

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 14, 2019

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1649 by Kuempel (Relating to the amount of and vehicles eligible for the light-duty motor vehicle purchase or lease incentive program.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1649, As Engrossed: an impact of \$0 through the biennium ending August 31, 2021.

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
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from State Highway Fund
	6
2020	\$563,000
2021	\$188,000
2022	\$563,000
2023	\$188,000
2024	\$563,000

Fiscal Analysis

The bill would amend the Health and Safety Code to include motorcycles as eligible for the light-duty motor vehicle purchase or lease incentive program which provides a \$2,500 incentive for the purchase or lease of an eligible light-duty motor vehicle. The bill would require recipients of an incentive to remit \$750 to the Controller for deposit to the State Highway Fund.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2019.

Methodology

Based on information provided by the Texas Commission on Environmental Quality, the number of electric vehicles under current law eligible to receive a \$2,500 incentive under the light-duty motor vehicle purchase or lease incentive program is limited to 2,000 per state fiscal biennium. Based on the analysis of the Comptroller of Public Accounts, it is assumed that 75 percent of all incentives would be awarded in the first year of each biennium and that 50 percent of all grant recipients will comply with the remittance requirements for deposit to the State Highway Fund.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature."

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

LBB Staff: WP, SZ, MW, GDz