

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 17, 2017**

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

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

**IN RE: HB3393** by Pickett (Relating to the extension of fees and surcharges providing revenue to the Texas emissions reduction plan fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3393, As Introduced: an impact of \$0 through the biennium ending August 31, 2019.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue (Loss) from Texas Emissions Reduction Plan 5071</b>	<b>Probable Revenue Gain from State Highway Fund 6</b>
2018	(\$242,100,000)	\$145,410,000
2019	(\$244,281,000)	\$147,591,000
2020	\$0	\$0
2021	\$0	\$0
2022	\$0	\$0

## **Fiscal Analysis**

The bill would suspend revenue collections authorized by Texas Tax Code, Sections 151.0515 and 152.0215, and Texas Transportation Code, Sections 502.358 and 548.5055, to the General Revenue-Dedicated Texas Emission Reduction Plan Fund No. 5071 (TERP Fund) for a period beginning September 1, 2017, and ending August 31, 2025, provided the fee collection statute has not expired prior to that date. If the Texas Commission on Environmental Quality (TCEQ) and the Comptroller were to estimate that the balance in the TERP Fund at an amount that continued appropriations, transfers, and other deductions from the fund for the following state fiscal biennium at then-current levels would cause the balance to fall to an amount less than \$500,000,000, then the suspension period would terminate early, and the collection of the fees would resume beginning September 1 of the following state fiscal biennium, or as soon thereafter as is feasible. The bill would extend the expiration date of the revenue collections currently deposited to the TERP Fund to five years after the end of the biennium in which Texas attains the national ambient air quality standards for ground-level ozone.

The bill would amend Texas Transportation Code, Section 501.138 (b-1) to remove language authorizing the transfer of \$5 of the fees collected as a result of Section 501.138 to the TERP Fund if those fees were collected on or after September 1, 2008, and before September 1, 2015.

The bill would amend Texas Transportation Code, Section 501.138 by repealing the authorized transfer from the State Highway Fund (SHF) to the TERP Fund in an amount equal to the collection of fees authorized by Section 501.138 to the Texas Mobility Fund (TMF).

The bill would apply only to a fee or surcharge collected on or after the effective date of the bill. The bill would take effect September 1, 2017.

## **Methodology**

This estimate assumes that the suspension of revenue collections would not be interrupted before or during fiscal year 2022. Based on analysis by the Comptroller of Public Accounts (CPA), it is assumed that the revenue collected each fiscal year would total \$96,690,000. Under current law, this revenue collection would expire August 31, 2019; therefore, no fiscal impact is estimated in fiscal year 2020 and future fiscal years.

The transfer from the SHF to the TERP Fund is set to expire under current law on August 31, 2019; the bill would repeal statute authorizing this transfer, resulting in a revenue loss to the TERP Fund and a revenue gain in the SHF in fiscal years 2018 and 2019. Based on analysis by the CPA, the amount transferred would total \$145,410,000 in fiscal year 2018 and \$147,591,000 in fiscal year 2019. No fiscal impact is estimated in fiscal year 2020 and future fiscal years.

## **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, 601 Department of Transportation

**LBB Staff:** UP, SZ, MW, MSO, PM