SB527 by Fraser (Relating to air monitors in Texas Commission on Environmental Quality Regions 3 and 4 to be funded through the Texas emissions reduction plan.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would direct that five percent of the 87.5 percent of funding in the General Revenue-Dedicated Texas Emissions Reduction Plan (TERP) Account No. 5071, administered by the Texas Commission on Environmental Quality, be used for the Texas Clean Fleet Program.

The bill also would require that a portion of the nine percent of the money in the TERP Account No. 5071 allocated to the New Technology Research and Development (NTRD) program be used for a new regional air monitoring program in TCEQ Regions 3 and 4. Under this provision, not less than \$3.0 million or more than \$7.0 million per year in fiscal years 2012 and 2013 and not less than \$1.0 million or more than \$3.0 million in subsequent years would be allocated to the new program. The program would be implemented through a nonprofit entity located in North Texas having representation from counties, municipalities, higher education institutions, and private sector interests across the area.

During the 2010-11 biennium, \$10.5 million per year was allocated to the NTRD program, a portion of which the bill seeks to allocate to the newly created regional air monitoring program. Although there is no funding for the NTRD program included in Senate Bill 1, As Introduced, this estimate assumes that \$3.0 to \$7.0 million of the \$56.0 million that is included annually for the Diesel Emissions Reduction Programs would be diverted to the regional air monitoring program created by the bill. In subsequent years, it is assumed that \$1.0 million to \$3.0 million in such funding would be diverted to the new program created by the bill.

The TCEQ reports that the regional air monitoring program would need to purchase an estimated 20 new air monitors to implement the provisions of the bill. The TCEQ also reports that each monitor would cost an estimated \$250,000 with \$100,000 in annual maintenance costs. The TCEQ reports that those monitors would be purchased over a five-year period. Therefore, it is likely that a significant portion of the funding allocated to the regional air monitoring program would be used for air monitor equipment costs.

No significant additional administrative costs to the TCEQ are expected as a result of the bill's enactment.

Local Government Impact

The allocation of the full authorized amount for the air monitoring program would reduce available funding for the other NTRD program grants. Because local governmental entities are not usually the recipients of the NTRD grant funding, no significant fiscal impact on local governments is anticipated.

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

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