LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 27, 2021

TO: Honorable Brooks Landgraf, Chair, House Committee on Environmental Regulation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2136** by Thompson, Ed (Relating to marine vessel projects in the diesel emissions reduction incentive program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to permit the Texas Commission on Environmental Quality (TCEQ) to remove exemptions of marine vessels from the criteria that allows other Diesel Emission Reduction Incentive (DERI) project types to commit to a total percentage of annual use between 55 percent and 75 percent in the designated non-attainment areas and affected counties. The bill would set a minimum requirement of 25 percent of use in a designated area for the five years immediately following a grant award for a marine vessel or engine and expands the definition of an eligible area to include the waters of the Gulf of Mexico within 15 miles of the coast of the state.

Based on the analysis of the TCEQ, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be absorbed with existing resources.

Local Government Impact

According to TCEQ, local and other governmental entities applying to the DERI program using the lower percentage of hours of annual use in designated areas, or in areas non-adjacent to nonattainment areas or affected counties, may not meet the cost-effectiveness requirements set by TCEQ for the DERI program, may achieve fewer emission reductions, and so qualify only for lower grant amounts, or may become less competitive than other DERI projects.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JMc, AJL, MW, GDZ