

BILL ANALYSIS

C.S.H.B. 3168
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Agriculture & Livestock
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Many states around the country are taking steps to encourage production of ethanol fuels and biodiesel. Texas has a program in place, but is running the risk of falling behind other states. C.S.H.B. 3168 prohibits the Texas Commission on Environmental Quality (TCEQ) from enacting restrictions more stringent than federal law, unless, after May 1, 2009 it has determined the program would materially jeopardize the federally required state implementation plan (SIP) for meeting the national ambient air quality standards.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3168 amends Sec. 16.007, Agriculture Code, to give "state agency" the meaning assigned by 315.002 of the Government Code.

This bill states in Subsection (b), that it prohibits any state agency from adopting or implementing rules, except for the Reid vapor pressure requirements for gasoline used as control measures in the state implementation plans (SIP), which would restrict the production or distribution of fuel ethanol or biodiesel beyond what is required by federal law.

This measure does allow the Texas Commission on Environmental Quality (TCEQ) to impose restrictions after May 1, 2009, if it has determined that the emissions from the use of fuel ethanol or biodiesel would jeopardize state implementation plans (SIP) for meeting the national ambient air quality standards.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute leaves language in statute that the original deleted. This language stated that the office must consult with the department and must notify the department of plants registered under this section.

The substitute deletes language in the original that clarifies that the fuel ethanol and biodiesel programs were to be administered by the Department of Agriculture and not the Governor's office; and deletes language that authorizes biodiesel to be used in the Clean School Bus program.

The original bill specifies that funds could be transferred to the GR Dedicated-Fuel Ethanol and Biodiesel Production Account by an act of the Legislature. This source would replace the current statutory language that directs the Comptroller to transfer from the undedicated portion of the General Revenue Fund an amount of money equal to 5.25 times the amount of the fees collected under Section 16.005 of the Agriculture Code to the GR Dedicated-Fuel Ethanol and Biodiesel Production Account. The substitute leaves this language as current statute

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The substitute prohibits TCEQ from enacting standards that are more stringent than federal law. It also clarifies that nothing in the bill will adversely affect the Low Reid Vapor Program at TCEQ.

The substitute deletes effective provisions dealing with passage of HB 1 or similar legislation in the 80th legislature.