

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

July 25, 2017

TO: Honorable Joseph Pickett, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB205 by Pickett (Relating to a review of the motor vehicle emissions inspection and maintenance program to vehicles of certain model years.), **As Introduced**

No significant fiscal implication to the State is anticipated to implement the provisions of the legislation. Depending on the determination made by TCEQ, the response from the Federal government on plan approval, and on subsequent TCEQ rulemaking, there could be a reduction to state revenues in future years.

The bill would amend Texas Health and Safety Code by adding Section 382.2031 which would instruct the Texas Commission on Environmental Quality (TCEQ) to identify the minimum motor vehicle inspection and maintenance program activities necessary to comply with the federal Clean Air Act, and to determine whether implementing these minimum activities would negatively affect air quality. If TCEQ determined that a negative impact on air quality would not result, TCEQ would be required to develop a state implementation plan (SIP) revision and necessary rules to account for the proposed changes to the inspection and maintenance program, and to submit these changes for approval by the United States Environmental Protection Agency (EPA). If approved by the EPA, TCEQ would be required to implement the plan and submit to the legislature a list of recommended statutory changes to facilitate the implementation. TCEQ and the Department of Public Safety (DPS) would be allowed to implement a program developed and approved under the provisions of the bill, and counties would be allowed to participate in implementing the program, notwithstanding another provisions of Texas Health and Safety Code, Chapter 382 or Texas Transportation Code, Chapter 548. The bill would take effect December 1, 2017.

Based on information provided by TCEQ, it is assumed that the development, proposal, and adoption of any necessary rulemaking and associated SIP revisions before submission to the EPA could be handled using existing resources.

The bill would result in an indeterminate fiscal impact if TCEQ should determine that certain vehicles should not be subject to the vehicle inspection and maintenance program under the provisions of the bill, develop a SIP revision and necessary rule changes, and the revision is approved by the EPA. Upon such approval, there would be an indeterminate revenue loss from the exemption of certain vehicle model years from inspection and an indeterminate savings to programs funded by the vehicle inspection and maintenance fee.

Assuming EPA approval and that implementation of provisions of bill would not lead to any violations of the Clean Air Act, no impact on Federal Funds is anticipated.

Local Government Impact

This analysis estimates that if TCEQ determined fewer vehicles should be subject to the inspection and maintenance program, there would be an indeterminate fiscal impact on the funding to counties from the Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP) and the Local Initiative Projects (LIP) program.

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

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