

By: Watson, et al.

S.B. No. 529

A BILL TO BE ENTITLED

AN ACT

relating to the clean school bus program.

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

SECTION 1. Sections 382.202(q) and (r), Health and Safety Code, are amended to read as follows:

(q) Fees collected under Subsection (e) that are transferred to the credit of a subaccount of the clean air account as required by Section 382.0622(e) may be appropriated only as follows:

(1) not more than 70 percent of that money may be appropriated to the commission;

(A) to be made available to affected or participating counties, as those terms are defined by Sections 382.201 and 382.301, for the purposes authorized by Section 382.217, in an amount that for each county is proportionate to the total amount of fees collected by the county under Subsection (e) in the preceding fiscal year; or

(B) for the clean school bus program established under Chapter 390; and

(2) not more than 30 percent of that money may be appropriated to the commission to provide grants to projects in affected or participating counties that the commission determines would be eligible to receive grants under Subchapter C, Chapter 386.

1           (r) The commission may apply the same rules, standards, and  
2 requirements for the award of a grant under Subsection (q)(1)(A) or  
3 (q)(2) [~~(q)~~] as the commission applies to a grant awarded under  
4 Subchapter C, Chapter 386.

5           SECTION 2. Section 382.217(a), Health and Safety Code, is  
6 amended to read as follows:

7           (a) Money that is made available to affected or  
8 participating counties under Section 382.202(q)(1)(A)  
9 [~~382.202(q)(1)~~] may be appropriated for programs administered in  
10 accordance with Chapter 783, Government Code, to improve air  
11 quality. Programmatic costs may include call center management,  
12 application oversight, invoice analysis, education, outreach, and  
13 advertising.

14           SECTION 3. Section 386.252(a), Health and Safety Code, as  
15 amended by Section 3, Chapter 766, Section 3, Chapter 1095, and  
16 Section 11, Chapter 1125, Acts of the 79th Legislature, Regular  
17 Session, 2005, is reenacted and amended to read as follows:

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

21           (1) for the diesel emissions reduction incentive  
22 program, 87.5 percent of the money in the fund, of which [~~not more~~  
23 ~~than four percent may be used for the clean school bus program and~~]  
24 not more than 10 percent may be used for on-road diesel purchase or  
25 lease incentives;

26           (2) for the new technology research and development  
27 program, 9.5 percent of the money in the fund, of which up to

1 \$250,000 is allocated for administration, up to \$200,000 is  
2 allocated for a health effects study, \$500,000 is to be deposited in  
3 the state treasury to the credit of the clean air account created  
4 under Section 382.0622 to supplement funding for air quality  
5 planning activities in affected counties, not less than 20 percent  
6 is to be allocated each year to support research related to air  
7 quality for the Houston-Galveston-Brazoria and Dallas-Fort Worth  
8 nonattainment areas by a nonprofit organization based in Houston of  
9 which \$216,000 each year shall be contracted to the Energy Systems  
10 Laboratory at the Texas Engineering Experiment Station for the  
11 development and annual calculation of creditable statewide  
12 emissions reductions obtained through wind and other renewable  
13 energy resources for the State Implementation Plan, and the balance  
14 is to be allocated each year to that nonprofit organization based in  
15 Houston to be used to implement and administer the new technology  
16 research and development program under a contract with the  
17 commission for the purpose of identifying, testing, and evaluating  
18 new emissions-reducing technologies with potential for  
19 commercialization in this state and to facilitate their  
20 certification or verification; and

21 (3) for administrative costs incurred by the  
22 commission and the laboratory, three percent of the money in the  
23 fund.

24 SECTION 4. Effective September 1, 2008, Section 386.252(a),  
25 Health and Safety Code, as amended by Section 3, Chapter 766,  
26 Section 3, Chapter 1095, and Section 12, Chapter 1125, Acts of the  
27 79th Legislature, Regular Session, 2005, is reenacted and amended

1 to read as follows:

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

5 (1) for the diesel emissions reduction incentive  
6 program, 64 percent of the money in the fund, of which [~~not more~~  
7 ~~than four percent may be used for the clean school bus program and~~]  
8 not more than 10 percent may be used for on-road diesel purchase or  
9 lease incentives;

10 (2) for the new technology research and development  
11 program, 33 percent of the money in the fund, of which up to  
12 \$250,000 is allocated for administration, up to \$200,000 is  
13 allocated for a health effects study, \$500,000 is to be deposited in  
14 the state treasury to the credit of the clean air account created  
15 under Section 382.0622 to supplement funding for air quality  
16 planning activities in affected counties, not less than 10 percent  
17 is to be allocated each year to support research related to air  
18 quality for the Houston-Galveston-Brazoria and Dallas-Fort Worth  
19 nonattainment areas by a nonprofit organization based in Houston of  
20 which \$216,000 each year shall be contracted to the Energy Systems  
21 Laboratory at the Texas Engineering Experiment Station for the  
22 development and annual calculation of creditable statewide  
23 emissions reductions obtained through wind and other renewable  
24 energy resources for the State Implementation Plan, not less than  
25 25.5 percent is to be allocated each year to that nonprofit  
26 organization based in Houston to be used to implement and  
27 administer the new technology research and development program

1 under a contract with the commission for the purpose of  
2 identifying, testing, and evaluating new emissions-reducing  
3 technologies with potential for commercialization in this state and  
4 to facilitate their certification or verification, not more than  
5 \$12,500,000 is to be allocated each year from any excess funds to be  
6 administered by the commission to fund a study of regional ozone  
7 formation in this state, meteorological and chemical modeling, and  
8 issues related to ozone formation by ozone precursors and fine  
9 particulate matter formation in this state, and the balance is to be  
10 allocated each year to the commission to fund promising new  
11 technologies as identified through the new technology research and  
12 development program and recommended by that nonprofit organization  
13 based in Houston in order to permit obtaining the maximum credits  
14 for emissions reductions under the state's air quality state  
15 implementation plans; and

16 (3) for administrative costs incurred by the  
17 commission and the laboratory, three percent of the money in the  
18 fund.

19 SECTION 5. Section 386.252(c), Health and Safety Code, is  
20 amended to read as follows:

21 (c) Notwithstanding Subsection (a), money [Money] in the  
22 fund that is not appropriated for the purposes provided by that  
23 subsection may be appropriated for [allocated to] the clean school  
24 bus program established under Chapter 390 [only if:

25 [~~(1) the money is available for that purpose after~~  
26 ~~money is allocated for the other purposes of the fund as required by~~  
27 ~~the state implementation plan; or~~

1           ~~[(2) the amount of money deposited to the credit of the~~  
2 ~~fund in a state fiscal year exceeds the amount the comptroller's~~  
3 ~~biennial revenue estimate shows as the comptroller's estimated~~  
4 ~~amount to be deposited to the credit of the fund in that year].~~

5           SECTION 6. Section 390.001, Health and Safety Code, is  
6 amended by adding Subdivision (6) to read as follows:

7           (6) "School bus" has the meaning assigned by Section  
8 541.201, Transportation Code.

9           SECTION 7. Section 390.002, Health and Safety Code, is  
10 amended by amending Subsection (b) and adding Subsections (c) and  
11 (d) to read as follows:

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

14           (1) ~~[diesel oxidation catalysts for school buses built~~  
15 ~~before 1994,~~

16           ~~[(2)]~~ diesel particulate filters for school buses built  
17 from 2000 to 2006 ~~[1994 to 1998]~~;

18           (2) closed crankcase filtration systems to eliminate  
19 diesel exhaust emitted from the engine crankcase for school buses  
20 built from 1992 to 2006;

21           (3) the purchase and use of other ~~[emission-reducing]~~  
22 add-on equipment for school buses that has been verified by the  
23 United States Environmental Protection Agency or the California Air  
24 Resources Board as effective in reducing emissions ~~[, including~~  
25 ~~devices that reduce crankcase emissions]~~;

26           (4) replacement of school buses built before 1994 that  
27 would not otherwise be replaced before September 1, 2011 ~~[the use of~~

1 ~~qualifying fuel~~]; and

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

4 (c) In determining whether school buses would not otherwise  
5 be replaced before the date provided by Subsection (b)(4), the  
6 commission shall consider reasonable school bus replacement  
7 schedules as determined by the commission in consultation with the  
8 Texas Education Agency. A grant under that subsection may not  
9 exceed 50 percent of the cost of replacement of each school bus for  
10 which the grant is made.

11 (d) The legislature intends for the program to result in the  
12 maximum reduction of emissions of diesel exhaust from the school  
13 bus fleet of this state for the duration of the program. In making  
14 grants in the state fiscal biennium ending August 31, 2009,  
15 preference shall be given to grants for the installation of closed  
16 crankcase filtration systems on all eligible school buses and to  
17 grants for the installation of diesel particulate filters on the  
18 oldest eligible school buses. The program is not intended to  
19 substitute for the normal schedule for replacing this state's fleet  
20 of school buses.

21 SECTION 8. Sections 390.003(a) and (b), Health and Safety  
22 Code, are amended to read as follows:

23 (a) The following entities [~~A school district in this state~~  
24 ~~that operates one or more diesel-fueled school buses or a~~  
25 ~~transportation system provided by a countywide school district] may  
26 apply for and receive a grant under the program:~~

27 (1) a school district in this state that operates one

1 or more diesel-fueled school buses;

2 (2) a transportation system provided by a countywide  
3 school district; or

4 (3) an entity that provides school bus service under a  
5 contract with a school district or with the parents of school  
6 children who are enrolled in a public elementary or secondary  
7 school and who ride on the entity's buses.

8 (b) The commission may adopt guidelines to allow a regional  
9 planning commission, council of governments, or similar regional  
10 planning agency created under Chapter 391, Local Government Code,  
11 [~~or~~] a private nonprofit organization, or a regional education  
12 service center to also apply for and receive a grant to improve the  
13 ability of the program to achieve its goals.

14 SECTION 9. Section 390.004(a), Health and Safety Code, is  
15 amended to read as follows:

16 (a) The commission by rule shall establish criteria for  
17 setting priorities for projects eligible to receive grants under  
18 this chapter. The criteria must be consistent with Section  
19 390.002(d). The commission shall review and may modify the  
20 criteria and priorities as appropriate.

21 SECTION 10. This Act takes effect immediately if it  
22 receives a vote of two-thirds of all the members elected to each  
23 house, as provided by Section 39, Article III, Texas Constitution.  
24 If this Act does not receive the vote necessary for immediate  
25 effect, this Act takes effect September 1, 2007.