

- SUBJECT:** Returning a percentage of emissions inspection fees to Harris County
- COMMITTEE:** Environmental Regulation — favorable, without amendment
- VOTE:** 8 ayes — Pickett, E. Thompson, Cyrier, Dale, Kacal, Lozano, Reynolds, E. Rodriguez
- 0 nays
- 1 absent — Landgraf
- WITNESSES:** For — (*Registered, but did not testify:* Donna Warndof, Harris County; Grace Chimene, League of Women Voters of Texas; Donald Lee, Texas Conference of Urban Counties)
- Against — None
- On — Cyrus Reed, Lone Star Chapter Sierra Club; (*Registered, but did not testify:* David Brymer and Donna Huff, TCEQ)
- BACKGROUND:** In several counties, including those that do not meet federal air quality standards, emissions inspections are conducted as part of the annual state vehicle safety inspection. Health and Safety Code, secs. 382.202 and 382.302 authorize the Texas Commission on Environmental Quality (TCEQ) to assess fees for these inspections.
- Under sec. 382. 202(g)(1), TCEQ must use a portion of the fees collected to fund the Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP), which assists low-income vehicle owners whose vehicles fail emissions testing. Sec. 382.202(g)(2) requires TCEQ, to the extent practicable, to distribute available funding generated from the fees to participating counties in reasonable proportion to the amount collected in those counties or regions.
- Under sec. 382.220(d), funding that counties receive from the fees may be used for local initiative projects in an amount not to exceed \$7 million per

fiscal year and may be made available only if the county participates in LIRAP and provides matching funds for the project. Health and Safety Code, sec. 382.220(b) describes programs that qualify as local initiative projects.

DIGEST: HB 402 would require the Texas Commission on Environmental Quality, to the extent practicable, to distribute 90 percent of the revenue derived from emissions inspection fees collected in a county with a population of at least 4 million (Harris County) back to that county.

The county could use these funds for programs designed to reduce congestion on existing roads, excluding toll projects. It would not have to match funds for congestion reduction projects and no longer would be required to match funds for local initiative projects (LIPs) but could allocate money for LIPS, congestion-reduction projects, or the Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program at its discretion. Money awarded to the county in a particular fiscal year for programs involving construction could be used for that program or project in subsequent fiscal years. To the extent these provisions conflicted with another provision of the same subchapter, these would prevail.

Funding claims for LIPs or projects described by the bill that involved construction in Harris County would have to be presented to the comptroller within four years of the end of the original appropriation's fiscal year.

The bill would take effect on September 1, 2017.

SUPPORTERS SAY: HB 402 would help ensure that, when practicable, a specific percentage of the revenue generated by Harris County's emissions inspection fees was returned to the county. Counties currently are not guaranteed any share of the funds, despite implementing the program and collecting the fees. During the years that Harris County has participated in the program, it has generated significantly more in revenue than it has received. Money generated by Harris County should be spent there.

In addition, by relieving Harris County from the matching requirement for receiving funds for local initiative projects (LIP), HB 402 would allow the county to focus its funds on other programs that would improve air quality. Under the bill, Harris County could undertake LIPs to reduce traffic congestion by, for example, enhancing public transportation systems. Congestion reduction projects would be funded in addition to, not instead of, the Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP). Such projects would reduce vehicle-related emissions further, consistent with the purpose of the LIRAP and LIP programs.

OPPONENTS
SAY:

While HB 402 is well intentioned, it would be better to expand these benefits to all counties participating in the vehicle emissions inspection and maintenance programs. All participating counties currently must match funds for LIPs in order to receive funding. HB 402 would exempt Harris County from this requirement.

The original purpose of the emissions inspection fees was to provide assistance to low-income vehicle owners whose vehicles failed the emissions test. Care should be taken that additional programs, such as those for congestion reduction, not reduce the funds available for LIRAP.