

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 1, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1351 by Hernandez (relating to the distribution of funds designated for the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1351, Committee Report 1st House, Substituted : an impact of \$0 through the biennium ending August 31, 2025.

However, there would be a fiscal impact of (\$176,200,000) to Clean Air Account 151 in the 2024-25 biennium.

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>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from Clean Air Account 151
2024	(\$176,200,000)
2025	\$0
2026	\$0
2027	\$0
2028	\$0

Fiscal Analysis

The bill would amend the Health and Safety Code to require the Texas Commission on Environmental Quality (TCEQ) to distribute fees collected for the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program (LIRAP) to certain counties for use in the Local Initiative Projects (LIP) program.

The bill would apply only to counties that are or were participating in LIRAP and have remitted LIRAP fees to the state. TCEQ would be required to distribute available LIRAP fees collected before September 1, 2023, by January 1, 2024, in an amount proportional to the amount collected in the counties or regions in which the counties are located.

The bill would expire September 1, 2027.

Methodology

Based on information provided from TCEQ and the Comptroller of Public Accounts, \$176,200,000 in LIRAP fees currently exist in the fund balances of the General Revenue-Dedicated Clean Air Account No. 151. For the purposes of this analysis, it is assumed that TCEQ would distribute these funds to eligible counties in fiscal year 2024 for use in the Local Initiative Projects (LIP) program.

Local Government Impact

The bill would provide funding for formerly participating counties in LIRAP to implement LIP programs contingent on appropriation of funding for this purpose by the Eighty-eighth Legislature.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

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