

1-1 By: Hochberg (Senate Sponsor - Barrientos) H.B. No. 3469
1-2 (In the Senate - Received from the House May 2, 2005;
1-3 May 3, 2005, read first time and referred to Committee on Natural
1-4 Resources; May 20, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 May 20, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 3469 By: Barrientos

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the establishment of a program to provide grants to be
1-11 used to reduce emissions of diesel exhaust from school buses and to
1-12 the use of the Texas emissions reduction plan to fund the program.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 386.051(b), Health and Safety Code, is
1-15 amended to read as follows:

1-16 (b) Under the plan, the commission and the comptroller shall
1-17 provide grants or other funding for:

1-18 (1) the diesel emissions reduction incentive program
1-19 established under Subchapter C, including for infrastructure
1-20 projects established under that subchapter;

1-21 (2) the motor vehicle purchase or lease incentive
1-22 program established under Subchapter D; ~~and~~

1-23 (3) the new technology research and development
1-24 program established under Chapter 387; and

1-25 (4) the clean school bus program established under
1-26 Chapter 390.

1-27 SECTION 2. Section 386.052(b), Health and Safety Code, is
1-28 amended to read as follows:

1-29 (b) Appropriate commission objectives include:

1-30 (1) achieving maximum reductions in oxides of nitrogen
1-31 to demonstrate compliance with the state implementation plan;

1-32 (2) preventing areas of the state from being in
1-33 violation of national ambient air quality standards; ~~and~~

1-34 (3) achieving cost-saving and multiple benefits by
1-35 reducing emissions of other pollutants; and

1-36 (4) achieving reductions of emissions of diesel
1-37 exhaust from school buses.

1-38 SECTION 3. Section 386.252, Health and Safety Code, is
1-39 amended by amending Subsection (a) and adding Subsection (c) to
1-40 read as follows:

1-41 (a) Money in the fund may be used only to implement and
1-42 administer programs established under the plan and shall be
1-43 allocated as follows:

1-44 (1) for the diesel emissions reduction incentive
1-45 program, 87.5 percent of the money in the fund, of which not more
1-46 than four percent may be used for the clean school bus program and
1-47 not more than 10 percent may be used for on-road diesel purchase or
1-48 lease incentives;

1-49 (2) for the new technology research and development
1-50 program, 9.5 percent of the money in the fund, of which up to
1-51 \$250,000 is allocated for administration, up to \$200,000 is
1-52 allocated for a health effects study, \$500,000 is to be deposited in
1-53 the state treasury to the credit of the clean air account created
1-54 under Section 382.0622 to supplement funding for air quality
1-55 planning activities in affected counties, and not less than 20
1-56 percent is to be allocated each year to support research related to
1-57 air quality for the Houston-Galveston-Brazoria and Dallas-Fort
1-58 Worth nonattainment areas by a nonprofit organization based in
1-59 Houston; and

1-60 (3) for administrative costs incurred by the
1-61 commission and the laboratory, three percent.

1-62 (c) Money in the fund may be allocated to the clean school
1-63 bus program only if:

2-1 (1) the money is available for that purpose after
2-2 money is allocated for the other purposes of the fund as required by
2-3 the state implementation plan; or

2-4 (2) the amount of money deposited to the credit of the
2-5 fund in a state fiscal year exceeds the amount the comptroller's
2-6 biennial revenue estimate shows as the comptroller's estimated
2-7 amount to be deposited to the credit of the fund in that year.

2-8 SECTION 4. Subtitle C, Title 5, Health and Safety Code, is
2-9 amended by adding Chapter 390 to read as follows:

2-10 CHAPTER 390. CLEAN SCHOOL BUS PROGRAM

2-11 Sec. 390.001. DEFINITIONS. In this chapter:

2-12 (1) "Diesel exhaust" means one or more of the air
2-13 pollutants emitted from an engine by the combustion of diesel fuel,
2-14 including particulate matter, nitrogen oxides, volatile organic
2-15 compounds, air toxics, and carbon monoxide.

2-16 (2) "Incremental cost" has the meaning assigned by
2-17 Section 386.001.

2-18 (3) "Program" means the clean school bus program
2-19 established under this chapter.

2-20 (4) "Qualifying fuel" includes any liquid or gaseous
2-21 fuel or additive registered or verified by the United States
2-22 Environmental Protection Agency, other than standard gasoline or
2-23 diesel, that is ultimately dispensed into a school bus that
2-24 provides reductions of emissions of particulate matter.

2-25 (5) "Retrofit" has the meaning assigned by Section
2-26 386.101.

2-27 Sec. 390.002. PROGRAM. (a) The commission shall establish
2-28 and administer a clean school bus program designed to reduce the
2-29 exposure of school children to diesel exhaust in and around
2-30 diesel-fueled school buses. Under the program, the commission
2-31 shall provide grants for eligible projects to offset the
2-32 incremental cost of projects that reduce emissions of diesel
2-33 exhaust.

2-34 (b) Projects that may be considered for a grant under the
2-35 program include:

2-36 (1) diesel oxidation catalysts for school buses built
2-37 before 1994;

2-38 (2) diesel particulate filters for school buses built
2-39 from 1994 to 1998;

2-40 (3) the purchase and use of emission-reducing add-on
2-41 equipment for school buses, including devices that reduce crankcase
2-42 emissions;

2-43 (4) the use of qualifying fuel; and

2-44 (5) other technologies that the commission finds will
2-45 bring about significant emissions reductions.

2-46 Sec. 390.003. APPLICATION FOR GRANT. (a) A school district
2-47 in this state that operates one or more diesel-fueled school buses
2-48 or a transportation system provided by a countywide school district
2-49 may apply for and receive a grant under the program.

2-50 (b) The commission may adopt guidelines to allow a regional
2-51 planning commission, council of governments, or similar regional
2-52 planning agency created under Chapter 391, Local Government Code,
2-53 or a private nonprofit organization to also apply for and receive a
2-54 grant to improve the ability of the program to achieve its goals.

2-55 (c) An application for a grant under this chapter must be
2-56 made on a form provided by the commission and must contain the
2-57 information required by the commission.

2-58 Sec. 390.004. ELIGIBILITY OF PROJECTS FOR GRANTS. (a) The
2-59 commission by rule shall establish criteria for setting priorities
2-60 for projects eligible to receive grants under this chapter. The
2-61 commission shall review and may modify the criteria and priorities
2-62 as appropriate.

2-63 (b) A school bus proposed for retrofit must be used on a
2-64 regular, daily route to and from a school and have at least five
2-65 years of useful life remaining unless the applicant agrees to
2-66 remove the retrofit device at the end of the life of the bus and
2-67 reinstall the device on another bus.

2-68 Sec. 390.005. RESTRICTION ON USE OF GRANT. A recipient of a
2-69 grant under this chapter shall use the grant to pay the incremental

3-1 costs of the project for which the grant is made, which may include
3-2 the reasonable and necessary expenses incurred for the labor needed
3-3 to install emissions-reducing equipment. The recipient may not use
3-4 the grant to pay the recipient's administrative expenses.

3-5 Sec. 390.006. EXPIRATION. This chapter expires August 31,
3-6 2013.

3-7 SECTION 5. This Act takes effect immediately if it receives
3-8 a vote of two-thirds of all the members elected to each house, as
3-9 provided by Section 39, Article III, Texas Constitution. If this
3-10 Act does not receive the vote necessary for immediate effect, this
3-11 Act takes effect September 1, 2005.

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