

OFFICE OF FISCAL ANALYSIS

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HB-5419

AN ACT CONCERNING THE FEDERAL CLEAN AIR ACT FEE ON
MOTOR VEHICLE REGISTRATIONS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Resources of the General Fund	GF - Revenue Loss	7,000,000 - 8,000,000	7,000,000 - 8,000,000
Resources of the General Fund	Federal Clean Air Act account (non- lapsing GF) - Revenue Gain	7,000,000 - 8,000,000	7,000,000 - 8,000,000
Department of Transportation; Department of Energy and Environmental Protection	Federal Clean Air Act account (non- lapsing GF) - Cost	7,000,000 - 8,000,000	7,000,000 - 8,000,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill directs 42.5% of federal Clean Air Act (CAA) fees collected on motor vehicle registrations to a “federal Clean Air Act account” within the General Fund to be expended for air quality and related purposes. Currently, this portion of CAA fees goes to the General Fund and is not dedicated to any specific purpose.

The bill results in an equal revenue loss and revenue gain of between \$7-\$8 million annually to the General Fund and the newly established CAA account, respectively. Further, the bill results in a cost of between \$7-\$8 million annually due to the air quality expenditures the Department of Transportation, in conjunction with the Department of Energy and Environmental Protection, would be

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required to make. General Fund deposits from motor vehicle CAA fees were \$7,176,191 in FY 19 and \$7,332,417 in FY 20.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of actual motor vehicle registrations.