

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 23, 2019**

**TO:** Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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

**IN RE: HB3745** by Bell, Cecil (Relating to the Texas emissions reduction plan fund and account.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3745, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2021; however, there would be an increase of \$537,821,000 in General Revenue-Dedicated Texas Emissions Reduction Plan No. 5071 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 <i>State Highway Fund</i> 6	Probable Revenue Gain/(Loss) from <i>Texas Emissions Reduction Plan</i> 5071
2020	(\$150,826,000)	\$265,295,000
2021	(\$152,334,000)	\$272,526,000
2022	\$0	\$0
2023	\$0	\$0
2024	\$0	\$0

## **Fiscal Analysis**

The bill would extend the sources of funding for the Texas Emissions Reduction Plan (TERP Fund), which are set to expire on August 31, 2019 under current law. The bill would amend the Tax Code to extend fee and surcharge revenues deposited to the credit of General Revenue-Dedicated Texas Emissions Reduction Plan Account No. 5071 (TERP Fund) until August 31, 2021.

The bill would amend the Transportation Code to continue the deposit to the credit of the TERP Fund from the State Highway Fund until August 31, 2021 in an amount equal to the amount deposited to the credit of the Texas Mobility Fund from Vehicle Title Fees.

The bill would take effect August 30, 2019.

## **Methodology**

Amounts reflected in the table above are based on revenue estimates provided by the Comptroller of Public Accounts for TERP Fund fees and surcharges and on Vehicle Title Fee revenue amounts deposited to the credit of the Texas Mobility Fund as reported in the Comptroller of Public Accounts Biennial Revenue Estimate.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated. The bill would require local and other governmental entities to continue paying the TERP fees relating to heavy-duty motor vehicle sales and use fees when purchasing or leasing heavy-duty vehicles and equipment.

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

**LBB Staff:** WP, SZ, MW, GDz, PM, TG, LCO