

BILL ANALYSIS

Senate Research Center
84R9839 JTS-D

C.S.S.B. 321
By: Hinojosa
Transportation
4/16/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 321 (1) increases funds available in State Highway Fund No. 6 for transportation use; and (2) decreases the large fund balance in the Texas Emissions Reduction Plan (TERP) account used to certify the budget.

TERP was established in 2001 by the 77th Legislature to reduce nitrogen oxides (NOx) and other emissions from heavy-duty on-road vehicles, non-road equipment, and school buses by providing grants and rebates for voluntary upgrades and replacements.

TERP, now in its 14th year, is achieving significant reductions in air emissions and has garnered the support of a diverse coalition of businesses, industries, local governments, environmental groups, and other stakeholders. However, revenues to TERP Account No. 5071 significantly exceed appropriations and a large fund balance exists in the account.

The comptroller of public accounts of the State of Texas estimated that the TERP Account No. 5071 balance available for certification for General Revenue Funds appropriations on August 31, 2015, will be approximately \$1.1 billion dollars, the highest amount in any General-Revenue-Dedicated account. Recommended appropriations and transfers from the account are expected to result in the unencumbered balance increasing to \$1.2 billion by the end of the 2016-2017 biennium.

To reduce this balance, S.B. 321 enacts an option provided in the Legislative Budget Board (LBB) GEER titled *Reduce Reliance on General Revenue-Dedicated Accounts for Certification*.

S.B. 321 amends statute to reduce future transfers from the State Highway Fund to TERP Account No. 5071 to an amount equal to the amount of motor vehicle certificates of title fees collected in non-attainment counties and deposited to the Texas Mobility Fund.

The LBB estimates that this would result in the redirection of \$159.8 million in revenues from TERP Account No. 5071 to State Highway Fund No. 6 during the 2016-2017 biennium.

This would result in the 2016-2017 estimated TERP Account No. 5071 revenue being reduced from \$450.8 million to an estimated \$291 million, with the ending TERP Account No. 5071 balance being reduced to \$549.4 million by the end of fiscal year 2017. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 321 amends current law relating to the amount of money transferred monthly from the state highway fund to the Texas emissions reduction plan fund.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 501.138(b-1) and (b-2), Transportation Code, as follows:

(b-1) Requires that fees to be sent to the comptroller of public accounts of the State of Texas (comptroller) collected under Subsection (b) be deposited to the credit of the Texas Mobility Fund (TMF). Deletes existing text requiring that \$5 of each fee imposed under Subsection (a)(1) and deposited on or after September 1, 2008, and before September 1, 2015, be deposited to the credit of the Texas emissions reduction plan fund.

(b-2) Requires the comptroller to establish a record of the amount of the fees deposited to the credit of TMF under Subsection (b-1) that are attributable to applicants described by Subsection (b)(3)(A) (requiring that the fees be distributed to the comptroller at the time and in the manner prescribed by the comptroller in the amount of \$20 of the fee if the applicant's residence is a county located within a nonattainment area or is an affected county). Requires the Texas Department of Transportation (TxDOT) to remit an amount of money equal to the amount of those fees deposited in the preceding month to the comptroller for deposit to the credit of the Texas emissions reduction plan fund on or before the fifth workday of each month. Requires TxDOT to use money in the state highway fund that is not required to be used for a purpose specified by Section 7-a (Revenues from Motor Vehicle Registration Fees and Taxes on Motor Fuels and Lubricants; Purposes for Which Used), Article VIII, Texas Constitution, for remittance to the comptroller as required by this subsection, and prohibits the use of that remittance money received by this state under the congestion mitigation and air quality improvement program established under 23 U.S.C. Section 149.

Deletes existing text defining the fees to be deposited as the fees deposited by the comptroller to the credit of the TMF under Subsection (b-1). Makes a nonsubstantive change.

SECTION 2. Makes application of Section 501.138(b-2), Transportation Code, as amended by this Act, prospective to October 1, 2015.

SECTION 3. Effective date: September 1, 2015.