

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 28, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2468** by Thompson, Ed (Relating to programs established and funded under the Texas emissions reduction plan.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Health and Safety Code to include the purchase, maintenance, upgrade, and operation of air monitoring equipment as an allowable grant for the Texas Emission Reduction Plan (TERP) and would specify that not more than \$10.0 million may be used by the Texas Commission on Environmental Quality for these grants. In addition, the bill would increase the amount of TERP funding that can be offered in grants to support air quality research from \$750,000 to \$1.0 million each fiscal year and the amount that may be used to conduct research and other activities necessary for demonstrations to the United State Environmental Protection Agency from \$2.5 million to \$5.0 million each fiscal year.

Enactment of House Bill 3745, Eighty-sixth Legislature, 2019 established the Texas Emission Reduction Plan Fund (TERP Fund) as a trust fund held by the Comptroller outside of the treasury and administered by the Texas Commission on Environmental Quality (TCEQ) effective with the beginning of fiscal year 2022. This fund will consist of revenues from fees, surcharges, and transfers previously deposited to the credit of General Revenue-Dedicated Texas Emissions Reduction Plan Account No. 5071 (Account No. 5071). Funds expended by TCEQ from this account are done so without legislative appropriation. This estimate assumes that any funds used by TCEQ to implement the bill's provisions would be expended from the TERP Fund and would not have a cost to the state.

Based on the analysis of the Texas Commission on Environmental Quality, it is assumed that all other duties and responsibilities associated with implementing the provisions of the bill could be accomplished utilizing existing resources.

**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

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