

SUBJECT: Redirecting Texas Emissions Reduction Plan funds

COMMITTEE: Appropriations — favorable, without amendment

VOTE: 23 ayes — Bonnen, M. González, Ashby, C. Bell, Capriglione, Dean, Dominguez, Gates, Holland, Howard, A. Johnson, Jarvis Johnson, Morrison, Raney, Rose, Schaefer, Stucky, E. Thompson, Toth, VanDeaver, Walle, Wilson, Wu

0 nays

4 absent — Julie Johnson, Minjarez, Sherman, Zwiener

WITNESSES: For — Cyrus Reed, Lone Star Chapter, Sierra Club; (*Registered, but did not testify*: Courtney Perry; TJ Patterson, City of Fort Worth; and nine individuals)

Against — None

On — Steven Albright, Associated General Contractors of Texas Highway Heavy Utility and Industrial Branch; Sam Gammage, Texas Chemical Council; (*Registered, but did not testify*: Mike Wilson, Texas Commission on Environmental Quality)

BACKGROUND: Under Transportation Code sec. 501.138, \$20 of each motor vehicle title fee is distributed to the comptroller if the title applicant's residence is a county located in a nonattainment area according to certain federal air quality standards. Those funds are deposited to the credit of the Texas Mobility Fund. The Texas Department of Transportation then must remit an equal amount of funds from the State Highway Fund to the Texas Emissions Reduction Plan (TERP) fund.

Some have suggested redirecting title fees from the Texas Mobility Fund to the TERP fund to simplify the appropriation mechanism and ensure that the fund could be properly sustained.

DIGEST: HB 3294 would redirect collected motor vehicle title fees to the Texas Emissions Reduction Plan (TERP) fund.

The Texas Department of Transportation would remit an equal amount of funds from the State Highway Fund to the Texas Mobility Fund instead of the TERP fund.

The comptroller would have to deposit the fees to the Texas Mobility Fund instead if the fees were collected on or after the last day of the biennium during which the Texas Commission on Environmental Quality published the national ambient air quality standards for ozone in the Texas Register.

The bill would take effect September 1, 2021, and would apply only to a fee collected on or after that date.