



May 18, 2020

SUMMARY OF BILL: Reconstitutes the Air Pollution Control Board (Board). Vacates all current membership and replaces membership with an equal number of Board Members. Establishes that the Board has no authority to either delay or cause to be delayed the state implementation plan as approved by the Environmental Protection Agency (EPA) or impose or collect any fee associated with the administration of any vehicle inspection and maintenance program in this state.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Net Impact – Not Significant/FY20-21

Decrease Local Revenue - \$1,000,000/FY20-21

Assumptions:

- Currently, Davidson, Hamilton, Rutherford, Sumner, Williamson, and Wilson counties have vehicle inspection and maintenance (I/M) programs.
- Davison County contracts with a vendor to perform vehicle inspections. The other counties contract with the Department of Environment and Conservation (TDEC) who then contracts with a vendor.
- However, pursuant to Public Chapter 953 of 2018, TDEC is currently working to eliminate the state-administered I/M program. The State Implementation Plan (SIP) revisions eliminating the program were submitted to the EPA on February 27, 2020. The program will end 120 days after the EPA approves the SIP revisions.
- Though the elimination of the program is imminent, this legislation will prohibit TDEC from collecting such revenue until the program is approved for elimination by the EPA.
- It's unknown when the EPA is going to approve the new program; however, for purposes of this fiscal analysis, it is assumed that the new plan will be approved for FY21-22 and subsequent years. Therefore, the proposed legislation will result in a decrease in revenue in FY20-21.
- Under TDEC's contract, TDEC receives \$2.80 of every inspection fee. TDEC retains \$1.80 and transmits \$1.00 to the county clerk in the applicable county. The Division of Air Pollution Control receives approximately \$2,739,000 from the I/M program annually, with \$1,000,000 distributed to the local government and \$1,739,000 retained by the state.

- This legislation will prevent the Board from imposing or collecting any fee associated with the administration of any vehicle inspection and maintenance program in this state, effectively resulting in a decrease in state and local revenue; however, Tenn. Code Ann. § 68-203-103 authorizes TDEC to charge fees, including emission fees, for its various services. These fees are deposited into the Environmental Protection Fund. Tennessee Code Annotated § 68-203-103(b)(2) authorizes the Air Pollution Control Board to set the necessary fees under the Tennessee Air Quality Act.
- The Board will effectively raise other fees it charges, other than those prohibited by this legislation, to prevent any decrease in state revenue; therefore, the impact on state revenue is not significant.
- A one-time decrease in local revenue in FY20-21 of \$1,000,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jdb