

By: Bonnen

H.B. No. 1365

A BILL TO BE ENTITLED

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AN ACT

relating to the Texas emissions reduction plan.

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

SECTION 1. Section 386.001(2), Health and Safety Code, is amended to read as follows:

(2) "Affected county" includes:

- (A) Bastrop County;
- (B) Bexar County;
- (C) Caldwell County;
- (D) Comal County;
- (E) Ellis County;
- (F) Gregg County;
- (G) Guadalupe County;
- (H) Harrison County;
- (I) Hays County;
- (J) Henderson County;
- (K) Hood County;
- (L) Hunt County;
- (M) Johnson County;
- (N) [~~K~~] Kaufman County;
- (O) [~~L~~] Nueces County;
- (P) [~~M~~] Parker County;
- (Q) [~~N~~] Rockwall County;
- (R) [~~O~~] Rusk County;

1 (S) [~~(P)~~] San Patricio County;
2 (T) [~~(Q)~~] Smith County;
3 (U) [~~(R)~~] Travis County;
4 (V) [~~(S)~~] Upshur County;
5 (W) [~~(T)~~] Victoria County;
6 (X) [~~(U)~~] Williamson County; [~~and~~]
7 (Y) [~~(V)~~] Wilson County; and
8 (Z) any other county designated as an affected
9 county by commission rule because of deteriorating air quality.

10 SECTION 2. Section 386.053(d), Health and Safety Code, is
11 amended to read as follows:

12 (d) The commission may propose revisions to the guidelines
13 and criteria adopted under this section as necessary to improve the
14 ability of the plan to achieve its goals. Revisions may include,
15 among other changes, adding additional pollutants, adding vehicles
16 and equipment that use fuels other than diesel, or adjusting
17 eligible program categories, as appropriate, to ensure that
18 incentives established under this chapter achieve the maximum
19 possible emissions reductions. The commission shall make a
20 proposed revision available to the public before the 45th day
21 preceding the date of final adoption of the revision and shall hold
22 at least one public meeting to consider public comments on the
23 proposed revision before final adoption.

24 SECTION 3. Section 386.101(9), Health and Safety Code, is
25 amended to read as follows:

26 (9) "Repower" means to replace an old engine powering
27 an on-road or non-road diesel with a new engine, a used engine, or

1 electric motors, drives, or fuel cells[+]

2 [~~(A) a new engine that emits at least 30 percent~~
3 ~~less than the oxides of nitrogen emissions standard required by~~
4 ~~federal regulation for the current model year for that engine;~~

5 [~~(B) an engine manufactured later than 1987 that~~
6 ~~emits at least 30 percent less than the oxides of nitrogen emissions~~
7 ~~standard emitted by a new engine certified to the baseline oxides of~~
8 ~~nitrogen emissions standard for that engine;~~

9 [~~(C) an engine manufactured before 1988 that~~
10 ~~emits not more than 50 percent of the oxides of nitrogen emissions~~
11 ~~standard emitted by a new engine certified to the baseline oxides of~~
12 ~~nitrogen emissions standard for that engine; or~~

13 [~~(D) electric motors, drives, or fuel cells~~].

14 SECTION 4. Section 386.102(b), Health and Safety Code, is
15 amended to read as follows:

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

18 (1) purchase or lease of on-road or non-road diesels;

19 (2) emissions-reducing retrofit projects for on-road
20 or non-road diesels;

21 (3) emissions-reducing repower projects for on-road
22 or non-road diesels;

23 (4) purchase and use of emissions-reducing add-on
24 equipment for on-road or non-road diesels;

25 (5) development and demonstration of practical,
26 low-emissions retrofit technologies, repower options, and advanced
27 technologies for on-road or non-road diesels with lower emissions

1 of oxides of nitrogen;

2 (6) use of qualifying fuel; [~~and~~]

3 (7) implementation of infrastructure projects; and

4 (8) replacement of on-road or non-road diesels with
5 newer on-road or non-road diesels.

6 SECTION 5. Section 386.103(a), Health and Safety Code, is
7 amended to read as follows:

8 (a) Any person as defined by Section 382.003 that owns one
9 or more on-road or non-road diesels that operate primarily within a
10 nonattainment area or affected county of this state or that
11 otherwise contributes to the state inventory of emissions of oxides
12 of nitrogen may apply for a grant under the program. The commission
13 may adopt guidelines to allow a person other than the owner to apply
14 for and receive a grant in order to improve the ability of the
15 program to achieve its goals.

16 SECTION 6. Section 386.104(f), Health and Safety Code, is
17 amended to read as follows:

18 (f) A proposed retrofit, repower, replacement, or add-on
19 equipment project must document, in a manner acceptable to the
20 commission, a reduction in emissions of oxides of nitrogen of at
21 least 30 percent compared with the baseline emissions adopted by
22 the commission for the relevant engine year and application. After
23 study of available emissions reduction technologies, after public
24 notice and comment, and after consultation with the advisory board,
25 the commission may revise the minimum percentage reduction in
26 emissions of oxides of nitrogen required by this subsection to
27 improve the ability of the program to achieve its goals.

1 SECTION 7. Section 386.105, Health and Safety Code, is
2 amended by adding Subsection (e) to read as follows:

3 (e) The commission may allow for the apportionment of
4 credits associated with a project between the plan and another
5 program or entity if the part of the credit assigned to the program
6 that is part of the plan still meets any applicable
7 cost-effectiveness criteria.

8 SECTION 8. Section 386.112(b), Health and Safety Code, is
9 amended to read as follows:

10 (b) The program shall authorize statewide incentives for
11 the reimbursement of incremental costs for the purchase or lease,
12 according to the schedule provided by Section 386.113, of new
13 on-road diesels that are certified by the United States
14 Environmental Protection Agency or the California Air Resources
15 Board to an emissions standard provided by Section 386.113 if the
16 purchaser or lessee of the on-road diesel agrees to register the
17 vehicle in this state and to operate the on-road diesel in this
18 state for not less than 75 percent of the on-road diesel's annual
19 mileage.

20 SECTION 9. Subchapter C, Chapter 386, Health and Safety
21 Code, is amended by adding Section 386.115 to read as follows:

22 Sec. 386.115. MODIFICATION OF VEHICLE ELIGIBILITY. After
23 evaluating the availability of vehicles meeting the emissions
24 standards and after public notice and comment, the commission, in
25 consultation with the advisory board, may expand the program to
26 include other on-road vehicles, regardless of fuel type used, that
27 meet the emissions standards, have a gross vehicle weight rating of

1 10,000 pounds or more, and are purchased or leased in lieu of a new
2 on-road diesel.

3 SECTION 10. Section 386.252(a), Health and Safety Code, is
4 amended to read as follows:

5 (a) Money in the fund may be used only to implement and
6 administer programs established under the plan and shall be
7 allocated as follows:

8 (1) for the diesel emissions reduction incentive
9 program, 72 percent of the money in the fund, of which not more than
10 [~~three percent may be used for infrastructure projects and not more~~
11 ~~than~~] 10 percent may be used for on-road diesel purchase or lease
12 incentives;

13 (2) for the motor vehicle purchase or lease incentive
14 program, 15 percent of the money in the fund;

15 (3) for the energy efficiency grant program, 7.5
16 percent of the money in the fund;

17 (4) for the new technology research and development
18 program, 7.5 percent of the money in the fund, of which up to
19 \$250,000 is allocated for administration, up to \$200,000 is
20 allocated for a health effects study, and \$500,000 is to be
21 deposited in the state treasury to the credit of the clean air
22 account created under Section 382.0622 to supplement funding for
23 air quality planning activities in affected counties; and

24 (5) for administrative costs incurred by the utility
25 commission, the commission, the comptroller, and the laboratory,
26 three percent.

27 SECTION 11. Section 224.153(c), Transportation Code, is

1 amended to read as follows:

2 (c) If federal highway funding will not be negatively
3 affected, the commission by rule may provide that a [A] motor
4 vehicle displaying the "low-emissions vehicle" insignia authorized
5 by Section 502.186 in an easily readable location on the back of the
6 vehicle is entitled to travel in a preferential car pool or high
7 occupancy vehicle lane designated under this section regardless of
8 the number of occupants in the vehicle. This subsection expires
9 August 31, 2008.

10 SECTION 12. This Act takes effect immediately if it
11 receives a vote of two-thirds of all the members elected to each
12 house, as provided by Section 39, Article III, Texas Constitution.
13 If this Act does not receive the vote necessary for immediate
14 effect, this Act takes effect September 1, 2003.