

Amend CSHB 2481 as follows:

(1) Insert the following appropriately numbered sections:

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

(b) Under the plan, the commission and the comptroller 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; and

(4) the clean school bus program established under Chapter 390.

SECTION _____. Section 386.052(b), Health and Safety Code, is amended to read as follows:

(b) Appropriate commission objectives include:

(1) achieving maximum reductions in oxides of nitrogen to demonstrate compliance with the state implementation plan;

(2) preventing areas of the state from being in violation of national ambient air quality standards; ~~and~~

(3) achieving cost-saving and multiple benefits by reducing emissions of other pollutants; and

(4) achieving reductions of emissions of diesel exhaust from school buses.

(2) Strike page 7, lines 4 and 5, and substitute the following:

SECTION 11. Section 386.252, Health and Safety Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(3) On page 7, line 11, between "than" and "10", insert "1.5 percent may be used for the clean school bus program and not more than".

(4) On page 8, strike lines 6 and 7 and substitute the following:

(c) Money in the fund may be allocated to the clean school

bus program only if the money is available for that purpose after money is allocated as needed to achieve the emissions reduction objectives in the state implementation plan.

SECTION 12. Effective September 1, 2008, Section 386.252, Health and Safety Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(5) On page 8, line 13, between "than" and "10", insert "1.5 percent may be used for the clean school bus program and not more than".

(6) On page 9, between lines 14 and 15, insert the following:

(c) Money in the fund may be allocated to the clean school bus program only if the money is available for that purpose after money is allocated as needed to achieve the emissions reduction objectives in the state implementation plan.

(7) Insert the following appropriately numbered section:

SECTION____. Subtitle C, Title 5, Health and Safety Code, is amended by adding Chapter 390 to read as follows:

CHAPTER 390. CLEAN SCHOOL BUS PROGRAM

Sec. 390.001. DEFINITIONS. In this chapter:

(1) "Diesel exhaust" means one or more of the air pollutants emitted from an engine by the combustion of diesel fuel, including particulate matter, nitrogen oxides, volatile organic compounds, air toxics, and carbon monoxide.

(2) "Incremental cost" has the meaning assigned by Section 386.001.

(3) "Program" means the clean school bus program established under this chapter.

(4) "Qualifying fuel" includes any liquid or gaseous fuel or additive registered or verified by the United States Environmental Protection Agency, other than standard gasoline or diesel, that is ultimately dispensed into a school bus that provides reductions of emissions of particulate matter.

(5) "Retrofit" has the meaning assigned by Section 386.101.

Sec. 390.002. PROGRAM. (a) The commission shall establish and administer a clean school bus program designed to reduce the exposure of school children to diesel exhaust in and around

diesel-fueled school buses. Under the program, the commission shall provide grants for eligible projects to offset the incremental cost of projects that reduce emissions of diesel exhaust.

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

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

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

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

(4) the use of qualifying fuel; and

(5) other technologies that the commission finds will bring about significant emissions reductions.

Sec. 390.003. APPLICATION FOR GRANT. (a) A school district in this state that operates one or more diesel-fueled school buses or a transportation system provided by a countywide school district may apply for and receive a grant under the program.

(b) The commission may adopt guidelines to allow a regional planning commission, council of governments, or similar regional planning agency created under Chapter 391, Local Government Code, or a private nonprofit organization to also apply for and receive a grant to improve the ability of the program to achieve its goals.

(c) An application for a grant under this chapter must be made on a form provided by the commission and must contain the information required by the commission.

Sec. 390.004. ELIGIBILITY OF PROJECTS FOR GRANTS. (a) The commission by rule shall establish criteria for setting priorities for projects eligible to receive grants under this chapter. The commission shall review and may modify the criteria and priorities as appropriate.

(b) A school bus proposed for retrofit must be used on a regular, daily route to and from a school and have at least five years of useful life remaining unless the applicant agrees to remove the retrofit device at the end of the life of the bus and reinstall the device on another bus.

Sec. 390.005. RESTRICTION ON USE OF GRANT. A recipient of a grant under this chapter shall use the grant to pay the incremental costs of the project for which the grant is made, which may include the reasonable and necessary expenses incurred for the labor needed to install emissions-reducing equipment. The recipient may not use the grant to pay the recipient's administrative expenses.

Sec. 390.006. EXPIRATION. This chapter expires August 31, 2013.

(8) Renumber the sections of the bill accordingly.