

By: Alvarado

S.B. No. 2508

A BILL TO BE ENTITLED

AN ACT

relating to mobile source emissions reductions and transportation
electrification.

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

SECTION 1. Subtitle F, Title 4, Government Code, is amended
by adding Chapter 490J to read as follows:

Sec. 490J.001. DEFINITION. In this chapter, "council"
means the Texas Transportation Electrification Council established
by this chapter.

Sec. 490J.002. ESTABLISHMENT; COMPOSITION. (a) The Texas
Transportation Electrification Council is established.

(b) The council is composed of the chair of, or if not
applicable, the administrative head of or a senior-level designee
from, each of the following entities:

(1) the Public Utility Commission of Texas;

(2) the Electric Reliability Council of Texas;

(3) the Texas Commission on Environmental Quality;

(4) the State Energy Conservation Office;

(5) the Texas Department of Licensing and Regulation;

(6) the Texas Department of Transportation;

(7) the Texas Department of Motor Vehicles;

(8) the Texas Department of Housing and Community
Affairs;

(9) the Texas State Affordable Housing Corporation;

1 (10) the Texas Division of Emergency Management; and

2 (11) the Texas Economic Development and Tourism
3 Office.

4 Sec. 490J.003. PRESIDING OFFICER; MEETINGS. (a) The
5 council annually shall elect one member to serve as the presiding
6 officer of the council.

7 (a-1) The executive director of the Texas Department of
8 Transportation shall serve as the initial presiding officer of the
9 council. This subsection expires September 1, 2025.

10 (b) The council shall hold at least four public meetings
11 each year.

12 Sec. 490J.004. ADMINISTRATIVE ATTACHMENT; FUNDING. (a)
13 The council is administratively attached to the Texas Department of
14 Transportation.

15 (b) The council shall be funded using existing funds of the
16 Texas Department of Transportation, including statewide planning
17 and research funds.

18 Sec. 490J.0045. ELECTRIC VEHICLE CHARGING INFRASTRUCTURE
19 ASSESSMENT. (a) Not later than March 1, 2024, using existing
20 databases, the council shall prepare an assessment of existing and
21 planned public electric vehicle charging infrastructure and
22 associated technologies in this state, including planned
23 infrastructure and associated technologies by private entities.
24 The assessment must include the number and types of electric
25 vehicle chargers at each location.

26 (b) The council shall use the assessment in developing the
27 plan required by Section 490J.005.

1 (c) This section expires September 1, 2030.

2 Sec. 490J.005. ELECTRIC VEHICLE CHARGING INFRASTRUCTURE
3 PLAN. (a) The council shall:

4 (1) develop a comprehensive plan for the development
5 of public electric vehicle charging infrastructure and associated
6 technologies in this state through the year 2040; and

7 (2) update the plan biennially.

8 (b) The plan must:

9 (1) include a phased implementation of the plan, in
10 biennial increments through the year 2030, that complements
11 electric vehicle charging infrastructure planned and installed
12 pursuant to the Infrastructure Investment and Jobs Act (Pub. L.
13 No. 117-58);

14 (2) identify areas in this state for which additional
15 public electric vehicle charging infrastructure is needed to ensure
16 that the vehicle choice of residents of this state is not
17 constrained by a lack of access to adequate public electric vehicle
18 charging infrastructure;

19 (3) provide for sufficient public electric vehicle
20 charging infrastructure to meet and enable future demand for
21 electric vehicles in this state that:

22 (A) ensures that adequate public electric
23 vehicle charging infrastructure is available:

24 (i) with sufficient frequency and capacity
25 to enable users of electric vehicles of various classes to travel
26 border to border and community to community on interstate highways
27 and other major roadways in this state;

1 (ii) along evacuation routes and at highway
2 rest stops in this state; and

3 (iii) in rural communities, multifamily and
4 underserved communities, town centers, commercial and retail
5 areas, parks and other publicly owned lands, and other areas that
6 are in close proximity to where local electric vehicle users live or
7 work;

8 (B) is safe, dependable, serviceable, and
9 operational;

10 (C) maximizes the benefits associated with
11 transportation electrification;

12 (D) enhances commerce by ensuring an adequate
13 distribution of public electric vehicle charging infrastructure is
14 available throughout the state to stimulate lower costs and lower
15 emissions from heavy duty trucking and delivery services;

16 (E) ensures adequate public electric vehicle
17 charging capacity to facilitate commerce and enhance
18 electrification of freight movement:

19 (i) at or near the borders of this state;

20 (ii) in or near airports, rail yards, and
21 seaports; and

22 (iii) at warehouse complexes and truck
23 stops;

24 (F) enhances accessibility of tourist areas to
25 electric vehicle users; and

26 (G) covers any other areas identified by the
27 council;

1 (4) stimulate competition, innovation, and consumer
2 choices in public electric vehicle charging and related
3 infrastructure and services and encourage private capital
4 investment;

5 (5) specify the number and types of electric vehicle
6 chargers per general location that are needed to meet the
7 requirements prescribed by Subdivisions (2), (3), and (4);

8 (6) examine vehicle and charging infrastructure
9 changes necessary to provide demand response functions and two-way
10 electricity flow capability in order to allow vehicle-to-grid
11 integration for cost savings, grid reliability, and resiliency; and

12 (7) provide for electric transportation corridors in
13 and along Texas Department of Transportation rights-of-way that
14 include the infrastructure needed for vehicle electrification,
15 such as:

16 (A) a greatly expanded global positioning system
17 network for vehicle location accuracy;

18 (B) advanced sensor networks for traffic;

19 (C) intelligent transportation services;

20 (D) connected vehicle applications; and

21 (E) improvements to energy infrastructure needed
22 to provide adequate vehicle charging.

23 (c) In developing and updating the plan, the council:

24 (1) shall use, to the extent practicable, publicly
25 available electric vehicle projections and models based on industry
26 standards to determine, for each year, the percentage and number of
27 electric vehicles by vehicle class that are expected on roadways in

1 this state and the number of electric vehicle chargers that are
2 needed to ensure that there is comprehensive and adequate access to
3 public electric vehicle charging infrastructure in this state; and

4 (2) may rely on scenarios provided by the Electric
5 Reliability Council of Texas or other information from appropriate
6 sources for the percentage and number of electric vehicles by
7 vehicle class on roadways in this state by year.

8 (d) The council may work with state agencies and the
9 Electric Reliability Council of Texas to obtain information as
10 needed to develop or update the plan, including:

11 (1) an assessment of vehicle fleet plans for
12 electrification;

13 (2) an assessment of the costs of system upgrades to
14 serve new electric grid interconnections, giving consideration to
15 resilience, reliability, and other grid impacts; and

16 (3) detailed hosting capacity maps that enable
17 identification of preferable least-cost locations for charging
18 infrastructure that optimize existing distribution system assets.

19 Sec. 490J.006. STATE AGENCY POLICY RECOMMENDATIONS. The
20 council shall develop policy recommendations that state agencies
21 may adopt to encourage the development of an adequate network of
22 public electric vehicle charging infrastructure and associated
23 technologies to meet the future electrified transportation needs in
24 this state through the year 2030.

25 Sec. 490J.007. STAKEHOLDER INPUT. In performing the
26 council's duties under this chapter, the council shall seek advice
27 and input from:

- 1 (1) privately owned electric utilities;
- 2 (2) municipally owned electric utilities;
- 3 (3) electric cooperatives;
- 4 (4) state and local transportation and transit
5 agencies;
- 6 (5) port authorities;
- 7 (6) warehousing and logistics centers;
- 8 (7) electric vehicle charging infrastructure
9 companies;
- 10 (8) environmental groups;
- 11 (9) organizations that represent the interests of
12 individuals who live near areas that have a significant amount of
13 freight traffic;
- 14 (10) consumer advocates;
- 15 (11) motor vehicle manufacturers;
- 16 (12) nonprofit organizations developing electric
17 vehicle policy;
- 18 (13) nonprofit organizations representing food or
19 motor fuel providers;
- 20 (14) apartment associations;
- 21 (15) low-income community development corporations;
- 22 (16) nonprofit organizations that represent
23 utilities, electric vehicle manufacturers, and charging companies;
24 and
- 25 (17) interested members of the public.

26 Sec. 490J.008. AUTHORITY TO CONTRACT AND CONSULT WITH
27 CERTAIN PERSONS. In performing the council's duties under this

1 chapter, the council may:

2 (1) contract with:

3 (A) electrification organizations; and

4 (B) experts, academic scholars, and other
5 appropriate professionals; and

6 (2) consult with the Texas A&M Transportation
7 Institute and institutions of higher education, as defined by
8 Section 61.003, Education Code.

9 Sec. 490J.0085. INITIAL REPORT. (a) Not later than
10 December 1, 2024, the council shall prepare and submit to the
11 governor, the lieutenant governor, each member of the legislature,
12 and relevant state and federal agencies an initial written report
13 of the council's findings that includes:

14 (1) the assessment prepared under Section 490J.0045;

15 (2) the plan developed under Section 490J.005,
16 including the phased implementation of the plan required by
17 Subsection (b)(1) of that section; and

18 (3) the policy recommendations developed under
19 Section 490J.006.

20 (b) This section expires September 1, 2030.

21 Sec. 490J.009. BIENNIAL REPORT. Not later than December 1
22 of each even-numbered year, the council shall prepare and submit to
23 the governor, the lieutenant governor, each member of the
24 legislature, and relevant state and federal agencies a written
25 report that includes:

26 (1) a summary of the progress made on the
27 implementation of the plan developed under Section 490J.005;

1 (2) the biennial update to the plan required under
2 Section 490J.005(a)(2); and

3 (3) any updates to the policy recommendations
4 developed under Section 490J.006.

5 SECTION 2. Section 386.001, Health and Safety Code, is
6 amended by adding Subdivision (4) to read as follows:

7 (4) "Federal funds" means all assistance provided to
8 the commission from the federal government in the form of grants,
9 contracts, loans, loan guarantees, property, cooperative
10 agreements, interest subsidies, insurance, direct appropriations,
11 or any other method of disbursement.

12 SECTION 3. Section 386.051(b), Health and Safety Code, is
13 amended to read as follows:

14 (b) Under the plan, the commission and the comptroller shall
15 provide grants or other funding for:

16 (1) the diesel emissions reduction incentive program
17 established under Subchapter C, including for infrastructure
18 projects established under that subchapter;

19 (2) the motor vehicle purchase or lease incentive
20 program established under Subchapter D;

21 (3) the air quality research support program
22 established under Chapter 387;

23 (4) the clean school bus program established under
24 Chapter 390;

25 (5) the new technology implementation grant program
26 established under Chapter 391;

27 (6) the regional air monitoring program established

1 under Section 386.252(a);

2 (7) a health effects study as provided by Section
3 386.252(a);

4 (8) air quality planning activities as provided by
5 Section 386.252(d);

6 (9) a contract with the Energy Systems Laboratory at
7 the Texas A&M Engineering Experiment Station for computation of
8 creditable statewide emissions reductions as provided by Section
9 386.252(a);

10 (10) the Texas clean fleet program established under
11 Chapter 392;

12 (11) the Texas alternative fueling facilities program
13 established under Chapter 393;

14 (12) the Texas natural gas vehicle grant program
15 established under Chapter 394;

16 (13) other programs the commission may develop that
17 lead to reduced emissions of nitrogen oxides, particulate matter,
18 or volatile organic compounds in a nonattainment area or affected
19 county;

20 (14) other programs the commission may develop that
21 support congestion mitigation to reduce mobile source ozone
22 precursor emissions;

23 (15) the seaport and rail yard areas emissions
24 reduction program established under Subchapter D-1, including the
25 grant program established under Section 386.184;

26 (16) conducting research and other activities
27 associated with making any necessary demonstrations to the United

1 States Environmental Protection Agency to account for the impact of
2 foreign emissions or an exceptional event;

3 (17) studies of or pilot programs for incentives for
4 port authorities located in nonattainment areas or affected
5 counties as provided by Section 386.252(a);

6 (18) the governmental alternative fuel fleet grant
7 program established under Chapter 395; and

8 (19) remittance of funds to the state highway fund for
9 use by the Texas Department of Transportation for congestion
10 mitigation and air quality improvement projects in nonattainment
11 areas and affected counties.

12 SECTION 4. Section 386.152, Health and Safety Code, is
13 amended to read as follows:

14 Sec. 386.152. APPLICABILITY. (a) The provisions of this
15 subchapter relating to a lessee do not apply to a person who rents
16 or leases a light-duty motor vehicle for a term of 30 days or less.

17 (b) The provisions of this subchapter relating to a lessor
18 do not apply to a person who rents or leases a light-duty motor
19 vehicle to a person for a term of 30 days or less.

20 SECTION 5. Section 386.153, Health and Safety Code, is
21 amended by amending Subsection (c) and adding Subsection (e) to
22 read as follows:

23 (c) Only one incentive will be provided for each new
24 light-duty motor vehicle. The incentive shall be provided to the
25 seller or lessor of the vehicle. The seller or lessor shall credit
26 the amount of the incentive to the purchaser or lessee at the time
27 the sale is made or the lease is entered into. The incentive may not

1 ~~[shall]~~ be provided to a seller ~~[the lessee and not to the~~
2 ~~purchaser]~~ if the motor vehicle is sold ~~[purchased]~~ for the purpose
3 of leasing the vehicle to another person.

4 (e) The commission shall establish a registration program
5 for sellers and lessors of new motor vehicles to apply online and
6 receive incentives under this subchapter. The commission shall
7 promptly pay the incentives when authorized under the registration
8 program established by this subsection.

9 SECTION 6. Section 386.154, Health and Safety Code, is
10 amended by amending Subsections (a), (b), and (d) and adding
11 Subsections (f) and (g) to read as follows:

12 (a) A new light-duty motor vehicle powered by compressed
13 natural gas or liquefied petroleum gas is eligible for a \$5,000
14 incentive if the vehicle:

15 (1) has four wheels;

16 (2) was originally manufactured to comply with and has
17 been certified by an original equipment manufacturer or
18 intermediate or final state vehicle manufacturer as complying with,
19 or has been altered to comply with, federal motor vehicle safety
20 standards, state emissions regulations, and any additional federal
21 or state regulations applicable to vehicles powered by compressed
22 natural gas or liquefied petroleum gas;

23 (3) was manufactured for use primarily on public
24 streets, roads, and highways;

25 (4) has a dedicated or bi-fuel compressed natural gas
26 or liquefied petroleum gas fuel system:

27 (A) installed prior to first sale or within 500

1 miles of operation of the vehicle following first sale; and

2 (B) with a range of at least 125 miles as
3 estimated, published, and updated by the United States
4 Environmental Protection Agency;

5 (5) has, as applicable, a:

6 (A) compressed natural gas fuel system that
7 complies with the:

8 (i) 2013 NFPA 52 Vehicular Gaseous Fuel
9 Systems Code; and

10 (ii) American National Standard for Basic
11 Requirements for Compressed Natural Gas Vehicle (NGV) Fuel
12 Containers, commonly cited as "ANSI/CSA NGV2"; or

13 (B) liquefied petroleum gas fuel system that
14 complies with:

15 (i) the 2011 NFPA 58 Liquefied Petroleum
16 Gas Code; and

17 (ii) Section VII of the 2013 ASME Boiler and
18 Pressure Vessel Code; and

19 (6) was sold or leased [~~acquired~~] on or after
20 September 1, 2013, or a later date established by the commission, by
21 the seller or lessor [~~person~~] applying for the incentive under this
22 subsection and for use or lease by the purchaser or lessee of the
23 vehicle [~~that person~~] and not for resale.

24 (b) If the commission determines that an updated version of
25 a code or standard described by Subsection (a)(5) is more stringent
26 than the version of the code or standard described by Subsection
27 (a)(5), the commission by rule may provide that a vehicle for which

1 a seller or lessor [~~person~~] applies for an incentive under
2 Subsection (a) is eligible for the incentive only if the vehicle
3 complies with the updated version of the code or standard.

4 (d) A new light-duty motor vehicle powered by an electric
5 drive is eligible for a \$2,500 incentive if the total
6 consideration, as defined by Section 152.002, Tax Code, of the
7 vehicle is less than \$55,000 and the vehicle:

8 (1) has four wheels;

9 (2) was manufactured for use primarily on public
10 streets, roads, and highways;

11 (3) has not been modified from the original
12 manufacturer's specifications;

13 (4) has a maximum speed capability of at least 55 miles
14 per hour;

15 (5) is propelled to a significant extent by an
16 electric motor that draws electricity from a hydrogen fuel cell or
17 from a battery that:

18 (A) has a capacity of not less than four kilowatt
19 hours; and

20 (B) is capable of being recharged from an
21 external source of electricity; [~~and~~]

22 (6) is not designed, used, or maintained primarily to
23 transport property; and

24 (7) was sold or leased [~~acquired~~] on or after
25 September 1, 2013, or a later date as established by the commission,
26 by the seller or lessor [~~person~~] applying for the incentive under
27 this subsection and for use or lease by the purchaser or lessee of

1 the vehicle [~~that person~~] and not for resale.

2 (f) A new light-duty motor vehicle powered by an electric
3 drive is eligible for a \$4,000 incentive if the vehicle:

4 (1) has four wheels;

5 (2) was manufactured for use primarily on public
6 streets, roads, and highways;

7 (3) has not been modified from the original
8 manufacturer's specifications;

9 (4) has a maximum speed capability of at least 55 miles
10 per hour;

11 (5) is propelled solely by an electric motor that
12 draws electricity from a battery that:

13 (A) has a capacity of not less than four kilowatt
14 hours; and

15 (B) is capable of being recharged from an
16 external source of electricity;

17 (6) is designed, used, or maintained primarily to
18 transport property; and

19 (7) was sold or leased on or after September 1, 2024,
20 or a later date as established by the commission, by the seller or
21 lessor applying for the incentive under this subsection and for use
22 or lease by the purchaser or lessee of the vehicle and not for
23 resale.

24 (g) Notwithstanding Subsections (c) and (e), and subject to
25 Section 386.252(a)(11), at the beginning of the second state fiscal
26 year of the biennium, the commission shall adjust the initial
27 vehicle limitations provided under Subsections (c) and (e) based on

1 demand for incentives under this section during the preceding state
2 fiscal year.

3 SECTION 7. Sections 386.157(a) and (c), Health and Safety
4 Code, are amended to read as follows:

5 (a) A seller or lessor of [~~person who purchases or leases~~] a
6 new light-duty motor vehicle described by Section 386.154 and
7 listed under Section 386.156(a) is eligible to apply for an
8 incentive under this subchapter.

9 (c) To receive money under an incentive program provided by
10 this subchapter, the seller or lessor of a light-duty motor vehicle
11 shall verify online that funds are available, that the seller or
12 lessor is eligible [~~the purchaser or lessee of a new light-duty~~
13 ~~motor vehicle who is eligible to apply~~] for an incentive under this
14 subchapter, and if the incentive is for a vehicle described by
15 Section 386.154(d) or (f), that the purchaser or lessee of the
16 vehicle has watched an online video that explains how and when to
17 charge an electric vehicle to reduce peak demand for electricity
18 and reduce air emissions [~~shall apply for the incentive in the~~
19 ~~manner provided by law or by rule of the commission~~].

20 SECTION 8. Section 386.158, Health and Safety Code, is
21 amended to read as follows:

22 Sec. 386.158. COMMISSION TO ACCOUNT FOR MOTOR VEHICLE
23 PURCHASE OR LEASE INCENTIVES. (a) The commission by rule shall
24 develop a method to administer and account for the motor vehicle
25 purchase or lease incentives authorized by this subchapter and to
26 pay incentive money to the seller [~~purchaser~~] or lessor [~~lessee~~] of
27 a new motor vehicle[, ~~on application of the purchaser or lessee as~~

1 ~~provided by this subchapter].~~

2 (b) The commission shall develop and publish online forms
3 and instructions for the seller [~~purchaser~~] or lessor [~~lessee~~] of a
4 new motor vehicle to use in applying to the commission for an
5 incentive payment under this subchapter. [~~The commission shall~~
6 ~~make the forms available to new motor vehicle dealers and leasing~~
7 ~~agents. Dealers and leasing agents shall make the forms available~~
8 ~~to their prospective purchasers or lessees.]~~

9 (c) The commission may require the online submission of
10 forms and documentation as needed to verify eligibility for an
11 incentive under this subchapter.

12 SECTION 9. Section 386.159, Health and Safety Code, is
13 amended to read as follows:

14 Sec. 386.159. PURCHASE OR LEASE INCENTIVES ONLINE PORTAL
15 [~~INFORMATION~~]. [~~(a)~~] The commission shall establish an online
16 portal [~~a toll-free telephone number available to motor vehicle~~
17 ~~dealers and leasing agents for the dealers and agents to call]~~ to
18 verify that incentives are available. [~~The commission may provide~~
19 ~~for issuing verification numbers over the telephone line.~~

20 [~~(b) Reliance by a dealer or leasing agent on information~~
21 ~~provided by the commission is a complete defense to an action~~
22 ~~involving or based on eligibility of a vehicle for an incentive or~~
23 ~~availability of vehicles eligible for an incentive.]~~

24 SECTION 10. Section 386.160, Health and Safety Code, is
25 amended to read as follows:

26 Sec. 386.160. RESERVATION OF INCENTIVES. The commission
27 may provide for new motor vehicle sellers [~~dealers~~] and leasing

1 agents to reserve for a limited time period incentives for eligible
2 vehicles [~~that are not readily available and must be ordered,~~] if
3 the seller [~~dealer~~] or leasing agent has a purchase or lease order
4 signed by an identified customer.

5 SECTION 11. Section [386.181\(b\)](#), Health and Safety Code, is
6 amended to read as follows:

7 (b) The commission may include more specific definitions in
8 the rules or guidelines developed to implement the programs
9 [~~program~~] established by this subchapter in order to reduce
10 emissions in and around seaports in a nonattainment area.

11 SECTION 12. Subchapter [D-1](#), Chapter [386](#), Health and Safety
12 Code, is amended by adding Section 386.184 to read as follows:

13 Sec. 386.184. GRANT PROGRAM FOR ALTERNATIVELY FUELED
14 DRAYAGE TRUCK OR CARGO HANDLING EQUIPMENT INFRASTRUCTURE PROJECTS.

15 (a) The commission shall establish and administer a grant program
16 to encourage the purchase, construction, and installation of
17 infrastructure needed to support the use of drayage trucks that are
18 or cargo handling equipment that is powered by an alternative fuel,
19 as defined by Section [393.001](#).

20 (b) A grant awarded under the program established by this
21 section may not exceed more than 80 percent of the estimated
22 purchase, construction, and installation costs of the
23 infrastructure project, provided that the commission may establish
24 a reasonable maximum amount of a grant awarded per infrastructure
25 project as needed.

26 SECTION 13. Sections [386.250\(b\)](#) and (c), Health and Safety
27 Code, are amended to read as follows:

1 (b) The fund consists of:

2 (1) the amount of money deposited to the credit of the
3 fund under:

4 (A) Section 386.056;

5 (B) Sections 151.0515 and 152.0215, Tax Code; and

6 (C) Sections 501.138, 502.358, and 548.5055,
7 Transportation Code; ~~and~~

8 (2) grant money recaptured under Section 386.111(d)
9 and Chapter 391; and

10 (3) federal funds deposited to the credit of the fund.

11 (c) Not later than the 30th day after the last day of each
12 state fiscal biennium, the commission shall transfer the
13 unencumbered balance of the fund remaining on the last day of the
14 state fiscal biennium to the credit of the state highway fund for
15 use by the Texas Department of Transportation for projects
16 described by Section 386.051(b)(19). This subsection does not
17 apply to federal funds deposited to the credit of the fund.

18 SECTION 14. Section 386.252, Health and Safety Code, is
19 amended by amending Subsection (a) and adding Subsection (i) to
20 read as follows:

21 (a) Money in the fund and account may be used only to
22 implement and administer programs established under the plan.
23 Subject to the reallocation of funds by the commission under
24 Subsection (h) and after remittance to the state highway fund under
25 Subsection (a-1), money from the fund and account to be used for the
26 programs under Section 386.051(b) shall initially be allocated as
27 follows:

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

3 (2) three percent may be used for the new technology
4 implementation grant program under Chapter 391, from which at least
5 \$1 million will be set aside for electricity storage projects
6 related to renewable energy;

7 (3) five percent may be used for the Texas clean fleet
8 program under Chapter 392;

9 (4) not more than \$3 million may be used by the
10 commission to fund a regional air monitoring program in commission
11 Regions 3 and 4 to be implemented under the commission's oversight,
12 including direction regarding the type, number, location, and
13 operation of, and data validation practices for, monitors funded by
14 the program through a regional nonprofit entity located in North
15 Texas having representation from counties, municipalities, higher
16 education institutions, and private sector interests across the
17 area;

18 (5) 10 percent may be used for the Texas natural gas
19 vehicle grant program under Chapter 394;

20 (6) eight percent [~~not more than \$6 million~~] may be
21 used for the Texas alternative fueling facilities program under
22 Chapter 393 [~~, of which a specified amount may be used for fueling
23 stations to provide natural gas fuel, except that money may not be
24 allocated for the Texas alternative fueling facilities program for
25 the state fiscal year ending August 31, 2019~~];

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

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

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

9 (10) six percent may be used by the commission for the
10 seaport and rail yard areas emissions reduction program established
11 under Subchapter D-1, including the grant program established under
12 Section 386.184;

13 (11) five percent may be used for the light-duty motor
14 vehicle purchase or lease incentive program established under
15 Subchapter D;

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

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

27 (14) the balance is to be used by the commission for

1 the diesel emissions reduction incentive program under Subchapter C
2 as determined by the commission.

3 (i) Notwithstanding any other law, federal funds deposited
4 to the credit of the fund may be used only as provided by the terms
5 of the applicable federal funds agreement.

6 SECTION 15. Section 393.006(a), Health and Safety Code, is
7 amended to read as follows:

8 (a) Grants awarded under this chapter for a facility to
9 provide alternative fuels other than natural gas may not exceed
10 ~~[the lesser of:~~

11 ~~[(1)]~~ 50 percent of the sum of the actual eligible
12 costs incurred by the grant recipient within deadlines established
13 by the commission~~[, or~~

14 ~~[(2) \$600,000].~~

15 SECTION 16. Subtitle A, Title 14, Occupations Code, is
16 amended by adding Chapter 2311 to read as follows:

17 CHAPTER 2311. ELECTRIC VEHICLE SUPPLY EQUIPMENT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 2311.0101. DEFINITIONS. In this chapter:

20 (1) "Commercial transaction" means any sale or
21 exchange for compensation of electrical energy through a digital
22 network.

23 (2) "Commission" means the Texas Commission of
24 Licensing and Regulation.

25 (3) "Department" means the Texas Department of
26 Licensing and Regulation.

27 (4) "Digital network" means an online-enabled

1 application, website, or system offered or used by an electric
2 vehicle charging provider that allows a user to initiate a
3 commercial transaction to dispense electrical energy from electric
4 vehicle supply equipment to an electric vehicle.

5 (5) "Electric vehicle supply equipment" means a device
6 or equipment used to dispense electrical energy to an electric
7 vehicle.

8 (6) "Electric vehicle supply provider" means an owner
9 or operator of electric vehicle supply equipment that is available
10 and accessible to the public to provide electrical energy through a
11 commercial transaction.

12 SUBCHAPTER B. POWERS AND DUTIES

13 Sec. 2311.0201. RULES. The commission shall adopt rules as
14 necessary to implement this chapter.

15 Sec. 2311.0202. FEES. The commission by rule shall set fees
16 in amounts sufficient to cover the costs of administering this
17 chapter.

18 Sec. 2311.0203. CONTRACT. The department may contract to
19 perform the department's duties related to electric vehicle supply
20 equipment, including inspections. A reference in this chapter to
21 the commission or department in the context of a contracted service
22 means the contractor.

23 Sec. 2311.0204. INSPECTION OF ELECTRIC VEHICLE SUPPLY
24 EQUIPMENT. The department may periodically, or in response to a
25 complaint, conduct an inspection of electric vehicle supply
26 equipment in order to verify compliance with registration
27 requirements and standards established in this chapter and

1 commission rules, unless electric vehicle supply equipment is
2 exempt from the application of this chapter by commission rule.

3 Sec. 2311.0205. COMPLAINTS REGARDING ELECTRIC VEHICLE
4 SUPPLY EQUIPMENT. In accordance with Chapter 51, the executive
5 director of the department shall establish methods by which
6 consumers are notified of the name, Internet website address,
7 mailing address, and telephone number of the department for the
8 purpose of directing complaints to the department.

9 Sec. 2311.0206. EXEMPTIONS. (a) The commission by rule may
10 exempt electric vehicle supply equipment from a requirement
11 established by this chapter if the commission determines that
12 imposing or enforcing the requirement:

13 (1) is not cost-effective for the department;

14 (2) is not feasible with current resources or
15 standards; or

16 (3) will not substantially benefit or protect
17 consumers.

18 (b) Electric vehicle supply equipment is exempt from the
19 requirements of this chapter if, in accordance with commission
20 rule, the electric vehicle supply equipment is:

21 (1) installed in or adjacent to a private residence
22 for noncommercial use; or

23 (2) provided at no charge for the exclusive use of an
24 individual, or a group of individuals, including employees,
25 tenants, visitors, or residents of a multiunit housing or office
26 development.

27 SUBCHAPTER C. OPERATION OF ELECTRIC VEHICLE SUPPLY EQUIPMENT

1 Sec. 2311.0301. DUTIES OF ELECTRIC VEHICLE SUPPLY PROVIDER.

2 Unless electric vehicle supply equipment is exempt from the
3 application of this chapter or has been removed from service, an
4 electric vehicle supply provider shall:

5 (1) have electric vehicle supply equipment inspected
6 as prescribed by commission rule; and

7 (2) maintain electric vehicle supply equipment in
8 compliance with maintenance specifications, this chapter, and
9 commission rule.

10 Sec. 2311.0302. REQUIRED REGISTRATION. (a) Unless

11 electric vehicle supply equipment is exempt from the application of
12 this chapter by commission rule, an electric vehicle supply
13 provider shall register each charging unit of electric vehicle
14 supply equipment operated by the provider with the department
15 before the electric vehicle supply equipment is made available for
16 use on a digital network for a commercial transaction.

17 (b) The department shall issue a registration to each
18 applicant that meets the requirements of this chapter and submits
19 an application that meets the requirements of this section. An
20 application for electric vehicle supply equipment registration
21 must:

22 (1) be submitted to the department in a manner
23 prescribed by the department;

24 (2) be accompanied by any other document or form
25 required by the department;

26 (3) include any fee required under Section 2311.0202;
27 and

1 (4) include documentation of compliance with Section
2 2311.0303, as prescribed by commission rule.

3 (c) A registration under this section is valid for one or
4 two years as established by commission rule. The registration must
5 be renewed at or before the end of each registration period.

6 Sec. 2311.0303. SPECIFICATIONS. (a) Specifications for
7 the installation and operation of electric vehicle supply equipment
8 must be the same as those adopted by the National Institute of
9 Standards and Technology.

10 (b) Electric vehicle supply equipment must be installed and
11 operated in accordance with Chapter 1305.

12 (c) The commission may adopt rules as necessary to establish
13 standards under this chapter.

14 Sec. 2311.0304. FEES; DISCLOSURES. (a) An electric
15 vehicle supply provider shall disclose on the indicating element of
16 the electric vehicle supply equipment or on the electric vehicle
17 supply provider's digital network:

18 (1) the fee calculation method or methods; and

19 (2) applicable surcharges.

20 (b) Before the user begins charging, the electric vehicle
21 supply provider shall disclose:

22 (1) the rate the user will be charged at the time of
23 the transaction based on the available fee calculation method or
24 methods; and

25 (2) a list of applicable surcharges.

26 (c) In accordance with commission rule, an electric vehicle
27 supply provider shall show on the indicating element of the

1 provider's electric vehicle supply equipment or on the provider's
2 digital network a notice to consumers that:

3 (1) states that the department regulates electric
4 vehicle supply equipment; and

5 (2) provides information on filing a complaint with
6 the department about electric vehicle supply equipment.

7 Sec. 2311.0305. ELECTRONIC RECEIPT. After a reasonable
8 period following the completion of a commercial transaction for
9 electric vehicle charging, on request of a user, the electric
10 vehicle supply provider shall transmit an electronic summary that
11 includes:

12 (1) the date and time of the transaction;

13 (2) the physical location of the electric vehicle
14 supply equipment;

15 (3) the duration of and kilowatt hours provided during
16 the transaction; and

17 (4) an itemization of the total fees paid, including
18 surcharges, if applicable.

19 Sec. 2311.0306. REPAIR OF DAMAGED ELECTRIC VEHICLE SUPPLY
20 EQUIPMENT. (a) An electric vehicle supply provider shall:

21 (1) remove from operation in a manner that prevents
22 use and access by the public, in accordance with commission rules,
23 electric vehicle supply equipment that poses a safety risk; and

24 (2) remove electric vehicle supply equipment that
25 poses a safety risk from the electric vehicle supply provider's
26 digital network listing of available charging units.

27 (b) If the department determines that electric vehicle

1 supply equipment poses a safety risk, the department shall place a
2 tag or other mark with the words "Out of Order" on the electric
3 vehicle supply equipment.

4 (c) An electric vehicle supply provider may not return
5 electric vehicle supply equipment to operation until the equipment
6 has been repaired in accordance with manufacturer specifications
7 and commission rule.

8 SUBCHAPTER D. ENFORCEMENT

9 Sec. 2311.0401. DISCIPLINARY ACTION. A person is subject
10 to the denial of an application, imposition of an administrative
11 penalty under Subchapter F, Chapter 51, or disciplinary action
12 under Section 51.353 if the person engages in a commercial
13 transaction in violation of this chapter or a rule adopted under
14 this chapter.

15 Sec. 2311.0402. ADMINISTRATIVE PROCEDURES. A proceeding
16 for the denial of a registration or a disciplinary action or an
17 appeal from that proceeding is governed by Chapter 2001, Government
18 Code.

19 SECTION 17. (a) The Texas Commission of Licensing and
20 Regulation shall adopt rules necessary to implement the changes in
21 law made by this Act not later than December 1, 2024.

22 (b) Notwithstanding any other provision of this Act,
23 electric vehicle supply equipment installed before December 31,
24 2023, is exempt from the requirements of Section 2311.0303,
25 Occupations Code, as added by this Act, until the fifth anniversary
26 of the date the rules described by Subsection (a) of this section
27 are adopted.

1 SECTION 18. (a) The Texas Department of Licensing and
2 Regulation may establish and lead a stakeholder work group to
3 provide input, advice, and recommendations on the activities under
4 this Act. The Texas Department of Licensing and Regulation shall
5 establish the size, composition, and scope of the stakeholder work
6 group.

7 (b) This section expires on December 1, 2024.

8 SECTION 19. (a) An electric vehicle supply provider shall
9 register all of the provider's electric vehicle supply equipment in
10 operation in this state not later than March 1, 2025.

11 (b) Electric vehicle supply equipment installed in this
12 state before the effective date of this Act must be operated in
13 compliance with manufacturer specifications, Chapter 2311,
14 Occupations Code, as added by this Act, and Texas Commission of
15 Licensing and Regulation rules not later than March 1, 2028.

16 (c) Electric vehicle supply equipment installed on or after
17 September 1, 2023, and before March 1, 2025, must be operated in
18 compliance with manufacturer specifications, Chapter 2311,
19 Occupations Code, as added by this Act, and Texas Commission of
20 Licensing and Regulation rules not later than March 1, 2025.

21 (d) Electric vehicle supply equipment installed on or after
22 March 1, 2025, must be operated in compliance with manufacturer
23 specifications, Chapter 2311, Occupations Code, as added by this
24 Act, and Texas Commission of Licensing and Regulation rules, and be
25 registered with the Texas Department of Licensing and Regulation
26 prior to operation.

27 SECTION 20. The Texas Transportation Electrification

1 Council shall submit its first report under Section 490J.009,
2 Government Code, as added by this Act, not later than December 1,
3 2026.

4 SECTION 21. The changes in law made by this Act to
5 Subchapter D, Chapter 386, Health and Safety Code, apply only to an
6 incentive awarded on or after September 1, 2024. An incentive
7 awarded before September 1, 2024, is governed by the law in effect
8 on the date the award was made, and the former law is continued in
9 effect for that purpose.

10 SECTION 22. The change in law made by this Act to Section
11 393.006, Health and Safety Code, applies only to a grant awarded on
12 or after September 1, 2023. A grant awarded before September 1,
13 2023, is governed by the law in effect on the date the award was
14 made, and the former law is continued in effect for that purpose.

15 SECTION 23. (a) Except as provided by Subsection (b), this
16 Act takes effect September 1, 2023.

17 (b) Section 21 of this Act and the changes in law made by
18 this Act to Subchapter D, Chapter 386, Health and Safety Code, other
19 than Section 386.154(g), take effect September 1, 2024.