

Low-Income Repair, Retrofit, and Accelerated Retirement Program (LIRAP)

House Committee on Environmental Regulations Hearing

April 6, 2011



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RECOMMENDATION

Support House Bill 3272 Making Modifications to the Low-Income Vehicle Repair, Retrofit, and Accelerated Retirement Program (LIRAP)

PROPOSED MODIFICATIONS

Benefits

Registration Requirements: Registered 15 Out of 12 Months

Lowers Denial Rates Up to 10% in North Texas

Provides Consistent Language with Inspection Requirement

Reduces Administrative Costs

\$3,500 Incentive: Allow All Tier 2 Bin 3 Vehicles Higher Incentive

Allows for Inclusion of New Technologies/Vehicles as They Become Available

Affords More Options for Participants

Maintains Emissions-Based Program

\$3,500 Incentive: Allow Tier 2 Bin 3 Vehicles Higher Incentive for 3 Model Years

Increases Emissions Benefit by Purchase of More Tier 2 Bin 3 Vehicles

PROPOSED MODIFICATIONS

Benefits

Mileage Limitation: Replacement Vehicles Must Have $\leq 60,000$ Miles

Lowers Future Emissions Failure Rates for Replacement Vehicles

Reduces Participant Complaints

Maintains Integrity of Program

Sales Price: Increase Maximum Sales Price to \$35,000

Allows for the Purchase of More Hybrid or Tier 2 Bin 3 Vehicles

Provides More Options for Special Needs Drivers

PROPOSED MODIFICATIONS

Supporting Evidence

Registration Requirements: Registered 12 Out of 15 Months

North Texas Application Denial Rate is 35%

Over 25% of Applicants Denied are Due to Small Lapses In Registration

Reduces Lost Administrative Time Processing Applications Denied

\$3,500 Incentive: Allow All Tier 2 Bin 3 Vehicles Higher Incentive

All Tier 2 Bin 3 Vehicles Have Similar Emissions Standards

More Options Soon Available for Purchase (Chevrolet Volt, All Electric Ford Focus, Nissan Leaf, etc.)

\$3,500 Incentive: Allow Tier 2 Bin 3 Vehicles Higher Incentive for Current and Previous 3 Model Years

Average 3-Year Old Tier 2 Bin 3 Vehicle (Example: Hybrid)

Emits Less than Eligible New Tier 2 Bin 5 Truck

PROPOSED MODIFICATIONS

Supporting Evidence

Mileage Limitation: Replacement Vehicles Must Have $\leq 60,000$ Miles

**Emissions Inspection Failure Rate for Replacement Vehicles
with $>60,000$**

Miles is 210% of Those with $\leq 60,000$ Miles

**Most Complaints Received are from Participants Who
Purchased**

Vehicles with $>60,000$ Miles

Sales Price: Increase Maximum Sales Price to \$35,000

**Based on Preliminary Analysis, 81% of Hybrids Available in
2011 have a**

Base Price $> \$25,000$

**Special Needs Vehicle Owners Incur Greater Expenses by
Purchasing**

Vehicle As-Is and Retrofitting to Meet Sales Price Restriction