

By: Hochberg

H.B. No. 3469

Substitute the following for H.B. No. 3469:

By: Bonnen

C.S.H.B. No. 3469

A BILL TO BE ENTITLED

1

AN ACT

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.