

1-1 By: Callegari (Senate Sponsor - Ogden) H.B. No. 3587
1-2 (In the Senate - Received from the House May 24, 2003;
1-3 May 24, 2003, read first time and referred to Committee on Natural
1-4 Resources; May 26, 2003, reported favorably, as amended, by the
1-5 following vote: Yeas 7, Nays 0; May 26, 2003, sent to printer.)

1-6 COMMITTEE AMENDMENT NO. 1 By: Armbrister

1-7 Amend HB 3587 as follows:

1-8 On page 9, line 61, insert the following new sections and
1-9 renumber subsequent sections accordingly:

1-10 SECTION 15. Section 386.001(2), Health and Safety Code, is
1-11 amended to read as follows:

1-12 (2) "Affected county" includes:

- 1-13 (A) Bastrop County;
- 1-14 (B) Bexar County;
- 1-15 (C) Caldwell County;
- 1-16 (D) Comal County;
- 1-17 (E) Ellis County;
- 1-18 (F) Gregg County;
- 1-19 (G) Guadalupe County;
- 1-20 (H) Harrison County;
- 1-21 (I) Hays County;
- 1-22 (J) Henderson County;
- 1-23 (K) Hood County;
- 1-24 (L) Hunt County;
- 1-25 (M) Johnson County;
- 1-26 (N) [~~(K)~~] Kaufman County;
- 1-27 (O) [~~(L)~~] Nueces County;
- 1-28 (P) [~~(M)~~] Parker County;
- 1-29 (Q) [~~(N)~~] Rockwall County;
- 1-30 (R) [~~(O)~~] Rusk County;
- 1-31 (S) [~~(P)~~] San Patricio County;
- 1-32 (T) [~~(Q)~~] Smith County;
- 1-33 (U) [~~(R)~~] Travis County;
- 1-34 (V) [~~(S)~~] Upshur County;
- 1-35 (W) [~~(T)~~] Victoria County;
- 1-36 (X) [~~(U)~~] Williamson County; ~~and~~
- 1-37 (Y) [~~(V)~~] Wilson County; and
- 1-38 (Z) any other county designated as an affected
- 1-39 county by commission rule because of deteriorating air quality.

1-40 SECTION 16. Section 386.053(d), Health and Safety Code, is
1-41 amended to read as follows:

1-42 (d) The commission may propose revisions to the guidelines
1-43 and criteria adopted under this section as necessary to improve the
1-44 ability of the plan to achieve its goals. Revisions may include,
1-45 among other changes, adding additional pollutants, adding
1-46 stationary engines or engines used in stationary applications,
1-47 adding vehicles and equipment that use fuels other than diesel, or
1-48 adjusting eligible program categories, as appropriate, to ensure
1-49 that incentives established under this chapter achieve the maximum
1-50 possible emissions reductions. The commission shall make a
1-51 proposed revision available to the public before the 45th day
1-52 preceding the date of final adoption of the revision and shall hold
1-53 at least one public meeting to consider public comments on the
1-54 proposed revision before final adoption.

1-55 SECTION 17. Sections 386.101(6) and (9), Health and Safety
1-56 Code, are amended to read as follows:

1-57 (6) "On-road diesel" means an on-road diesel-powered
1-58 motor vehicle that has a gross vehicle weight rating of 8,500
1-59 [~~10,000~~] pounds or more.

1-60 (9) "Repower" means to replace an old engine powering
1-61 an on-road or non-road diesel with a new engine, a used engine, a
1-62 remanufactured engine, or electric motors, drives, or fuel cells [+
1-63 [~~(A) a new engine that emits at least 30 percent~~
1-64 ~~less than the oxides of nitrogen emissions standard required by~~

2-1 ~~federal regulation for the current model year for that engine;~~
 2-2 ~~[(B) an engine manufactured later than 1987 that~~
 2-3 ~~emits at least 30 percent less than the oxides of nitrogen emissions~~
 2-4 ~~standard emitted by a new engine certified to the baseline oxides of~~
 2-5 ~~nitrogen emissions standard for that engine;~~

2-6 ~~[(C) an engine manufactured before 1988 that~~
 2-7 ~~emits not more than 50 percent of the oxides of nitrogen emissions~~
 2-8 ~~standard emitted by a new engine certified to the baseline oxides of~~
 2-9 ~~nitrogen emissions standard for that engine; or~~

2-10 ~~[(D) electric motors, drives, or fuel cells].~~

2-11 SECTION 18. Section 386.102(b), Health and Safety Code, is
 2-12 amended to read as follows:

2-13 (b) Projects that may be considered for a grant under the
 2-14 program include:

- 2-15 (1) purchase or lease of on-road or non-road diesels;
- 2-16 (2) emissions-reducing retrofit projects for on-road
 2-17 or non-road diesels;
- 2-18 (3) emissions-reducing repower projects for on-road
 2-19 or non-road diesels;
- 2-20 (4) purchase and use of emissions-reducing add-on
 2-21 equipment for on-road or non-road diesels;
- 2-22 (5) development and demonstration of practical,
 2-23 low-emissions retrofit technologies, repower options, and advanced
 2-24 technologies for on-road or non-road diesels with lower emissions
 2-25 of oxides of nitrogen;
- 2-26 (6) use of qualifying fuel; ~~and~~
- 2-27 (7) implementation of infrastructure projects; and
- 2-28 (8) replacement of on-road or non-road diesels with
 2-29 newer on-road or non-road diesels.

2-30 SECTION 19. Section 386.103(a), Health and Safety Code, is
 2-31 amended to read as follows:

2-32 (a) Any person as defined by Section 382.003 that owns one
 2-33 or more on-road or non-road diesels that operate primarily within a
 2-34 nonattainment area or affected county of this state or that
 2-35 otherwise contributes to the state inventory of emissions of oxides
 2-36 of nitrogen may apply for a grant under the program. The commission
 2-37 may adopt guidelines to allow a person other than the owner to apply
 2-38 for and receive a grant in order to improve the ability of the
 2-39 program to achieve its goals.

2-40 SECTION 20. Section 386.104(f), Health and Safety Code, is
 2-41 amended to read as follows:

2-42 (f) A proposed retrofit, repower, replacement, or add-on
 2-43 equipment project must document, in a manner acceptable to the
 2-44 commission, a reduction in emissions of oxides of nitrogen of at
 2-45 least 30 percent compared with the baseline emissions adopted by
 2-46 the commission for the relevant engine year and application. After
 2-47 study of available emissions reduction technologies, after public
 2-48 notice and comment, and after consultation with the advisory board,
 2-49 the commission may revise the minimum percentage reduction in
 2-50 emissions of oxides of nitrogen required by this subsection to
 2-51 improve the ability of the program to achieve its goals.

2-52 SECTION 21. Section 386.105, Health and Safety Code, is
 2-53 amended by adding Subsection (e) to read as follows:

2-54 (e) The commission may allow for the apportionment of
 2-55 credits associated with a project between the plan and another
 2-56 program or entity if the part of the credit assigned to the program
 2-57 that is part of the plan still meets any applicable
 2-58 cost-effectiveness criteria.

2-59 SECTION 22. Section 386.106(a), Health and Safety Code, is
 2-60 amended to read as follows:

2-61 (a) Except as provided by Section 386.107 and except for
 2-62 infrastructure projects and infrastructure purchases that are part
 2-63 of a broader retrofit, repower, replacement, or add-on equipment
 2-64 project, the commission may not award a grant for a proposed project
 2-65 the cost-effectiveness of which, calculated in accordance with
 2-66 Section 386.105 and criteria developed under that section, exceeds
 2-67 \$13,000 per ton of oxides of nitrogen emissions reduced in the
 2-68 nonattainment area or affected county for which the project is
 2-69 proposed. This subsection does not restrict commission authority
 2-70 under other law to require emissions reductions with a

3-1 cost-effectiveness that exceeds \$13,000 per ton.

3-2 SECTION 23. Section 386.112(b), Health and Safety Code, is
3-3 amended to read as follows:

3-4 (b) The program shall authorize statewide incentives for
3-5 the reimbursement of incremental costs for the purchase or lease,
3-6 according to the schedule provided by Section 386.113, of new
3-7 on-road diesels that are certified by the United States
3-8 Environmental Protection Agency or the California Air Resources
3-9 Board to an emissions standard provided by Section 386.113 if the
3-10 purchaser or lessee of the on-road diesel agrees to register the
3-11 vehicle in this state and to operate the on-road diesel in this
3-12 state for not less than 75 percent of the on-road diesel's annual
3-13 mileage.

3-14 SECTION 24. Subchapter C, Chapter 386, Health and Safety
3-15 Code, is amended by adding Section 386.115 to read as follows:

3-16 Sec. 386.115. MODIFICATION OF VEHICLE ELIGIBILITY. After
3-17 evaluating the availability of vehicles meeting the emissions
3-18 standards and after public notice and comment, the commission, in
3-19 consultation with the advisory board, may expand the program to
3-20 include other on-road vehicles, regardless of fuel type used, that
3-21 meet the emissions standards, have a gross vehicle weight rating of
3-22 greater than 8,500 pounds, and are purchased or leased in lieu of a
3-23 new on-road diesel.

3-24 SECTION 25. Chapter 368, Health and Safety Code, is amended
3-25 by adding Section 386.116 to read as follows:

3-26 Section 386.116. SMALL BUSINESS INCENTIVES. (a) In this
3-27 section, "small business" means a business owned by a person who:

3-28 (1) owns and operates not more than two vehicles, one of
3-29 which is:

3-30 (A) an on-road diesel with a pre-1994 engine model; or
3-31 (B) a non-road diesel with an engine with uncontrolled
3-32 emissions; and

3-33 (2) has owned the vehicle described by Subdivision (1)(A) or
3-34 (B) for more than one year.

3-35 (b) The commission by rule shall develop a method of
3-36 providing fast and simple access to grants under this subchapter
3-37 for a small business.

3-38 (c) The commission shall publicize and promote the
3-39 availability of grants under this section to encourage the use of
3-40 vehicles that produce fewer emissions.

3-41 (d) On or before December 1 of each even-numbered year, the
3-42 commission shall report commission actions and results under this
3-43 section to the governor, lieutenant governor, and speaker of the
3-44 house of representatives.

3-45 SECTION 26. Section 386.202(b), Health and Safety Code, is
3-46 amended to read as follows:

3-47 (b) Programs approved under this subchapter and other
3-48 energy efficiency programs administered by the utility commission
3-49 must include energy conservation programs for the retirement of
3-50 materials and appliances that contribute to energy consumption or
3-51 peak energy demand to ensure the reduction of energy consumption,
3-52 energy demand, or peak loads, and associated emissions of air
3-53 contaminants.

3-54 SECTION 27. Section 386.252, Health and Safety Code, is
3-55 amended to read as follows:

3-56 Sec. 386.252. USE OF FUND. (a) Money in the fund may be
3-57 used only to implement and administer programs established under
3-58 the plan and shall be allocated as follows:

3-59 (1) for the diesel emissions reduction incentive
3-60 program, 87.5 [72] percent of the money in the fund, of which not
3-61 more than [three percent may be used for infrastructure projects
3-62 and not more than] 10 percent may be used for on-road diesel
3-63 purchase or lease incentives;

3-64 (2) [for the motor vehicle purchase or lease incentive
3-65 program, 15 percent of the money in the fund,

3-66 [(3) for the energy efficiency grant program, 7.5
3-67 percent of the money in the fund,

3-68 [(4)] for the new technology research and development
3-69 program, 9.5[7.5] percent of the money in the fund, of which up to
3-70 \$250,000 is allocated for administration, up to \$200,000 is

4-1 allocated for a health effects study, ~~and~~ \$500,000 is to be
 4-2 deposited in the state treasury to the credit of the clean air
 4-3 account created under Section 382.0622 to supplement funding for
 4-4 air quality planning activities in affected counties, and not less
 4-5 than 20 percent is to be allocated each year to support research
 4-6 related to air quality for the Houston-Galveston-Brazoria and
 4-7 Dallas-Fort Worth nonattainment areas by a nonprofit organization
 4-8 based in Houston.

4-9 (3) ~~(5)~~ for administrative costs incurred by ~~the~~
 4-10 ~~utility commission,~~ the commission~~, the comptroller,~~ and the
 4-11 laboratory, three percent.

4-12 (b) Up to 25 ~~15~~ percent of the money allocated under
 4-13 Subsection (a) to a particular program and not expended under that
 4-14 program by January ~~March~~ 1 of the second fiscal year of a fiscal
 4-15 biennium may be used for another program under the plan as
 4-16 determined by the commission in consultation with the advisory
 4-17 board.

4-18 SECTION 28. Section 387.003(b), Health and Safety Code, is
 4-19 amended to read as follows:

4-20 (b) Under the program, the Texas Council on Environmental
 4-21 Technology shall provide grants to be used to support development
 4-22 of emissions-reducing technologies that may be used for projects
 4-23 eligible for awards under Chapter 386 and other new technologies
 4-24 that show promise for commercialization. The primary objective of
 4-25 this chapter is to promote the development of commercialization
 4-26 technologies that will support projects that may be funded under
 4-27 Chapter 386 and this chapter, including advanced technologies such
 4-28 as fuel cells, catalysts, and fuel additives.

4-29 SECTION 29. Section 387.006(a), Health and Safety Code, is
 4-30 amended to read as follows:

4-31 (a) An application for a technology grant under this chapter
 4-32 must show clear and compelling evidence that:

4-33 (1) the proposed technology project has a strong
 4-34 commercialization plan and organization; and

4-35 (2) the technology proposed for funding:
 4-36 (A) is likely to be offered for commercial sale
 4-37 in this state as soon as practicable but no later than ~~within~~ five
 4-38 years after the date of the application for funding; and

4-39 (B) once commercialized, will offer
 4-40 opportunities for projects eligible for funding under Chapter 386.

4-41 SECTION 30. Section 388.003, Health and Safety Code, is
 4-42 amended by adding Subsection (i) to read as follows:

4-43 (i) A building certified by a national, state, or local
 4-44 accredited energy efficiency program shall be considered in
 4-45 compliance.

4-46 SECTION 31. Section 388.004, Health and Safety Code, is
 4-47 amended to read as follows:

4-48 Section 388.004. ENFORCEMENT OF ENERGY STANDARDS OUTSIDE OF
 4-49 MUNICIPALITY. (a) For construction outside of the local
 4-50 jurisdiction of a municipality:

4-51 (1) a building certified by a national, state, or
 4-52 local accredited energy efficiency program shall be considered in
 4-53 compliance;

4-54 (2) a building with inspections from private
 4-55 code-certified inspectors using the energy efficiency chapter of
 4-56 the International Residential Code or International Energy
 4-57 Conservation Code shall be considered in compliance; and

4-58 (3) a builder who does not have access to either of the
 4-59 above methods for a building shall certify compliance using a form
 4-60 provided by the laboratory, enumerating the code-compliance
 4-61 features of the building.

4-62 (b) A builder shall retain until the third anniversary of
 4-63 the date on which compliance is achieved the original copy of any
 4-64 documentation that establishes compliance under this section. The
 4-65 builder on receipt of any compliance documentation shall provide a
 4-66 copy to the owner of the building.

4-67 (c) A single-family residence built in the unincorporated
 4-68 area of a county the construction of which was completed on or after
 4-69 September 1, 2001, but not later than August 31, 2002, shall be
 4-70 considered in compliance.

5-1 SECTION 32. Chapter 388, Health and Safety Code, is amended
5-2 by adding Sections 388.009 and 388.010 to read as follows:

5-3 Sec. 388.009. ENERGY-EFFICIENT BUILDING PROGRAM. (a) In
5-4 this section, "National Housing Act" means Section 203(b), (i), or
5-5 (k) of the National Housing Act (12 U.S.C. Sections 1709(b), (i),
5-6 and (k), as amended.

5-7 (b) The General Land Office, in consultation with the
5-8 laboratory, the commission, and an advisory committee appointed by
5-9 the General Land Office, may develop an energy-efficient building
5-10 accreditation program for buildings that exceed the building energy
5-11 performance standards under Section 388.003 by 15 percent or more.

5-12 (c) If the General Land Office adopts a program under this
5-13 section, the General Land Office, in consultation with the
5-14 laboratory, shall update the program on or before December 1 of each
5-15 even-numbered year using the best available energy-efficient
5-16 building practices.

5-17 (d) If the General Land Office adopts a program under this
5-18 section, the program shall use a checklist system to produce an
5-19 energy-efficient building scorecard to help:

5-20 (1) home buyers compare potential homes and, by
5-21 providing a copy of the completed scorecard to a mortgage lender,
5-22 qualify for energy-efficient mortgages under the National Housing
5-23 Act; and

5-24 (2) communities qualify for emissions reduction
5-25 credits by adopting codes that meet or exceed the energy-efficient
5-26 building or energy performance standards established under this
5-27 chapter.

5-28 (e) The General Land Office may establish a public
5-29 information program to inform homeowners, sellers, buyers, and
5-30 others regarding energy-efficient building ratings.

5-31 (f) If the General Land Office adopts a program under this
5-32 section, the laboratory shall establish a system to measure the
5-33 reduction in energy and emissions produced under the
5-34 energy-efficient building program and report those savings to the
5-35 commission.

5-36 Sec. 388.010. OUTREACH TO NEAR-NONATTAINMENT AREAS. The
5-37 commission shall conduct outreach to near-nonattainment areas and
5-38 affected counties on the benefits of implementing energy efficiency
5-39 initiatives, including the promotion of energy-efficient building
5-40 programs and urban heat island mitigation techniques, as a way to
5-41 meet air quality attainment goals under the federal Clean Air Act
5-42 (42 U.S.C. Section 7401 et seq.).

5-43 SECTION 33. Chapter 389, Health and Safety Code, is amended
5-44 by adding Section 389.003 to read as follows:

5-45 Sec. 389.003. COMPUTING ENERGY EFFICIENCY EMISSIONS
5-46 REDUCTIONS. The commission shall develop a method to use in
5-47 computing emissions reductions obtained through energy efficiency
5-48 initiatives.

5-49 SECTION 34. Subchapter H, Chapter 2155, Government Code, is
5-50 amended by adding Section 2155.451 to read as follows:

5-51 Sec. 2155.451. VENDORS THAT MEET OR EXCEED AIR QUALITY
5-52 STANDARDS. (a) This section applies only to a contract to be
5-53 performed, wholly or partly, in an affected county, as that term is
5-54 defined by Section 386.001, Health and Safety Code.

5-55 (b) The commission and state agencies procuring goods and
5-56 services may:

5-57 (1) give preference to goods or services of a vendor
5-58 that demonstrates that the vendor meets or exceeds any state or
5-59 federal environmental standards, including voluntary standards,
5-60 relating to air quality; or

5-61 (2) require that a vendor demonstrate that the vendor
5-62 meets or exceeds any state or federal environmental standards,
5-63 including voluntary standards, relating to air quality.

5-64 SECTION 35. Subchapter Z, Chapter 271, Local Government
5-65 Code, is amended by adding Section 271.907 to read as follows:

5-66 Sec. 271.907. VENDORS THAT MEET OR EXCEED AIR QUALITY
5-67 STANDARDS. (a) In this section, "governmental agency" has the
5-68 meaning assigned by the Section 271.003.

5-69 (b) This section applies only to a contract to be performed,
5-70 wholly or partly, in an affected county, as that term is defined by

6-1 Section 386.001, Health and Safety Code.

6-2 (c) A governmental agency procuring goods or services may:
 6-3 (1) give preference to goods or services of a vendor
 6-4 that demonstrates that the vendor meets or exceeds any state or
 6-5 federal environmental standards, including voluntary standards,
 6-6 relating to air quality; or
 6-7 (2) require that a vendor demonstrate that the vendor
 6-8 meets or exceeds any state or federal environmental standards,
 6-9 including voluntary standards, relating to air quality.

6-10 SECTION 36. Section 151.0515, Tax Code, is amended by
 6-11 amending Subsections (a), (b), and (c) and adding Subsection (b-1)
 6-12 to read as follows:

6-13 (a) In this section, "equipment" includes all off-road,
 6-14 heavy-duty diesel equipment [~~classified as construction~~
 6-15 ~~equipment~~], other than implements of husbandry used solely for
 6-16 agricultural purposes, including:

- 6-17 (1) pavers;
- 6-18 (2) tampers/rammers;
- 6-19 (3) plate compactors;
- 6-20 (4) concrete pavers;
- 6-21 (5) rollers;
- 6-22 (6) scrapers;
- 6-23 (7) paving equipment;
- 6-24 (8) surface equipment;
- 6-25 (9) signal boards/light plants;
- 6-26 (10) trenchers;
- 6-27 (11) bore/drill rigs;
- 6-28 (12) excavators;
- 6-29 (13) concrete/industrial saws;
- 6-30 (14) cement and mortar mixers;
- 6-31 (15) cranes;
- 6-32 (16) graders;
- 6-33 (17) off-highway trucks;
- 6-34 (18) crushing/processing equipment;
- 6-35 (19) rough terrain forklifts;
- 6-36 (20) rubber tire loaders;
- 6-37 (21) rubber tire tractors/dozers;
- 6-38 (22) tractors/loaders/backhoes;
- 6-39 (23) crawler tractors/dozers;
- 6-40 (24) skid steer loaders;
- 6-41 (25) off-highway tractors; [~~and~~]
- 6-42 (26) Dumpsters/tenders; and
- 6-43 (27) mining equipment;

6-44 (b) In each county in this state, a surcharge is imposed on
 6-45 the retail sale, lease, or rental of new or used equipment in an
 6-46 amount equal to two [~~one~~] percent of the sale price or the lease or
 6-47 rental amount.

6-48 (b-1) In each county in this state, a surcharge is imposed
 6-49 on the storage, use, or other consumption in this state of new or
 6-50 used equipment. The surcharge is at the same percentage rate as is
 6-51 provided by Subsection (b) on the sales price or the lease or rental
 6-52 amount of the equipment.

6-53 (c) The surcharge shall be collected at the same time and in
 6-54 the same manner and shall be administered and enforced in the same
 6-55 manner as the tax imposed under this chapter [~~subchapter~~]. The
 6-56 comptroller shall adopt any additional procedures needed for the
 6-57 collection, administration, and enforcement of the surcharge
 6-58 authorized by this section and shall deposit all remitted
 6-59 surcharges to the credit of the Texas emissions reduction plan
 6-60 fund.

6-61 SECTION 37. Section 152.0215(a), Tax Code, is amended to
 6-62 read as follows:

6-63 (a) A surcharge is imposed on every retail sale, [~~or~~] lease,
 6-64 or use of every on-road diesel motor vehicle that is over 14,000
 6-65 pounds [~~and is of a model year 1996 or earlier~~] and that is sold,
 6-66 [~~or~~] leased, or used in this state. The amount of the surcharge is
 6-67 two [~~2.5~~] percent of the total consideration.

6-68 SECTION 38. Section 224.153, Transportation Code, amended
 6-69 by adding Subsection (d) to read as follows:

6-70 (d) The department may not authorize vehicles addressed in

7-1 Subsection (c) to use a high occupancy vehicle lane if such use
 7-2 would violate federal transit or highway funding restrictions.

7-3 SECTION 39. Sections 501.138(a) and (b), Transportation
 7-4 Code, are amended to read as follows:

7-5 (a) An applicant for a certificate of title, other than the
 7-6 state or a political subdivision of the state, must pay the county
 7-7 assessor-collector a fee of: [~~\$13~~].

7-8 (1) \$33 if the applicant's residence is a county
 7-9 located within a non-attainment area as defined under Section
 7-10 107(d) of the federal Clean Air Act (U.S.C. Section 7407), as
 7-11 amended, or is an affected county, as defined by Section 386.01,
 7-12 Health and Safety Code; or

7-13 (2) \$25 if the applicant's residence is any other
 7-14 county.

7-15 (b) The county assessor-collector shall send:

7-16 (1) \$5 of the fee to the county treasurer for deposit
 7-17 in the officers' salary fund; [~~and~~]

7-18 (2) \$8 of the fee to the department:
 7-19 (A) together with the application within the time
 7-20 prescribed by Section 501.023; or

7-21 (B) if the fee is deposited in an
 7-22 interest-bearing account or certificate in the county depository or
 7-23 invested in an investment authorized by Subchapter A, Chapter 2256,
 7-24 Government Code, not later than the 35th day after the date on which
 7-25 the fee is received; and

7-26 (3) The following amount to the comptroller at the
 7-27 time and in the manner prescribed by the comptroller:

7-28 (A) \$20 of the fee if the applicant's residence
 7-29 is a county located within a non-attainment area as defined under
 7-30 Section 107(d) of the federal Clean Air Act (42 U.S.C. Section
 7-31 7407), as amended, or is an affected county, as defined by Section
 7-32 386.001, Health and Safety Code; or

7-33 (B) \$12 of the fee if the applicant's residence
 7-34 is any other county.

7-35 (C) Fees collected under this subsection to be
 7-36 sent to the comptroller shall be deposited as follows:

7-37 (1) before September 1, 2008, to the credit of the
 7-38 Texas emissions reduction fund; and

7-39 (2) after September 1, 2008, to the credit of the Texas
 7-40 Mobility Fund.

7-41 SECTION 40. Section 545.353, Transportation Code, is
 7-42 amended by adding Subsection (j) to read as follows:

7-43 (j) The commission may not determine or declare, or agree to
 7-44 determine or declare, a prima facie speed limit for environmental
 7-45 purposes on a part of the highway system.

7-46 SECTION 41. Section 386.157, Health and Safety Code, and
 7-47 Section 386.159, Health and Safety Code, are repealed.

7-48 SECTION 42. (a) Except as provided by Subsection (b) of
 7-49 this section, this Act takes effect immediately if it receives a
 7-50 vote of two-thirds of all the members elected to each house, as
 7-51 provided by Section 39, Article III, Texas Constitution. If this
 7-52 Act does not receive the vote necessary for immediate effect, this
 7-53 Act takes effect September 1, 2003.

7-54 (b) Sections 24 and 25 of this Act take effect on the first
 7-55 day of the first month beginning on or after the earliest date on
 7-56 which this Act may take effect if it receives a vote of two-thirds
 7-57 of all the members elected to each house, as provided by Section 39,
 7-58 Article III, Texas Constitution. If this Act does not receive the
 7-59 vote necessary for effect before September 1, 2003, Sections 24 and
 7-60 25 of this Act take effect September 1, 2003. The comptroller of
 7-61 public accounts may adopt emergency rules for the implementation of
 7-62 Sections 36 and 37 of this Act.

7-63 (c) Section 40 of this Act does not affect speed limits
 7-64 which have been approved by the Transportation Commission prior to
 7-65 the effective date of this Act.

7-66 A BILL TO BE ENTITLED
 7-67 AN ACT

7-68 relating to powers, duties, and name of the Energy Corridor

8-1 Management District.

8-2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8-3 SECTION 1. The heading to Subchapter K, Chapter 376, Local
8-4 Government Code, as added by Chapter 1376, Acts of the 77th
8-5 Legislature, Regular Session, 2001, is amended to read as follows:

8-6 SUBCHAPTER K. HARRIS COUNTY IMPROVEMENT

8-7 [~~ENERGY CORRIDOR MANAGEMENT~~] DISTRICT NO. 4

8-8 SECTION 2. Section 376.451(a), Local Government Code, as
8-9 added by Chapter 1376, Acts of the 77th Legislature, Regular
8-10 Session, 2001, is amended to read as follows:

8-11 (a) The Harris County Improvement [~~Energy Corridor~~
8-12 ~~Management~~] District No. 4 is created as a special district under
8-13 Section 59, Article XVI, Texas Constitution.

8-14 SECTION 3. Section 376.452, Local Government Code, as added
8-15 by Chapter 1376, Acts of the 77th Legislature, Regular Session,
8-16 2001, is amended by adding Subsection (d) to read as follows:

8-17 (d) By creating the district and in authorizing the City of
8-18 Houston, Harris County, and other political subdivisions to
8-19 contract with the district, the legislature has established a
8-20 program to accomplish the public purposes set out in Section 52-a,
8-21 Article III, Texas Constitution.

8-22 SECTION 4. Section 376.453(3), Local Government Code, as
8-23 added by Chapter 1376, Acts of the 77th Legislature, Regular
8-24 Session, 2001, is amended to read as follows:

8-25 (3) "District" means the Harris County Improvement
8-26 [~~Energy Corridor Management~~] District No. 4.

8-27 SECTION 5. Section 376.459, Local Government Code, as added
8-28 by Chapter 1376, Acts of the 77th Legislature, Regular Session,
8-29 2001, is amended by adding Subsection (d) to read as follows:

8-30 (d) If the board determines that it is in the best interest
8-31 of the district, the board by resolution may increase or decrease
8-32 the number of directors on the board except that the board may not
8-33 consist of fewer than seven or more than 15 directors.

8-34 SECTION 6. Section 376.461, Local Government Code, as added
8-35 by Chapter 1376, Acts of the 77th Legislature, Regular Session,
8-36 2001, is amended by adding Subsection (c) to read as follows:

8-37 (c) A nonvoting director is not included for the purpose of
8-38 establishing a board quorum.

8-39 SECTION 7. Section 376.464(a), Local Government Code, as
8-40 added by Chapter 1376, Acts of the 77th Legislature, Regular
8-41 Session, 2001, is amended to read as follows:

8-42 (a) The district may exercise the powers given to a
8-43 corporation created under Section 4B, Development Corporation Act
8-44 of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including
8-45 the power to own, operate, acquire, construct, lease, improve, or
8-46 maintain a project described by that section.

8-47 SECTION 8. Section 376.467, Local Government Code, as added
8-48 by Chapter 1376, Acts of the 77th Legislature, Regular Session,
8-49 2001, is amended to read as follows:

8-50 Sec. 376.467. REQUIREMENTS FOR FINANCING SERVICES AND
8-51 IMPROVEMENTS. The board may not finance a service or improvement
8-52 project with assessments under this subchapter unless a written
8-53 petition requesting the improvement or service has been filed with
8-54 the board. The petition must be signed by:

8-55 (1) the owners of a majority of the assessed value of
8-56 real property in the district subject to the assessment as
8-57 determined by the most recent certified county property tax rolls;
8-58 or

8-59 (2) at least 25 persons who own real property [~~land~~] in
8-60 the district, if there are more than 25 persons who own real
8-61 property in the district as determined by the most recent certified
8-62 county property tax rolls.

8-63 SECTION 9. Section 376.468, Local Government Code, as added
8-64 by Chapter 1376, Acts of the 77th Legislature, Regular Session,
8-65 2001, is amended by amending Subsection (a) and adding Subsection
8-66 (c) to read as follows:

8-67 (a) The [~~In addition to the elections the district must hold~~
8-68 ~~under Subchapter L, Chapter 375, the~~] district shall hold an
8-69 election in the manner provided by Subchapter L, Chapter 375, [~~that~~
8-70 ~~subchapter~~] to obtain voter approval before the district imposes a

9-1 maintenance tax or issues bonds payable from ad valorem taxes [~~or~~
9-2 ~~assessments~~].

9-3 (c) Section 375.243 does not apply to the district.

9-4 SECTION 10. Section 376.470, Local Government Code, as
9-5 added by Chapter 1376, Acts of the 77th Legislature, Regular
9-6 Session, 2001, is amended by adding Subsection (d) to read as
9-7 follows:

9-8 (d) The board may make a correction to or deletion from the
9-9 assessment roll without notice and hearing required for an
9-10 additional assessment if the correction or deletion does not
9-11 increase the amount of a parcel of land.

9-12 SECTION 11. Subchapter K, Chapter 376, Local Government
9-13 Code, as added by Chapter 1376, Acts of the 77th Legislature,
9-14 Regular Session, 2001, is amended by adding Sections 376.478,
9-15 376.479, 376.480, and 376.481 to read as follows:

9-16 Sec. 376.478. TAX AND ASSESSMENT ABATEMENTS. The district
9-17 may grant in the manner authorized by Chapter 312, Tax Code, an
9-18 abatement for a tax or assessment owed to the district.

9-19 Sec. 376.479. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
9-20 district may join and pay dues to an organization that:

9-21 (1) enjoys tax-exempt status under Section 501(c)(3),
9-22 501(c)(4), or 501(c)(6), Internal Revenue Code of 1986 (26 U.S.C.
9-23 Section 501), as amended; and

9-24 (2) performs services or provides activities
9-25 consistent with the furtherance of the purposes of the district.

9-26 Sec. 376.480. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
9-27 All or any part of the area of the district is eligible to be
9-28 included in:

9-29 (1) a tax increment reinvestment zone created by the
9-30 municipality under Chapter 311, Tax Code;

9-31 (2) a tax abatement reinvestment zone created by the
9-32 municipality under Chapter 312, Tax Code; or

9-33 (3) an enterprise zone created by the municipality
9-34 under Chapter 2303, Government Code.

9-35 Sec. 376.481. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
9-36 district may establish and provide for the administration of one or
9-37 more programs, including programs for making loans and grants of
9-38 public money and providing personnel and services of the district,
9-39 to promote state or local economic development and to stimulate
9-40 business and commercial activity in the district.

9-41 (b) For purposes of this section, the district has all of
9-42 the powers and authority of a municipality under Chapter 380.

9-43 SECTION 12. Sections 376.459(c) and 376.460(b), Local
9-44 Government Code, as added by Chapter 1376, Acts of the 77th
9-45 Legislature, Regular Session, 2001, are repealed.

9-46 SECTION 13. (a) The legislature validates and confirms all
9-47 acts and proceedings of the Harris County Improvement District No.
9-48 4 and the district's board of directors that occurred before the
9-49 effective date of this Act.

9-50 (b) This section does not apply to any matter that on the
9-51 effective date of this Act:

9-52 (1) is involved in litigation, if the litigation
9-53 ultimately results in the matter being held invalid by a final
9-54 judgment of a court with jurisdiction; or

9-55 (2) has been held invalid by a court with
9-56 jurisdiction.

9-57 SECTION 14. This Act takes effect immediately if it
9-58 receives a vote of two-thirds of all the members elected to each
9-59 house, as provided by Section 39, Article III, Texas Constitution.
9-60 If this Act does not receive the vote necessary for immediate
9-61 effect, this Act takes effect September 1, 2003.

9-62 * * * * *