

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 6, 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: **SB1070** by Watson (Relating to local initiatives programs under the Texas Clean Air Act and the repeal of the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program; authorizing a fee.), **Committee Report 1st House, Substituted**

The bill would have an indeterminate fiscal impact to the State because the amount of funds that would be distributed each fiscal year to counties that previously participated in the former low-income vehicle repair, retrofit, and accelerated retirement program out of General Revenue-Dedicated Clean Air Account No. 151 (GR-D 151) is unknown. Based on information provided by the Texas Commission on Environmental Quality (TCEQ), the amount that could be appropriated for this purpose, or that TCEQ could elect to spend from GR-D 151 funds appropriated from other purposes, could total up to an estimated \$141.7 million through August 31, 2023.

The TCEQ is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the TCEQ may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

The bill would amend the Health and Safety Code to allow the commissioners court of a county to assess an additional fee not to exceed \$6 for a vehicle inspection. The bill would direct counties to retain revenue from this new fee in a separate account to be used only for the purposes described in the bill, including to develop and implement a local vehicle repair and replacement incentive program; develop and implement regional data collection efforts for air quality and multimodal transportation data to improve efficiency of transportation systems; and establish publicly accessible refueling infrastructure for alternatively fueled vehicles.

The bill would direct the Texas Commission on Environmental Quality (TCEQ) and Public Safety Commission to establish, by rule, and authorize the commissioners court of an affected county to implement local initiatives programs subject to agency oversight that may include periodic TCEQ audits. The bill would increase the maximum amounts towards the purchase of a replacement vehicle that could be awarded under a vehicle replacement program. Based on information provided by TCEQ and the Comptroller of Public Accounts, this analysis assumes there would be no revenue impact to the state associated with counties electing to participate in the local initiatives program and retaining the additional fee authorized by the bill.

The bill would abolish the low-income vehicle repair, retrofit, and accelerated retirement program (LIRAP). Based on information provided by TCEQ, this analysis assumes there would be no fiscal impact associated with abolishing LIRAP because no counties are currently participating in the program.

The bill would direct TCEQ to distribute available funds collected in General Revenue-Dedicated Clean Air Account No. 151 (GR-D 151) that were previously designated for LIRAP to counties that participated in the program. TCEQ would be required to distribute the funds in reasonable proportion to the amount of fees collected. The bill would authorize a county that would receive funds through this provision to use these funds only for the program authorized under the provisions of the bill. This provision would expire in fiscal year 2023.

Based on information provide by TCEQ, it is assumed that an estimated \$141,714,280 is available in GR-D 151 balances from collections previously designated for LIRAP. However, the fiscal impact for distributing these funds cannot be determined because the amount that would be distributed each fiscal year to counties that previously participated in LIRAP is unknown due to these funds either being subject to appropriation, or being determined by TCEQ to be spent for this purpose from other GR-D 151 appropriations.

Based on the analysis of TCEQ, it is assumed that TCEQ would be required to modify vehicle emissions analyzer software to align the safety inspection sequence to the items of inspection as provided in the bill for an estimated one-time cost of \$800,000 in fiscal year 2020.

This estimate assumes duties and responsibilities associated with implementing the remaining provisions of the bill could be absorbed using existing resources.

The bill would take effect September 1, 2019.

Local Government Impact

The local government impact cannot be determined because the number of counties that would elect to participate in a local initiatives program established by the bill and the amount of fee revenue that would be collected by those counties is unknown.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582 Commission on Environmental Quality, 601 Department of Transportation, 608 Department of Motor Vehicles

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