

By: Landgraf

H.B. No. 4472

A BILL TO BE ENTITLED

AN ACT

relating to the Texas emissions reduction plan fund and account.

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

SECTION 1. Section 386.252(a), Health and Safety Code, as effective September 1, 2021, is amended to read as follows:

(a) Money in the fund and account may be used only to implement and administer programs established under the plan. Subject to the reallocation of funds by the commission under Subsection (h), money from the fund and account to be used for the programs under Section 386.051(b) shall initially be allocated as follows:

(1) four percent may be used for the clean school bus program under Chapter 390;

(2) six [~~three~~] percent may be used for the new technology implementation grant program under Chapter 391, from which at least \$1 million will be set aside for electricity storage projects related to renewable energy;

(3) two [~~five~~] percent may be used for the clean fleet program under Chapter 392;

(4) not more than \$3 million may be used by the commission to fund a regional air monitoring program in commission Regions 3 and 4 to be implemented under the commission's oversight, including direction regarding the type, number, location, and operation of, and data validation practices for, monitors funded by

1 the program through a regional nonprofit entity located in North
2 Texas having representation from counties, municipalities, higher
3 education institutions, and private sector interests across the
4 area;

5 (5) 10 percent may be used for the Texas natural gas
6 vehicle grant program under Chapter 394;

7 (6) not more than \$6 million may be used for the Texas
8 alternative fueling facilities program under Chapter 393, of which
9 a specified amount may be used for fueling stations to provide
10 natural gas fuel, except that money may not be allocated for the
11 Texas alternative fueling facilities program for the state fiscal
12 year ending August 31, 2019;

13 (7) not more than \$750,000 may be used each year to
14 support research related to air quality as provided by Chapter 387;

15 (8) not more than \$200,000 may be used for a health
16 effects study;

17 (9) at least \$6 million but not more than \$16 million
18 may be used by the commission for administrative costs, including
19 all direct and indirect costs for administering the plan, costs for
20 conducting outreach and education activities, and costs
21 attributable to the review or approval of applications for
22 marketable emissions reduction credits;

23 (10) six percent may be used by the commission for the
24 seaport and rail yard areas emissions reduction program established
25 under Subchapter D-1;

26 (11) five percent may be used for the light-duty motor
27 vehicle purchase or lease incentive program established under

1 Subchapter D;

2 (12) not more than \$216,000 may be used by the
3 commission to contract with the Energy Systems Laboratory at the
4 Texas A&M Engineering Experiment Station annually for the
5 development and annual computation of creditable statewide
6 emissions reductions obtained through wind and other renewable
7 energy resources for the state implementation plan;

8 (13) not more than \$500,000 may be used for studies of
9 or pilot programs for incentives for port authorities located in
10 nonattainment areas or affected counties to encourage cargo
11 movement that reduces emissions of nitrogen oxides and particulate
12 matter; and

13 (14) the balance is to be used by the commission for
14 the diesel emissions reduction incentive program under Subchapter C
15 as determined by the commission.

16 SECTION 2. Section 391.002(b), Health and Safety Code, is
17 amended to read as follows:

18 (b) Projects that may be considered for a grant under the
19 program include:

20 (1) advanced clean energy projects, as defined by
21 Section 382.003;

22 (2) new technology projects that reduce emissions of
23 regulated pollutants from stationary sources;

24 (3) new technology projects that reduce emissions from
25 upstream and midstream oil and gas production, completions,
26 gathering, storage, processing, and transmission activities
27 through:

1 (A) the replacement, repower, or retrofit of
2 stationary compressor engines;

3 (B) the installation of systems to reduce or
4 eliminate the loss of gas, flaring of gas, or burning of gas using
5 other combustion control devices; or

6 (C) the installation of systems that reduce
7 flaring emissions and other site emissions [~~by capturing waste heat
8 to generate electricity solely for on-site service~~]; and

9 (4) electricity storage projects related to renewable
10 energy, including projects to store electricity produced from wind
11 and solar generation that provide efficient means of making the
12 stored energy available during periods of peak energy use.

13 SECTION 3. Section 391.205(a), Health and Safety Code, is
14 amended to read as follows:

15 (a) Except as provided by Subsection (c), in awarding grants
16 under this chapter the commission shall give preference to projects
17 that:

18 (1) involve the transport, use, recovery for use, or
19 prevention of the loss of natural resources originating or produced
20 in this state;

21 (2) contain an energy efficiency component;

22 (3) include the use of solar, wind, or other renewable
23 energy sources; [~~or~~]

24 (4) recover waste heat from the combustion of natural
25 resources and use the heat to generate electricity; or

26 (5) reduce emissions.

27 SECTION 4. Section 391.301, Health and Safety Code, is

1 amended to read as follows:

2 Sec. 391.301. RESTRICTION ON USE OF GRANT. A recipient of a
3 grant under this chapter must use the grant to pay the incremental
4 costs of the purchase, rental, or ~~[and]~~ installation of the project
5 for which the grant is made, which may include reasonable and
6 necessary expenses for the labor needed to install
7 emissions-reducing equipment. ~~[The recipient may not use the grant
8 for the costs of operating and maintaining the emissions-reducing
9 equipment.]~~

10 SECTION 5. Section 151.0515(b), Tax Code, is amended to
11 read as follows:

12 (b) In each county in this state, a surcharge is imposed on
13 the retail sale, lease, or rental of new or used equipment in an
14 amount equal to 1 ~~[1.5]~~ percent of the sale price or the lease or
15 rental amount.

16 SECTION 6. Section 501.138, Transportation Code, is amended
17 by amending Subsections (b-1), (b-2), and (b-3) and adding
18 Subsection (b-4) to read as follows:

19 (b-1) Except as provided by Subsection (b-4), fees ~~[Fees]~~
20 collected under Subsection (b) to be sent to the comptroller shall
21 be deposited to the credit of the Texas ~~[Mobility Fund, except that
22 \$5 of each fee imposed under Subsection (a)(1) and deposited on or
23 after September 1, 2008, and before September 1, 2015, shall be
24 deposited to the credit of the Texas]~~ emissions reduction plan
25 fund.

26 (b-2) The comptroller shall establish a record of the amount
27 of the fees deposited to the credit of the Texas emissions reduction

1 plan fund [~~Mobility Fund~~] under Subsection (b-1). On or before the
2 fifth workday of each month, the Texas Department of Transportation
3 shall remit to the comptroller for deposit to the credit of the
4 Texas Mobility Fund [~~emissions reduction plan fund~~] an amount of
5 money equal to the amount of the fees deposited by the comptroller
6 to the credit of the Texas emissions reduction plan fund [~~Mobility~~
7 ~~Fund~~] under Subsection (b-1) in the preceding month. The Texas
8 Department of Transportation shall use for remittance to the
9 comptroller as required by this subsection money in the state
10 highway fund that is not required to be used for a purpose specified
11 by Section 7-a, Article VIII, Texas Constitution, and may not use
12 for that remittance money received by this state under the
13 congestion mitigation and air quality improvement program
14 established under 23 U.S.C. Section 149.

15 (b-3) This subsection and Subsections (b-1) and
16 [~~Subsection~~] (b-2) expire on the last day of the state fiscal
17 biennium during which the Texas Commission on Environmental Quality
18 publishes in the Texas Register the notice required by Section
19 382.037, Health and Safety Code.

20 (b-4) Fees collected under Subsection (b) to be sent to the
21 comptroller shall be deposited to the credit of the Texas Mobility
22 Fund if the fees are collected on or after the last day of the state
23 fiscal biennium during which the Texas Commission on Environmental
24 Quality publishes in the Texas Register the notice required by
25 Section 382.037, Health and Safety Code.

26 SECTION 7. The changes in law made by this Act apply only to
27 a Texas emissions reduction plan grant awarded on or after the

1 effective date of this Act. A grant awarded before the effective
2 date of this Act is governed by the law in effect on the date the
3 award was made, and the former law is continued in effect for that
4 purpose.

5 SECTION 8. The change in law made by this Act to Section
6 [501.138](#), Transportation Code, applies only to a fee collected on or
7 after the effective date of this Act. A fee collected before the
8 effective date of this Act is governed by the law in effect when the
9 fee was collected, and the former law is continued in effect for
10 that purpose.

11 SECTION 9. This Act takes effect September 1, 2021.