

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 14, 2013

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2859** by Harless (Relating to the amount of money authorized to be used for Clean Air Act local initiative projects related to vehicles.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2859, As Engrossed: 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 Clean Air Account 151	Probable Revenue Gain/(Loss) from LIRAP Counties
2014	(\$2,000,000)	\$2,000,000
2015	(\$2,000,000)	\$2,000,000
2016	(\$2,000,000)	\$2,000,000
2017	(\$2,000,000)	\$2,000,000
2018	(\$2,000,000)	\$2,000,000

Fiscal Analysis

The bill would increase the maximum funding allocation for the local initiatives projects (LIP) program administered by the Texas Commission on Environmental Quality (TCEQ), which is available to counties that participate in the low-income vehicle repair assistance, retrofit, and

accelerated vehicle retirement program (LIRAP), from \$5 million to \$7 million per year.

The bill would have an effective date of September 1, 2013.

**Methodology**

Current law (Health and Safety Code, Section 382.220 (d)) provides a \$5 million cap for the General Revenue-Dedicated Clean Air Account No. 151 for the LIP program. While the actual cost to the state in implementing the change proposed by the bill would depend on the amount that the 83rd Legislature would appropriate for the LIP program, this estimate assumes that if the legislature were to increase the maximum allocation for LIP from \$5 million to \$7 million that there would be a legislative intent to provide an additional 25 million in annual funding for local initiatives. If the legislature would decide to increase the maximum allocation for the LIP program and not provide any additional appropriations, there would be no cost.

No significant administrative costs to the TCEQ are expected as a result of the bill's passage. This estimate assumes that the TCEQ would be able to absorb any additional costs regardless of the level of appropriations for the LIP program, since the funds are effectively passed through to local governments.

**Local Government Impact**

Counties participating in the LIRAP program would be the direct recipients of any additional funding appropriated to the TCEQ for the LIP program as a result of the bill's passage. The amount any single local entity would receive would depend on the allocation the TCEQ would make to each county, which is expected to be in proportion to the revenue each county contributes to the LIRAP revenue stream.

**Source Agencies:** 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

**LBB Staff:** UP, SZ, ZS, TL