

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION
Revision 1

March 29, 2017

TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1046 by Estes (Relating to sources of funding for the Texas emissions reduction plan.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for SB1046, 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:

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

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from Texas Emissions Reduction Plan 5071	Probable (Cost) from State Highway Fund 6
2018	\$0	\$0
2019	\$0	\$0
2020	\$244,286,000	(\$147,596,000)
2021	\$244,286,000	(\$147,596,000)
2022	\$244,286,000	(\$147,596,000)

Fiscal Analysis

The bill would amend Texas Tax Code, Sections 151.0515(d) and 152.0215(c), and Texas Transportation Code, Section 502.358(c) and 548.5055 to extend fees and surcharges providing

revenue to the General Revenue-Dedicated Texas Emissions Reduction Plan (TERP) Fund No. 5071 that are currently set to expire on August 31, 2019, to 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 to change the deposit, transfer activity, and expiration date of certain certificate of title fees related to TERP, the Texas Mobility Fund (TMF), and the State Highway Fund (SHF). Under current law, a fee of \$20 in nonattainment counties and affected counties, and a fee of \$15 in all other counties, is collected with a new or transfer certificate of vehicle title. The revenue from this fee is deposited to the TMF; an equivalent amount is transferred from non-constitutionally dedicated revenues in the SHF to the TERP Fund. The bill would require that the certificate of vehicle title fee revenue be deposited to the TERP fund, and an equivalent amount would be transferred from non-constitutionally dedicated revenues in the SHF to the TMF. The bill would extend the certificate of vehicle title fee transfer provisions from the current expiration date of August 31, 2019, to the end of the biennium in which Texas attains the national ambient air quality standards for ground-level ozone. The deposit of the vehicle title fee to the TERP Fund would expire at the end of the biennium in which Texas attains the national ambient air quality standards for ground-level ozone; current law does not include an expiration date for the deposit of the vehicle title fee to the TMF. Vehicle title fees collected on or after the last day of the biennium in which Texas attains the national ambient air quality standards for ground-level ozone would be deposited to the credit of the TMF.

The bill would take effect on September 1, 2017, only if Senate Bill 26, or similar legislation of the Eighty-fifth Legislature, Regular Session, 2017, that changes the expiration dates for the Texas Emissions Reduction Plan and certain programs funded under that plan is enacted; otherwise, the bill would have no effect.

Methodology

The bill would extend the revenues that are deposited to the TERP Fund. Under current law, these revenues would expire on August 31, 2019. Revenue collections deposited to the credit of the TERP Fund are estimated by the Comptroller to total \$96,690,000 each fiscal year. Under current law, these revenues would continue to be deposited to the credit of the TERP Fund until fiscal year 2020; therefore, no fiscal impact in fiscal years 2018 and 2019 is expected due to the bill extending revenue collections.

This revenue collection amount does not include the current transfer from non-constitutionally dedicated revenues in the SHF to the TERP Fund, which, under the provisions of the bill, would be deposited directly to the TERP Fund. The Comptroller estimates that this revenue would total \$147,596,000 each fiscal year from 2020-22. An equivalent amount would be transferred from non-constitutionally dedicated revenues in the SHF to the TMF each fiscal year. No fiscal impact in future fiscal years is estimated for the TMF, as current law directs the deposit of the vehicle title fee to the TMF in an amount equal to the bill's transfer provision from non-constitutionally dedicated revenues in the SHF to the TMF.

No fiscal impact is estimated for the TERP Fund due to the transfer provisions of the bill in fiscal years 2018 and 2019, as the same amount of revenue is expected to be deposited to the credit of the TERP Fund if the provisions of the bill were implemented. Similarly, no fiscal impact is estimated for the SHF in fiscal years 2018 and 2019, as the bill would only change the recipient of the transfer out of non-constitutionally dedicated revenues in the SHF, not the amount.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality, 601 Department of Transportation

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