

By: Bonnen (Senate Sponsor - Ogden) H.B. No. 37
(In the Senate - Received from the House September 17, 2003;
September 17, 2003, read first time and referred to Committee on
Finance; September 22, 2003, reported favorably by the following
vote: Yeas 10, Nays 0; September 22, 2003, sent to printer.)

A BILL TO BE ENTITLED
AN ACT

relating to contracts and grant programs related to the Texas
Emissions Reduction Plan.

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

SECTION 1. Section 2155.451(a), Government Code, as added
by Section 19, Chapter 1331, Acts of the 78th Legislature, Regular
Session, 2003, is amended to read as follows:

(a) This section applies only to a contract to be performed,
wholly or partly, in a nonattainment area or in an affected county,
as those terms are ~~[that term is]~~ defined by Section 386.001, Health
and Safety Code.

SECTION 2. Section 271.907(b), Local Government Code, as
added by Section 20, Chapter 1331, Acts of the 78th Legislature,
Regular Session, 2003, is amended to read as follows:

(b) This section applies only to a contract to be performed,
wholly or partly, in a nonattainment area or in an affected county,
as those terms are ~~[that term is]~~ defined by Section 386.001, Health
and Safety Code.

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

(b) Under the plan, the commission and ~~[,]~~ the comptroller
~~[, and the council]~~ shall provide grants or other funding for:

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

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

(3) the new technology research and development
program established under Chapter 387.

SECTION 4. Section 387.001, Health and Safety Code, is
amended to read as follows:

Sec. 387.001. DEFINITIONS ~~[DEFINITION]~~. In this chapter:

(1) "Commission" means the Texas Commission on
Environmental Quality.

(2) "Program" ~~[, "program"]~~ means the new technology
research and development program.

SECTION 5. Section 387.003, Health and Safety Code, as
amended by Chapters 29 and 1331, Acts of the 78th Legislature,
Regular Session, 2003, is amended to read as follows:

Sec. 387.003. NEW TECHNOLOGY RESEARCH AND DEVELOPMENT
PROGRAM. (a) The commission in consultation with the Texas Council
on Environmental Technology shall establish and administer a new
technology research and development program as provided by this
chapter.

(b) Under the program, the commission ~~[Texas Council on~~
~~Environmental Technology]~~ shall provide grants to be used to
support development of emissions-reducing technologies that may be
used for projects eligible for awards under Chapter 386 and other
new technologies that show promise for commercialization. The
primary objective of this chapter is to promote the development of
commercialization technologies that will support projects that may
be funded under Chapter 386 and this chapter, including advanced
technologies such as fuel cells, catalysts, and fuel additives.

(c) When making a grant under the program, the commission
~~[Texas Council on Environmental Technology]~~ may collect a fee from
the grant recipient in an amount not to exceed five percent of the
amount of the grant to be used by the commission ~~[council]~~ only to:

(1) monitor project progress;

(2) disseminate information about project accomplishments;

(3) track technology deployment into the marketplace; and

(4) provide estimates of the impact that commercialization of funded projects will have on the environment.

SECTION 6. Section 387.004, Health and Safety Code, is amended to read as follows:

Sec. 387.004. SOLICITATION OF NEW TECHNOLOGY PROPOSALS. The commission [~~Texas Council on Environmental Technology~~] from time to time shall issue specific requests for proposals (RFPs) or program opportunity notices (PONs) for technology projects to be funded under the program.

SECTION 7. Sections 387.005(b) and (c), Health and Safety Code, are amended to read as follows:

(b) The commission [~~Texas Council on Environmental Technology~~] shall identify and evaluate and may consider making grants for technology projects that would allow qualifying fuels to be produced from energy resources in this state. In considering projects under this subsection, the commission [~~council~~] shall give preference to projects involving otherwise unusable energy resources in this state and producing qualifying fuels at prices lower than otherwise available and low enough to make the projects to be funded under the program economically attractive to local businesses in the area for which the project is proposed.

(c) In soliciting proposals under Section 387.004 and determining how to allocate grant money available for projects under this chapter, the commission [~~Texas Council on Environmental Technology~~] shall give special consideration to advanced technologies and retrofit or add-on projects that provide multiple benefits by reducing emissions of particulates and other air pollutants.

SECTION 8. Section 387.006(b), Health and Safety Code, is amended to read as follows:

(b) The commission [~~Texas Council on Environmental Technology~~] shall consider specifically, for each proposed technology project application:

(1) the projected potential for reduced emissions of oxides of nitrogen and the cost-effectiveness of the technology once it has been commercialized;

(2) the potential for the technology to contribute significantly to air quality goals; and

(3) the strength of the commercialization plan.

SECTION 9. Section 387.007, Health and Safety Code, is amended to read as follows:

Sec. 387.007. COST-SHARING. The commission [~~Texas Council on Environmental Technology~~] may require cost-sharing for technology projects funded under this chapter but may not require repayment of grant money, except that the commission [~~council~~] shall require provisions for recapturing grant money for noncompliance with grant requirements. Grant money recaptured under the contract provision shall be deposited in the environmental research fund and reallocated for other projects under this chapter.

SECTION 10. Section 387.008(b), Health and Safety Code, is amended to read as follows:

(b) Money in the environmental research fund may be used only for the operation and projects of the commission under this chapter [~~Texas Council on Environmental Technology~~].

SECTION 11. Section 387.009, Health and Safety Code, is amended to read as follows:

Sec. 387.009. ADVISORY COMMITTEES. (a) The commission [~~Texas Council on Environmental Technology~~] may appoint advisory committees as necessary or desirable to assist the commission [~~council~~] in performing its duties under this chapter.

(b) An advisory committee appointed under this section may include representatives of industry, environmental groups, consumer groups, local governments, agriculture, the commission, the General Land Office, and the Railroad Commission of Texas.

3-1 (c) Any senator or representative desiring to do so may
3-2 participate on any advisory committee appointed under this section.

3-3 (d) Members of an advisory committee appointed under this
3-4 section are not entitled to compensation.

3-5 SECTION 12. Section 387.010, Health and Safety Code, is
3-6 amended to read as follows:

3-7 Sec. 387.010. REPORTS. Not later than December 1, 2002, and
3-8 not later than December 1 of each subsequent second year, the
3-9 commission [~~Texas Council on Environmental Technology~~] shall
3-10 report to the legislature on projects funded under the new
3-11 technology research and development program, describing the
3-12 technical objectives and accomplishments of the project and the
3-13 progress of the project technology toward commercialization. Using
3-14 sound science, the report shall detail the costs and actual
3-15 realized benefits of the program and of each project funded under
3-16 the program.

3-17 SECTION 13. Section 387.002(c), Health and Safety Code, is
3-18 repealed.

3-19 SECTION 14. This Act takes effect immediately if it
3-20 receives a vote of two-thirds of all the members elected to each
3-21 house, as provided by Section 39, Article III, Texas Constitution.
3-22 If this Act does not receive the vote necessary for immediate
3-23 effect, this Act takes effect on the 91st day after the last day of
3-24 the legislative session.

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