

By: Hochberg

H.B. No. 3469

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the establishment of a program to provide grants to be  
3 used to reduce emissions of diesel exhaust from school buses and to  
4 the use of the Texas emissions reduction plan to fund the program.

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

6 SECTION 1. Section 386.051(b), Health and Safety Code, is  
7 amended to read as follows:

8 (b) Under the plan, the commission and the comptroller shall  
9 provide grants or other funding for:

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

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

15 (3) the new technology research and development  
16 program established under Chapter 387; and

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

19 SECTION 2. Section 386.052(b), Health and Safety Code, is  
20 amended to read as follows:

21 (b) Appropriate commission objectives include:

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

24 (2) preventing areas of the state from being in

1 violation of national ambient air quality standards; ~~and~~

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

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

6 SECTION 3. Section 386.252, Health and Safety Code, is  
7 amended by amending Subsection (a) and adding Subsection (c) to  
8 read as follows:

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

12 (1) for the diesel emissions reduction incentive  
13 program, 87.5 percent of the money in the fund, of which not more  
14 than 1.5 percent may be used for the clean school bus program and  
15 not more than 10 percent may be used for on-road diesel purchase or  
16 lease incentives;

17 (2) for the new technology research and development  
18 program, 9.5 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, \$500,000 is to be deposited in  
21 the state treasury to the credit of the clean air account created  
22 under Section 382.0622 to supplement funding for air quality  
23 planning activities in affected counties, and not less than 20  
24 percent is to be allocated each year to support research related to  
25 air quality for the Houston-Galveston-Brazoria and Dallas-Fort  
26 Worth nonattainment areas by a nonprofit organization based in  
27 Houston; and

1           (3) for administrative costs incurred by the  
2 commission and the laboratory, three percent.

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

7           SECTION 4. Subtitle C, Title 5, Health and Safety Code, is  
8 amended by adding Chapter 390 to read as follows:

9           CHAPTER 390. CLEAN SCHOOL BUS PROGRAM

10          Sec. 390.001. DEFINITIONS. In this chapter:

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

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

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

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

24           (5) "Retrofit" has the meaning assigned by Section  
25 386.101.

26          Sec. 390.002. PROGRAM. (a) The commission shall establish  
27 and administer a clean school bus program designed to reduce the

1 exposure of school children to diesel exhaust in and around  
2 diesel-fueled school buses. Under the program, the commission  
3 shall provide grants for eligible projects to offset the  
4 incremental cost of projects that reduce emissions of diesel  
5 exhaust.

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

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

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

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

15 (4) the use of qualifying fuel; and

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

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

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

27 (c) An application for a grant under this chapter must be

1 made on a form provided by the commission and must contain the  
2 information required by the commission.

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

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

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

19 Sec. 390.006. EXPIRATION. This chapter expires August 31,  
20 2013.

21 SECTION 5. This Act takes effect immediately if it receives  
22 a vote of two-thirds of all the members elected to each house, as  
23 provided by Section 39, Article III, Texas Constitution. If this  
24 Act does not receive the vote necessary for immediate effect, this  
25 Act takes effect September 1, 2005.