

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 16, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5033 by Bell, Keith (Relating to elimination of the motor vehicle emissions inspection and maintenance program.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB5033, As Introduced: a positive impact of \$4,028,544 through the biennium ending August 31, 2027.

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>
2026	\$2,014,272
2027	\$2,014,272
2028	\$2,014,272
2029	\$2,014,272
2030	\$2,014,272

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from Appropriated Receipts 666</i>	<i>Probable Revenue Gain/(Loss) from Clean Air Account 151</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	\$2,014,272	(\$61,575)	(\$5,379,056)	(56.5)
2027	\$2,014,272	\$0	(\$5,379,056)	(56.5)
2028	\$2,014,272	(\$61,575)	(\$5,379,056)	(56.5)
2029	\$2,014,272	\$0	(\$5,379,056)	(56.5)
2030	\$2,014,272	(\$61,575)	(\$5,379,056)	(56.5)

Fiscal Analysis

The bill would direct the Texas Commission on Environmental Quality (TCEQ) and the Department of Public Safety (DPS) to not implement or enforce certain codes related to vehicle emissions under certain conditions.

Methodology

Any fiscal impact associated with implementing the provisions of the bill is conditioned on certain federal actions, which cannot be determined at this time.

According to DPS, if a condition as outlined by the bill is met, the agency would require 39.0 fewer Program Investigator full-time equivalents (FTEs) that execute the current responsibilities associated with the vehicle emissions program for a savings of \$2,014,272 per fiscal year, based on fiscal year 2025 data. Additionally, DPS estimates a reduction of \$61,575 every two fiscal years related to license fee revenue from inspection stations and vehicle inspectors, based on fiscal year 2025 data.

According to TCEQ, if a condition as outlined by the bill is met, the agency would receive an estimated \$5,379,056 less revenue to General Revenue – Dedicated Clean Air Account No. 0151 per fiscal year for annual vehicle emissions inspections in certain counties as well as a reduction of 17.5 FTEs, based on fiscal year 2024 data.

Local Government Impact

According to TCEQ, certain local entities would experience cost savings from: (1) labor cost savings from not having to perform inspections; (2) for those that don't perform their own inspections, savings from eliminating inspection station fees; and (3) savings from eliminating the \$2.50 annual emissions inspection fee required of all entities during vehicle registration.

Source Agencies: 405 Department of Public Safety, 582 Commission on Environmental Quality

LBB Staff: JMc, FV, CSh, KVEL, AJL