

# **Low-Income Repair and Replacement Assistance Program (LIRAP) and Local Initiative Projects (LIP)**

---

**Senate Committee on Finance Hearing:  
Article VI – Natural Resources  
Commission on Environmental Quality**

**March 3, 2011**



**Michael Morris, P.E.  
Director of Transportation  
North Central Texas Council of Governments**

---

# RECOMMENDATION

**Fully Fund the Low-Income Vehicle Repair, Retrofit, and Accelerated Retirement Program (LIRAP) and Local Initiative Projects (LIP) at Historical Levels at \$100 Million for the Biennium**

# CONSEQUENCES

## LIRAP and LIP: Proposed Elimination

**Increased Risk of Roadway Sanctions in DFW and Houston:  
\$1 Billion for Biennium**

**Inspection and Maintenance Program Compliance and  
Effectiveness Ratings**

**Backsliding Measures**

**New Attainment Demonstration**

**Increased Amount of Diverted Funds: \$100 Million for Biennium**

**Unexpected Loss of State Revenue: \$75 - \$100 Million for  
Biennium**

**Excise Tax (Sales Loss from 28,000 Vehicles)**

**Sales Tax**

**Loss of New Car Registration Fees**

**Other Taxes and Fees**

# CONSEQUENCES

## LIRAP and LIP: Proposed Elimination

### Increased Criminal Behavior

- Fraudulent Activity
- Inspection Certificates
- Drivers Licenses
- Vehicle Registration Certificates
- Automobile Insurance
- Automobile License Plates

### Increased Cost of Additional Air Quality Measures

- Cost Effective Control Strategies
- Loss of Air Quality Benefits

# BACKGROUND

## LIRAP and LIP: Target High-Emitting Vehicles

**Dallas-Fort Worth Region Designated as Nonattainment**  
**Nine Counties Designated as Serious**

**Senate Bill 1 eliminates the Low-Income Vehicle Repair, Retrofit, and Accelerated Retirement Program (LIRAP) and Local Initiative Projects (LIP)**  
**Includes the Emissions Enforcement Programs**

**Senate Bill 1: General Appropriations Bill**  
**Legislative Budget Board Recommendations**  
**Senate Version (Dated January 17, 2011)**  
**82<sup>nd</sup> Legislature: 2012-2013 Biennium**  
**Article VI: Natural Resources**  
**Commission on Environmental Quality**  
**Pages VI-22 & VI-23: Appropriation for LIRAP**  
**(including LIP) Completely Struck Out**

# BACKGROUND

## LIRAP and LIP: Target High-Emitting Vehicles

Loss of \$50 Million for North Texas (\$100 Million Statewide)

Dedicated Funding User Fees

LIRAP and LIP are Self-funded Programs

Funds are collected from residents of nonattainment counties who pay \$6 for each emissions inspection

Funds are held in the Clean Air Account No. 151

Cannot be used for any other purpose