

AN ACT

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

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

SECTION 1. 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 2. 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

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 four 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:

5 (1) the money is available for that purpose after
6 money is allocated for the other purposes of the fund as required by
7 the state implementation plan; or

8 (2) the amount of money deposited to the credit of the
9 fund in a state fiscal year exceeds the amount the comptroller's
10 biennial revenue estimate shows as the comptroller's estimated
11 amount to be deposited to the credit of the fund in that year.

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

14 CHAPTER 390. CLEAN SCHOOL BUS PROGRAM

15 Sec. 390.001. DEFINITIONS. In this chapter:

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

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

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

24 (4) "Qualifying fuel" includes any liquid or gaseous
25 fuel or additive registered or verified by the United States
26 Environmental Protection Agency, other than standard gasoline or
27 diesel, that is ultimately dispensed into a school bus that

1 provides reductions of emissions of particulate matter.

2 (5) "Retrofit" has the meaning assigned by Section
3 386.101.

4 Sec. 390.002. PROGRAM. (a) The commission shall establish
5 and administer a clean school bus program designed to reduce the
6 exposure of school children to diesel exhaust in and around
7 diesel-fueled school buses. Under the program, the commission
8 shall provide grants for eligible projects to offset the
9 incremental cost of projects that reduce emissions of diesel
10 exhaust.

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

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

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

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

20 (4) the use of qualifying fuel; and

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

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

27 (b) The commission may adopt guidelines to allow a regional

1 planning commission, council of governments, or similar regional
2 planning agency created under Chapter 391, Local Government Code,
3 or a private nonprofit organization to also apply for and receive a
4 grant to improve the ability of the program to achieve its goals.

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

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

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

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

24 Sec. 390.006. EXPIRATION. This chapter expires August 31,
25 2013.

26 SECTION 5. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 3469 was passed by the House on April 29, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 3469 on May 27, 2005, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3469 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor