

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 18, 2013

TO: Honorable Patricia Harless, Chair, House Committee On Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB114 by Raymond (Relating to voluntary emissions inspections in border counties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB114, As Introduced: a negative impact of (\$2,272,277) through the biennium ending August 31, 2015.

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
2014	(\$1,324,889)
2015	(\$947,388)
2016	(\$947,388)
2017	(\$947,388)
2018	(\$947,388)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Clean Air Account</i> 151
2014	(\$1,324,889)	(\$975,000)
2015	(\$947,388)	\$0
2016	(\$947,388)	\$0
2017	(\$947,388)	\$0
2018	(\$947,388)	\$0

Fiscal Year	Change in Number of State Employees from FY 2013
2014	12.5
2015	12.5
2016	12.5
2017	12.5
2018	12.5

Fiscal Analysis

The bill would require the Texas Commission on Environmental Quality (TCEQ) and the Department of Public Safety (DPS) to adopt rules to make voluntary vehicle emissions inspections available in Texas counties that are adjacent to Mexico. The TCEQ would be authorized to assess a reasonable fee to cover the costs of developing, administering, and evaluating the standards and procedures for the voluntary program. The TCEQ would have to determine, by rule, the portion of the fee that could be retained by an inspection facility owner, contractor, or operator to recover the cost of performing the inspection and provide for a reasonable margin of profit. The bill would become effective immediately upon receiving a two-thirds vote of both houses or on September 1, 2013.

Methodology

This estimate assumes that the 467 inspections stations located in counties adjacent to the border would chose to offer the option of emissions testing. This would include all counties along the border, except El Paso, which already participates in the emissions testing programs. Providing emissions testing in these counties would facilitate the export of vehicles into Mexico, since Mexico now requires vehicles imported there to have emissions testing documentation.

The TCEQ expects one-time costs of \$1.3 million in fiscal year 2014 only to modify the Texas Information Management System software and hardware, as well as software for additional vehicle emissions analyzers. This estimate assumes those costs would be paid out of the General Revenue-Dedicated Clean Air Account No. 151, the account to which the portion of Vehicle Emissions and Maintenance Fees revenues to cover TCEQ costs are deposited. No significant additional staff resources are expected to be needed at TCEQ.

It is estimated that the DPS would require 12.5 FTEs to implement the provisions of the bill. FTEs would be required to handle the additional inspection stations expected to come under DPS review and would be required to perform inspections of the emissions testing facilities, along with calibration audits on the emissions equipment Additional enforcement and administrative support staff, as well as indirect expenditures, would also be needed. For 2014, total costs to the DPS are estimated at \$1,324,889 and include start up costs. In future years, costs would total \$947,388. This estimate assumes that costs would be paid out of the General Revenue Fund.

Regarding revenue resulting from the bill, this estimate assumes that there would be no significant revenue to the state. According to the DPS, some vehicles that would have otherwise traveled to existing emissions testing areas of the state prior to exporting a vehicle to Mexico would, upon passage of the bill, have those tests done in the border counties instead. As such, it is not expected that the total number of vehicles having an emissions test in Texas and the fee revenue associated with such tests would increase significantly upon passage of the bill.

Technology

The TCEQ expects one-time costs of \$1.3 million in fiscal year 2014 to modify the Texas Information Management System software and hardware, as well as software for additional vehicle emissions analyzers

DPS estimates 2,181 hours, at \$40 an hour, will be needed to modify the website, update program applications and program content, modify information technology software applications, and training for support staff for a technology impact of \$87,240 in fiscal year 2014.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582 Commission on Environmental Quality

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