

By: Lozano

H.B. No. 2222

A BILL TO BE ENTITLED

AN ACT

relating to certain eligibility requirements for grants under the Texas natural gas vehicle grant program.

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

SECTION 1. Sections 394.005(b) and (c), Health and Safety Code, are amended to read as follows:

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

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

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

(B) the certified emission rate of the qualifying vehicle; and

(2) the qualifying vehicle must:

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

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

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

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

3 (iv) is in operating condition and has at  
4 least two years of remaining useful life, as determined in  
5 accordance with criteria established by the commission;

6 (B) replace a heavy-duty or medium-duty motor  
7 vehicle that:

8 (i) is owned by the applicant;

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

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

14 (b) registered in Texas [~~a county~~  
15 ~~located in the clean transportation zone~~] for at least the two years  
16 immediately preceding the submission of a grant application; and

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

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

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

27 (ii) satisfies any minimum average annual

1 mileage or fuel usage requirements established by the commission;

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

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

9 (c) As a condition of receiving a grant, the qualifying  
10 vehicle must be continuously owned, leased, or otherwise  
11 commercially financed and registered and operated in the state by  
12 the grant recipient until the earlier of the fourth anniversary of  
13 the activity start date established by the commission or the date  
14 the vehicle has been in operation for 400,000 miles after the  
15 activity start date established by the commission. [~~Not less than~~  
16 ~~75 percent of the annual use of the qualifying vehicle, either~~  
17 ~~mileage or fuel use as determined by the commission, must occur in~~  
18 ~~the clean transportation zone.~~]

19 SECTION 2. Section 394.001(1-a), Health and Safety Code, is  
20 repealed.

21 SECTION 3. The change in law made by this Act applies only  
22 to a grant awarded on or after the effective date of this Act. A  
23 grant awarded before the effective date of this Act is governed by  
24 the law in effect on the date the award was made, and the former law  
25 is continued in effect for that purpose.

26 SECTION 4. This Act takes effect September 1, 2023.