

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 21, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1263 by Birdwell (Relating to the Texas emissions reduction plan fund.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1263, Committee Report 1st House, Substituted : an impact of \$0 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) from State Highway Fund 6</i>	<i>Probable Revenue Gain/(Loss) from Texas Emission Reduction Plan Fund outside Treasury</i>
2022	\$103,303,000	(\$103,303,000)
2023	\$104,924,000	(\$104,924,000)
2024	\$106,544,000	(\$106,544,000)
2025	\$108,190,000	(\$108,190,000)
2026	\$109,861,000	(\$109,861,000)

Fiscal Analysis

The bill would amend the Transportation Code to change deposit of remitted title fees from the Texas Mobility Fund (TMF) to the Texas Emission Reduction Plan Fund (TERP) and the bill would direct the Texas Department of Transportation (TxDOT) to transfer an equal amount from the State Highway Fund (SHF) to the TMF.

The bill would amend the Health and Safety Code to direct the Texas Commission on Environmental Quality (TCEQ) to remit 40 percent of the amount deposited to TERP to the TxDOT for deposit to the SHF. The bill

would require TxDOT to provide a report to TCEQ each year that includes details on projects TxDOT funds to reduce congestion and improve air quality.

The bill would take effect September 1, 2021.

Methodology

Under current law, beginning September 1, 2021, title fees are deposited to the TMF, and the TERP Fund located outside of the treasury is credited, through legislative appropriation, an equal amount from the SHF each month. This estimate assumes motor vehicle title fees would be deposited directly to the TERP fund outside the treasury and the transfer from the SHF to TMF would remain entirely within the treasury.

Based on information provided by the Comptroller of Public Accounts, the table above reflects 40 percent of annual amounts estimated to be deposited to TERP that would, instead, be transferred to the SHF under the provisions of the bill.

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, 601 Department of Transportation

LBB Staff: JMc, AJL, MW, GDZ