

AN ACT

relating to the Texas natural gas vehicle grant program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 394.003, Health and Safety Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) A vehicle is a qualifying vehicle that may be considered for a grant under the program if during the eligibility period established by the commission the entity:

(1) purchased, leased, or otherwise commercially financed the vehicle as an [~~a new~~] on-road heavy-duty or medium-duty motor vehicle that:

(A) is a new natural gas vehicle or, subject to Subsection (c), a used natural gas vehicle;

(B) is certified to the appropriate current federal emissions standards as determined by the commission; and

(C) replaces an on-road heavy-duty or medium-duty motor vehicle of the same weight classification and use; or

(2) repowered the on-road motor vehicle to a natural gas vehicle powered by a natural gas engine that is certified to the appropriate current federal emissions standards as determined by the commission.

(c) A used natural gas vehicle that is proposed to replace

1 an on-road heavy-duty or medium-duty motor vehicle must be of model  
2 year 2017 or later, provided that the model year may not be more  
3 than six years older than the current model year at the time of the  
4 submission of the grant application.

5 SECTION 2. Section 394.005(b), Health and Safety Code, is  
6 amended to read as follows:

7 (b) To be eligible for a grant under the program:

8 (1) the use of the qualifying vehicle must be  
9 projected to result in a reduction in emissions of nitrogen oxides  
10 of at least 25 percent as compared to the motor vehicle or engine  
11 being replaced, based on:

12 (A) the baseline emission level set by the  
13 commission under Subsection (g); and

14 (B) the certified emission rate of the qualifying  
15 ~~new~~ vehicle; and

16 (2) the qualifying vehicle must:

17 (A) replace a heavy-duty or medium-duty motor  
18 vehicle that:

19 (i) is an on-road vehicle that has been  
20 owned, leased, or otherwise commercially financed and registered  
21 and operated by the applicant in Texas for at least the two years  
22 immediately preceding the submission of a grant application;

23 (ii) satisfies any minimum average annual  
24 mileage or fuel usage requirements established by the commission;

25 (iii) satisfies any minimum percentage of  
26 annual usage requirements established by the commission; and

27 (iv) is in operating condition and has at

1 least two years of remaining useful life, as determined in  
2 accordance with criteria established by the commission;

3 (B) replace a heavy-duty or medium-duty motor  
4 vehicle that:

5 (i) is owned by the applicant;

6 (ii) is an on-road vehicle that has been:

7 (a) owned, leased, or otherwise  
8 commercially financed and operated in Texas as a fleet vehicle for  
9 at least the two years immediately preceding the submission of a  
10 grant application; and

11 (b) registered in a county located in  
12 the clean transportation zone for at least the two years  
13 immediately preceding the submission of a grant application; and

14 (iii) otherwise satisfies the mileage,  
15 usage, and useful life requirements established under Paragraph (A)  
16 as determined by documentation associated with the vehicle; or

17 (C) be a heavy-duty or medium-duty motor vehicle  
18 repowered with a natural gas engine that:

19 (i) is installed in an on-road vehicle that  
20 has been owned, leased, or otherwise commercially financed and  
21 registered and operated by the applicant in Texas for at least the  
22 two years immediately preceding the submission of a grant  
23 application;

24 (ii) satisfies any minimum average annual  
25 mileage or fuel usage requirements established by the commission;

26 (iii) satisfies any minimum percentage of  
27 annual usage requirements established by the commission; and

1                   (iv) is installed in an on-road vehicle  
2 that, at the time of the vehicle's repowering, was in operating  
3 condition and had at least two years of remaining useful life, as  
4 determined in accordance with criteria established by the  
5 commission.

6           SECTION 3. This Act takes effect September 1, 2021.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 963 was passed by the House on April 9, 2021, by the following vote: Yeas 117, Nays 27, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 963 was passed by the Senate on May 21, 2021, by the following vote: Yeas 30, Nays 1.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor