

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 2481
By: Bonnen (Harris)
Natural Resources
5/18/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current statute, the Texas Emissions Reduction Plan (TERP) will expire in 2008. The TERP is the cornerstone of the state's efforts to achieve cleaner air. By continuing to fund TERP and strengthening its component programs, the state can continue to address its air quality.

In order to continue the existing TERP funding sources, C.S.H.B. 2481 extends certain fees. Under the current expiration of TERP, some of these fees were to go to the Texas Department of Transportation (TxDOT). This bill provides that certain fees will go to TxDOT, but that TxDOT will then pay the TERP fund a corresponding amount. This allows TxDOT to issue bonds backed by the receipt of these fees, while insuring that clean air projects will be supported.

Air quality improvements achieved through energy efficiency and renewable energy can be claimed under the State Implementation Plan only if the necessary calculations are made to quantify the attributable emissions reductions. This bill directs the Texas A&M Energy Systems Laboratory and the Texas Commission on Environmental Quality to do so.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 386.002, Health and Safety Code, by providing that this chapter (Texas Emissions Reduction Plan) expires August 31, 2010, rather than 2008.

SECTION 2. Amends Section 386.053(c), Health and Safety Code, to require the Texas Commission on Environmental Quality (TCEQ) to make draft guidelines and criteria available to the public and the United States Environmental Protection Agency before the 30th day, rather than the 45th day, preceding the date of final adoption.

SECTION 3. Amends Sections 386.058(b) and (e), Health and Safety Code, as follows:

(b) Requires the governor to appoint to the Texas Emissions Reduction Plan Advisory Board a representative of a certain nonprofit organization, rather than the Texas Council on Environmental Technology.

(e) Provides that appointed members of the advisory board serve staggered four-year, rather than two-year, terms, with the terms of seven or eight appointed members expiring February 1 of each even-numbered year. Deletes existing text providing that the terms of seven members expire February 1 of each even-numbered year, and the terms of eight appointed members expire February 1 of each odd-numbered year.

SECTION 4. Amends Section 386.102, Health and Safety Code, by adding Subsection (d), as follows:

(d) Prohibits the amount of a grant awarded under the diesel emissions reduction incentive program to an owner or operator of a locomotive or marine vessel, or an affiliate of the owner or operator, from being disproportionate to the amount the owner, operator, or affiliate contributes to the Texas emissions reduction plan fund (fund).

Prohibits the ratio of the amount of a grant awarded under the program to an owner or operator of a locomotive or marine vessel, or an affiliate of the owner or operator, to the amount contributed to the fund by the owner, operator, or affiliate from deviating unreasonably from the overall grant-to-contribution ratio of other grant recipients under the program. Defines "affiliate."

SECTION 5. Amends Section 386.111(a), Health and Safety Code, to delete existing text creating deadlines for TCEQ action on applications for grants.

SECTION 6. Amends Section 386.116(d), Health and Safety Code, to require TCEQ to include in the biennial plan report a report of TCEQ actions and results under this section (Small Business Incentives), rather than to report TCEQ actions and results under this section to certain public officials by a certain deadline.

SECTION 7. Amends Subchapter C, Chapter 386, Health and Safety Code, by adding Section 386.117, as follows:

Sec. 386.117. REBATE GRANTS. (a) Requires TCEQ to adopt a process for awarding grants under this subchapter (Diesel Emissions Reduction Incentive Program) in the form of rebates to streamline the grant application, contracting, reimbursement, and reporting processes for certain projects. Sets forth the requirements for the process adopted under this section.

(b) Authorizes TCEQ to limit or expand the designated project types as necessary to further the goals of the program.

(c) Authorizes TCEQ to award rebate grants as a pilot project for a specific region or to award the grants statewide.

(d) Authorizes TCEQ to administer the rebate grants or to designate another entity to administer the grants.

SECTION 8. Amends Section 386.251(c), Health and Safety Code, to provide that the fund consists of the amount of money deposited to the credit of the fund, rather than contributions, fees, and surcharges, under certain sections of the Health and Safety Code, Tax Code, and Transportation Code.

SECTION 9. Amends Section 386.252(a), Health and Safety Code, as follows:

(a) Requires the balance of the allocation for the new technology research and development program to be allocated each year to a certain nonprofit organization under a contract with TCEQ to implement and administer the new technology research and development program. Authorizes three percent of the money in the fund to be used for administrative costs incurred by TCEQ and the Energy Systems Laboratory at the Texas Engineering Experiment Station of The Texas A&M University System (laboratory).

SECTION 10. Amends Section 386.252(a), Health and Safety Code, effective September 1, 2008, as follows:

(a) Reduces from 87.5 percent to 64 percent the amount of money in the fund required to be allocated to the diesel emissions reduction incentive program. Increases from 9.5 percent to 33 percent the amount of money in the fund required to be allocated to the new technology research and development program. Specifies that of the money allocated to the new technology research and development program, not less than 10 percent, rather than 20 percent, is to be allocated to support research related to air quality in certain areas, not less than 25.5 percent allocated each year to a certain nonprofit organization under a contract with TCEQ to implement and administer the new technology research and development program, not more than \$12,500,000 to be allocated each year from any excess funds to be administered by TCEQ to fund a study of certain ozone-related issues, and the balance is to be allocated to TCEQ to fund promising new technologies.

Authorizes three percent of the money in the fund to be used for administrative costs incurred by TCEQ and the laboratory.

SECTION 11. Amends Section 387.003(a), Health and Safety Code, to require a certain nonprofit organization under contract with TCEQ, rather than TCEQ in consultation with the Texas Council on Environmental Technology, to establish and administer a new technology research and development program as provided by this chapter (New Technology Research and Development Program)

SECTION 12. Amends Section 387.005(a), Health and Safety Code, to delete existing text authorizing grants to be awarded under this chapter for advanced technologies that promote increased building and appliance energy performance. Makes nonsubstantive changes.

SECTION 13. Amends Section 388.003(e), Health and Safety Code, to require the laboratory to annually submit a report to TCEQ quantifying energy savings and emissions reductions from this program.

SECTION 14. Amends Section 389.003, Health and Safety Code, as follows:

Sec. 389.003. New heading: COMPUTING ENERGY EFFICIENCY EMISSIONS REDUCTIONS AND ASSOCIATED CREDITS. (a) Requires TCEQ to develop a method to use in computing emissions reductions obtained through energy efficiency initiatives, including renewable energy initiatives, and the credits associated with those reductions. Creates this subsection from existing text.

(b) Requires the laboratory [no definition for laboratory given in this chapter] to assist TCEQ and affected political subdivisions in quantifying, as part of the state implementation plan, credits for emissions reductions attributable to energy efficiency programs, including renewable energy programs.

SECTION 15. Amends Section 151.0515(d), Tax Code, to provide that this section expires September 30, 2010, rather than 2008.

SECTION 16. Amends Section 152.0215(c), Tax Code, to provide that this section expires September 30, 2013, rather than 2008.

SECTION 17. Amends Section 501.138, Transportation Code, by amending Subsections (a) and (b) and adding Subsections (b-1), (b-2), and (b-3), as follows:

(a) Requires an applicant for a certificate of title on or after September 1, 2010, rather than 2008, to pay a \$28 fee regardless of the county in which the applicant resides.

(b) Requires the county assessor-collector to send to the comptroller on or after September 1, 2010, \$15 regardless of the county in which the applicant resides.

(b-1) Creates this subsection from existing text. Requires fees collected on or after September 1, 2008, to be deposited to the credit of the Texas Mobility Fund, with certain exceptions. Makes conforming and nonsubstantive changes.

(b-2) Requires the comptroller to establish a record of the amount of fees deposited to the credit of the Texas Mobility Fund under Subsection (b-1). Requires TxDOT, on or before the fifth workday of each month, to remit to the comptroller for deposit to the credit of the Texas emissions reduction plan fund an amount of money equal to the amount of the fees deposited by the comptroller to the credit of the Texas Mobility Fund under Subsection (b-1) in the preceding month. Requires TxDOT to use for remittance to the comptroller as required by this subsection certain money in the state highway fund. Prohibits TxDOT to use for that remittance money received by this state under the congestion mitigation and air quality improvement program.

(b-3) Provides that this subsection and Subsection (b-2) expire September 1, 2010.

SECTION 18. Amends Section 502.1675(c), Transportation Code, to provide that this section expires August 31, 2010, rather than 2008.

SECTION 19. Amends Section 548.5055(c), Transportation Code, to provide that this section expires August 31, 2010, rather than 2008.

SECTION 20. Repealer: Sections 386.001(4) (defining "council"), 386.057(e) (Review and Reporting Requirements), 387.002 (Texas Council on Environmental Technology), and 387.010 (Reports), Health and Safety Code, and Sections 548.256(c) and (d) (Verification Form Required to Register Vehicle), Transportation Code.

SECTION 21. Requires TCEQ to prepare guidance documents for the rebate grants required by Section 386.117, Health and Safety Code, as added by this Act, not later than January 1, 2006.

SECTION 22. (a) Requires the governor, as soon as practicable on or after the effective date of this Act, to appoint to the Texas Emissions Reduction Plan Advisory Board a representative of the nonprofit organization described by Section 386.252(a)(2), Health and Safety Code, as required by Section 386.058(b), Health and Safety Code, as amended by this Act, to replace the representative of the Texas Council on Environmental Technology serving on that board on the effective date of this Act.

(b) Requires the governor, lieutenant governor, and speaker of the house of representatives, as soon as practicable on or after the effective date of this Act, by mutual agreement, to designate the terms of the appointed members of the Texas Emissions Reduction Plan Advisory Board so that the terms of seven appointed members expire on February 1, 2007, and the terms of eight appointed members expire on February 1, 2009, as provided by Section 386.058(e), Health and Safety Code, as amended by this Act.

SECTION 23. Effective date: September 1, 2005, except as otherwise provided by this Act.