

SUBJECT: Increasing the amount authorized for local clean air initiative grants.

COMMITTEE: Environmental Regulation — favorable, without amendment

VOTE: 7 ayes — Harless, Lewis, Márquez, Reynolds, Thompson, C. Turner, Villalba

0 nays

2 absent — Isaac, Kacal

WITNESSES: For — James Sumner, Harris County Precinct 4 Constable Department; (*Registered, but did not testify*: Leonardo Coelho, Travis County; Julie Klumpyan, Valero; Stephen Minick, Texas Association of Business; Julie Moore, Occidental Petroleum Corporation; Judith Parken, League of Women Voters of Texas; Steve Perry, Chevron USA; Mari Ruckel, Texas Oil and Gas Association; Adrian Shelley, Air Alliance Houston; Julie Williams, Chevron USA, Inc.; Daniel Womack, Texas Chemical Council)

Against — None

On — David Brymer, Texas Commission on Environmental Quality

BACKGROUND: The Texas Commission on Environmental Quality (TCEQ) administers the Low-Income Repair Assistance Program (LIRAP) in 16 Texas counties (Brazoria, Collin, Dallas, Denton, Ellis, Fort Bend, Galveston, Harris, Johnson, Kaufman, Montgomery, Parker, Rockwall, Tarrant, Travis, and Williamson).

Revenue for LIRAP comes from a \$6 fee paid by the residents in the Houston and Dallas-Fort Worth area counties and \$2 by the residents of Travis and Williamson counties as part of their vehicle emissions test fee.

LIRAP funds two programs. AirCheckTexas Drive a Clean Machine offers financial assistance and incentives for qualified owners living in one of the 16 counties whose vehicles fail the emissions test or are at least 10 years old. LIRAP also funds the Local Initiative Projects (LIP), which are grants to the 16 counties (or their designee) that fund projects like vehicle emission testing fraud prevention and counterfeit inspection sticker

enforcement, traffic light synchronization, and other projects that can improve air quality. The LIP program is described in Health and Safety Code, sec. 382.220.

The LIRAP fund balance as of August 31, 2013 is estimated to be about \$80 million. The program is expected to collect \$43.1 million in fiscal 2014 and \$44.6 million in fiscal 2015. CSHB 1 would appropriate \$6.25 million, with \$5.625 million allocated for Drive a Clean Machine and \$625,000 for LIP.

**DIGEST:** HB 2859 would increase the amount of funds that could be expended on the LIP program from the existing cap of \$5 million to \$10 million.

The bill would take effect on September 1, 2013.

**SUPPORTERS SAY:** HB 2859 would establish a framework for using fees collected from motorists living in regions of the state where air pollution is a problem to fund more projects that improve air quality. Increasing the maximum amount that could be appropriated to the LIP program from \$5 million to \$10 million would not make an appropriation but could prepare the state for future appropriations.

Some LIP programs have included law enforcement efforts to reduce the number of fraudulent, fictitious, or improperly issued state inspection stickers. Ensuring proper air emissions testing and removing fraud from the program could result in cleaner air.

Last year in Harris County, one of the 13 counties eligible to receive LIP funding, inspectors investigated nine suspected inspection stations and discovered that 20,416 out of 35,507 inspections were unlawful.

Some opponents may argue that LIRAP money is better spent helping low-income individuals repair or replace older, polluting cars. There would be sufficient money for all the various programs if the Legislature would not hold a large portion of LIRAP funds aside for budget certification purposes.

The change in the LIP funding ceiling would not require an appropriation, but simply allow one. Each Legislature would be able to decrease or increase the money allocated to LIP and change the LIRAP allocation between LIP and Drive a Clean Machine program, depending on the needs

at the time.

**OPPONENTS  
SAY:**

While enhancing vehicle inspection enforcement is important, the state could see more of a pollution reduction by paying drivers to trade in their older vehicles for cleaner models.

HB 2859 could result in money being shifted from Drive a Clean Machine to local law enforcement grants. Local governments could come to expect the money at the same level each year and build enforcement programs around the grants. This could create a bias toward appropriating money to local governments instead of directly to vehicle owners.

TCEQ would need to carefully monitor LIP grants to ensure they were going to projects that caught individuals cheating on air emission testing and were not aimed at fixing a wider problem with the entire vehicle inspection program, of which air emission testing is just one component.

**OTHER  
OPPONENTS  
SAY:**

HB 2859 would fail to address the fundamental problem of dedicated fees being diverted from LIRAP for budget certification. This type of budgetary gimmick is harming efforts to reduce air pollution in our major urban areas. The Legislature must address the problems with dedicated funds through the appropriations process as part of a truth-in-budgeting initiative.