

By: Anchía

H.B. No. 4789

A BILL TO BE ENTITLED

AN ACT

relating to the use of school buses and electricity by public schools.

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

SECTION 1. Section 34.009(j), Education Code, is amended to read as follows:

(j) A contract under this section may have any lawful term of not less than 2 [~~two~~] or more than 15 [~~10~~] years.

SECTION 2. Section 390.002(b), Health and Safety Code, is amended to read as follows:

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

(1) diesel oxidation catalyts for school buses built before 1994;

(2) diesel particulate filters for school buses built from 1994 to 1998;

(3) the purchase and use of emission-reducing add-on equipment for school buses, including devices that reduce crankcase emissions;

(4) the use of qualifying fuel;

(5) other technologies that the commission finds will bring about significant emissions reductions; [~~and~~]

(6) the replacement or conversion of a [~~pre-2007 model year~~] school bus eligible for replacement or conversion under

1 Section 390.004; and

2 (7) the installation of charging infrastructure for
3 electric school buses.

4 SECTION 3. Section 390.003, Health and Safety Code, is
5 amended by adding Subsection (a-1) to read as follows:

6 (a-1) A private entity that leases school buses to a school
7 district or provides school bus services or supporting
8 infrastructure to a school district by contract may apply for and
9 receive a grant under the program.

10 SECTION 4. Section 390.004, Health and Safety Code, is
11 amended by amending Subsections (a), (c), and (d) and adding
12 Subsections (a-1) and (a-2) to read as follows:

13 (a) The commission by rule shall establish criteria for
14 setting priorities for projects eligible to receive grants under
15 this chapter. Except as provided by Subsection (a-1), the [The]
16 commission shall review and may modify the criteria and priorities
17 as appropriate.

18 (a-1) The criteria must prioritize projects that achieve
19 the greatest reductions in diesel exhaust, especially particulate
20 matter.

21 (a-2) The commission shall ensure that at least 75 percent
22 of the money issued for grants under this chapter is issued for
23 projects to purchase electric buses or to convert diesel buses into
24 electric buses.

25 (c) A school bus proposed for replacement must:

26 (1) be of model year 2006 or earlier if the bus will be
27 replaced with a combustion engine bus;

1 (1-a) be of a model year that is at least nine years
2 older than the year in which the grant application is submitted or
3 have an odometer reading at least 200,000 miles if the bus will be
4 replaced with an electric bus;

5 (2) have been owned and operated by the applicant for
6 at least the two years before submission of the grant application;

7 (3) be in good operational condition; and

8 (4) be currently used on a regular, daily route to and
9 from a school.

10 (d) A school bus proposed for purchase to replace a
11 [~~pre-2007 model year~~] school bus described by Subsection (c) must
12 be of the current model year or the year before the current model
13 year at the time of submission of the grant application.

14 SECTION 5. Section 390.005(a), Health and Safety Code, is
15 amended to read as follows:

16 (a) A recipient of a grant under this chapter shall use the
17 grant to pay the incremental costs of the project for which the
18 grant is made, which may include the reasonable and necessary
19 expenses incurred for the labor needed to install
20 emissions-reducing equipment or vehicle charging infrastructure.
21 The recipient may not use the grant to pay the recipient's
22 administrative expenses.

23 SECTION 6. Subchapter H, Chapter 36, Utilities Code, is
24 amended by adding Section 36.3531 to read as follows:

25 Sec. 36.3531. TIME-OF-USE RATES FOR PUBLIC SCHOOLS. (a)
26 Notwithstanding any other provision of this title, each electric
27 utility that provides electric service to a retail customer shall

1 offer to a school district or open-enrollment charter school served
2 by the electric utility time-of-use rates to promote efficient:

3 (1) charging of electric school buses; and

4 (2) energy use in school buildings.

5 (b) Notwithstanding any other provision of this title, each
6 transmission and distribution utility in the ERCOT power region
7 shall offer to any retail electric provider in its service area that
8 serves a school district or open-enrollment charter school a rate
9 structure that allows the retail electric provider to offer
10 time-of-use rates to the district or school to promote efficient:

11 (1) charging of electric school buses; and

12 (2) energy use for school buildings.

13 (c) A regulatory authority shall provide a mechanism for
14 approving a tariff in accordance with this section.

15 SECTION 7. The changes in law made by this Act in Chapter
16 390, Health and Safety Code, apply only to a Texas emissions
17 reduction plan grant awarded on or after the effective date of this
18 Act. A grant awarded before the effective date of this Act is
19 governed by the law in effect on the date the award was made, and the
20 former law is continued in effect for that purpose.

21 SECTION 8. The changes in law made by this Act in Section
22 36.3531, Utilities Code, as added by this Act, do not require an
23 electric utility to initiate a new ratemaking proceeding. An
24 electric utility shall comply with Section 36.3531, Utilities Code,
25 as added by this Act, beginning with the electric utility's first
26 ratemaking proceeding that begins after the effective date of this
27 Act.

1 SECTION 9. This Act takes effect September 1, 2023.