

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 2, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2499 by Smith (Relating to the use of Texas Emissions Reduction Plan funds for a drayage truck incentive program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2499, Committee Report 1st House, Substituted: an impact of \$0 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	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Texas Emissions Reduction Plan 5071
2014	(\$5,000,000)
2015	(\$5,000,000)
2016	(\$5,000,000)
2017	(\$5,000,000)
2018	(\$5,000,000)

Fiscal Analysis

The bill would make various changes to statute relating to the Texas Emissions Reduction Plan (TERP). In addition, it would establish a Drayage Truck Incentive Program (DTIP) within the TERP program. It would define "drayage activity" and "drayage truck," which would relate to

seaport-related transport. The Texas Commission on Environmental Quality (TCEQ) would develop the DTIP to encourage owners to replace drayage trucks with newer drayage trucks. The TCEQ would be required to develop a program to reduce emissions from the operation of drayage trucks, and the agency would be authorized to establish a maximum cost-effectiveness amount for the DTIP.

The bill would provide that not more than \$5,000,000 per fiscal year out of the General Revenue-Dedicated TERP Account No. 5071 could be used for the DTIP.

Methodology

This analysis assumes that current TERP expenditures for the various programs receiving TERP allocations would continue at 2012-13 levels, and that the legislature would appropriate an additional \$5.0 million per year out of the TERP Account No. 5071 for the newly-established DTIP. If no additional funds would be appropriated, then it is assumed that the TCEQ would allocate \$5.0 million in existing TERP funding for the DTIP program, and that the TCEQ would thus reduce by \$5.0 million the amount available for off-road heavy duty diesel truck and equipment grants.

The bill would require the TCEQ to adopt rules. In addition, the TCEQ would require additional staff resources to develop new program materials, conduct outreach and training, oversee implementation of the grant application and selection process, ensure that the contracting process is completed, and work with monitoring staff to ensure that the funded projects are monitored. This estimate assumes that such additional costs could be absorbed using existing agency resources.

Local Government Impact

Local governments that operate trucks at port and intermodal facilities, such as port authorities, could be eligible for a portion of the expected \$5.0 million in annual DTIP funding.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality, 712 Texas A&M Engineering Experiment Station

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