

1-1 By: Watson, et al. S.B. No. 529
1-2 (In the Senate - Filed February 8, 2007; February 26, 2007,
1-3 read first time and referred to Committee on Natural Resources;
1-4 April 3, 2007, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 0; April 3, 2007,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 529 By: Seliger

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

1-10 relating to the clean school bus program.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subsection (a), Section 386.252, Health and
1-13 Safety Code, as amended by Section 3, Chapter 766, Section 3,
1-14 Chapter 1095, and Section 11, Chapter 1125, Acts of the 79th
1-15 Legislature, Regular Session, 2005, is reenacted and amended to
1-16 read as follows:

1-17 (a) Money in the fund may be used only to implement and
1-18 administer programs established under the plan and shall be
1-19 allocated as follows:

1-20 (1) for the diesel emissions reduction incentive
1-21 program, 87.5 percent of the money in the fund, of which [~~not more~~
1-22 ~~than four percent may be used for the clean school bus program and~~
1-23 not more than 10 percent may be used for on-road diesel purchase or
1-24 lease incentives;

1-25 (2) for the new technology research and development
1-26 program, 9.5 percent of the money in the fund, of which up to
1-27 \$250,000 is allocated for administration, up to \$200,000 is
1-28 allocated for a health effects study, \$500,000 is to be deposited in
1-29 the state treasury to the credit of the clean air account created
1-30 under Section 382.0622 to supplement funding for air quality
1-31 planning activities in affected counties, not less than 20 percent
1-32 is to be allocated each year to support research related to air
1-33 quality for the Houston-Galveston-Brazoria and Dallas-Fort Worth
1-34 nonattainment areas by a nonprofit organization based in Houston of
1-35 which \$216,000 each year shall be contracted to the Energy Systems
1-36 Laboratory at the Texas Engineering Experiment Station for the
1-37 development and annual calculation of creditable statewide
1-38 emissions reductions obtained through wind and other renewable
1-39 energy resources for the State Implementation Plan, and the balance
1-40 is to be allocated each year to that nonprofit organization based in
1-41 Houston to be used to implement and administer the new technology
1-42 research and development program under a contract with the
1-43 commission for the purpose of identifying, testing, and evaluating
1-44 new emissions-reducing technologies with potential for
1-45 commercialization in this state and to facilitate their
1-46 certification or verification; and

1-47 (3) for administrative costs incurred by the
1-48 commission and the laboratory, three percent of the money in the
1-49 fund.

1-50 SECTION 2. Effective September 1, 2008, Subsection (a),
1-51 Section 386.252, Health and Safety Code, as amended by Section 3,
1-52 Chapter 766, Section 3, Chapter 1095, and Section 12, Chapter 1125,
1-53 Acts of the 79th Legislature, Regular Session, 2005, is reenacted
1-54 and amended to read as follows:

1-55 (a) Money in the fund may be used only to implement and
1-56 administer programs established under the plan and shall be
1-57 allocated as follows:

1-58 (1) for the diesel emissions reduction incentive
1-59 program, 64 percent of the money in the fund, of which [~~not more~~
1-60 ~~than four percent may be used for the clean school bus program and~~
1-61 not more than 10 percent may be used for on-road diesel purchase or
1-62 lease incentives;

1-63 (2) for the new technology research and development

2-1 program, 33 percent of the money in the fund, of which up to
 2-2 \$250,000 is allocated for administration, up to \$200,000 is
 2-3 allocated for a health effects study, \$500,000 is to be deposited in
 2-4 the state treasury to the credit of the clean air account created
 2-5 under Section 382.0622 to supplement funding for air quality
 2-6 planning activities in affected counties, not less than 10 percent
 2-7 is to be allocated each year to support research related to air
 2-8 quality for the Houston-Galveston-Brazoria and Dallas-Fort Worth
 2-9 nonattainment areas by a nonprofit organization based in Houston of
 2-10 which \$216,000 each year shall be contracted to the Energy Systems
 2-11 Laboratory at the Texas Engineering Experiment Station for the
 2-12 development and annual calculation of creditable statewide
 2-13 emissions reductions obtained through wind and other renewable
 2-14 energy resources for the State Implementation Plan, not less than
 2-15 25.5 percent is to be allocated each year to that nonprofit
 2-16 organization based in Houston to be used to implement and
 2-17 administer the new technology research and development program
 2-18 under a contract with the commission for the purpose of
 2-19 identifying, testing, and evaluating new emissions-reducing
 2-20 technologies with potential for commercialization in this state and
 2-21 to facilitate their certification or verification, not more than
 2-22 \$12,500,000 is to be allocated each year from any excess funds to be
 2-23 administered by the commission to fund a study of regional ozone
 2-24 formation in this state, meteorological and chemical modeling, and
 2-25 issues related to ozone formation by ozone precursors and fine
 2-26 particulate matter formation in this state, and the balance is to be
 2-27 allocated each year to the commission to fund promising new
 2-28 technologies as identified through the new technology research and
 2-29 development program and recommended by that nonprofit organization
 2-30 based in Houston in order to permit obtaining the maximum credits
 2-31 for emissions reductions under the state's air quality state
 2-32 implementation plans; and

2-33 (3) for administrative costs incurred by the
 2-34 commission and the laboratory, three percent of the money in the
 2-35 fund.

2-36 SECTION 3. Subsection (c), Section 386.252, Health and
 2-37 Safety Code, is amended to read as follows:

2-38 (c) Notwithstanding Subsection (a), money [Money] in the
 2-39 fund that is not appropriated for the purposes provided by that
 2-40 subsection may be appropriated for [allocated to] the clean school
 2-41 bus program established under Chapter 390 [only if:

2-42 [(1) the money is available for that purpose after
 2-43 money is allocated for the other purposes of the fund as required by
 2-44 the state implementation plan; or

2-45 [(2) the amount of money deposited to the credit of the
 2-46 fund in a state fiscal year exceeds the amount the comptroller's
 2-47 biennial revenue estimate shows as the comptroller's estimated
 2-48 amount to be deposited to the credit of the fund in that year].

2-49 SECTION 4. Section 390.001, Health and Safety Code, is
 2-50 amended by adding Subdivision (6) to read as follows:

2-51 (6) "School bus" has the meaning assigned by Section
 2-52 541.201, Transportation Code.

2-53 SECTION 5. Section 390.002, Health and Safety Code, is
 2-54 amended by amending Subsection (b) and adding Subsections (c) and
 2-55 (d) to read as follows:

2-56 (b) Projects that may be considered for a grant under the
 2-57 program include:

2-58 (1) [diesel oxidation catalysts for school buses built
 2-59 before 1994,

2-60 [(2) diesel particulate filters for school buses built
 2-61 from 2000 to 2006 [1994 to 1998];

2-62 (2) closed crankcase filtration systems to eliminate
 2-63 diesel exhaust emitted from the engine crankcase for school buses
 2-64 built from 1992 to 2006;

2-65 (3) the purchase and use of other [emission-reducing]
 2-66 add-on equipment for school buses that has been verified by the
 2-67 United States Environmental Protection Agency or the California Air
 2-68 Resources Board as effective in reducing emissions [including
 2-69 devices that reduce crankcase emissions];

3-1 (4) replacement of school buses built before 1994 that
3-2 would not otherwise be replaced before September 1, 2011 [~~the use of~~
3-3 ~~qualifying fuel~~]; and

3-4 (5) other technologies that the commission finds will
3-5 bring about significant emissions reductions.

3-6 (c) In determining whether school buses would not otherwise
3-7 be replaced before the date provided by Subsection (b)(4), the
3-8 commission shall consider reasonable school bus replacement
3-9 schedules as determined by the commission in consultation with the
3-10 Texas Education Agency. A grant under that subsection may not
3-11 exceed 50 percent of the cost of replacement of each school bus for
3-12 which the grant is made.

3-13 (d) The legislature intends for the program to result in the
3-14 maximum reduction of emissions of diesel exhaust from the school
3-15 bus fleet of this state for the duration of the program. In making
3-16 grants in the state fiscal biennium ending August 31, 2009,
3-17 preference shall be given to grants for the installation of closed
3-18 crankcase filtration systems on all eligible school buses and to
3-19 grants for the installation of diesel particulate filters on the
3-20 oldest eligible school buses. The program is not intended to
3-21 substitute for the normal schedule for replacing buses in this
3-22 state's fleet of school buses.

3-23 SECTION 6. Subsections (a) and (b), Section 390.003, Health
3-24 and Safety Code, are amended to read as follows:

3-25 (a) The following entities [~~A school district in this state~~
3-26 ~~that operates one or more diesel-fueled school buses or a~~
3-27 ~~transportation system provided by a countywide school district~~] may
3-28 apply for and receive a grant under the program:

3-29 (1) a school district in this state that operates one
3-30 or more diesel-fueled school buses;

3-31 (2) a transportation system provided by a countywide
3-32 school district; or

3-33 (3) an entity that provides school bus service under a
3-34 contract with a school district or with the parents of school
3-35 children who are enrolled in a public elementary or secondary
3-36 school and who ride on the entity's buses.

3-37 (b) The commission may adopt guidelines to allow a regional
3-38 planning commission, council of governments, or similar regional
3-39 planning agency created under Chapter 391, Local Government Code,
3-40 [or] a private nonprofit organization, or a regional education
3-41 service center to also apply for and receive a grant to improve the
3-42 ability of the program to achieve its goals.

3-43 SECTION 7. Subsection (a), Section 390.004, Health and
3-44 Safety Code, is amended to read as follows:

3-45 (a) The commission by rule shall establish criteria for
3-46 setting priorities for projects eligible to receive grants under
3-47 this chapter. The criteria must be consistent with Section
3-48 390.002(d). The commission shall review and may modify the
3-49 criteria and priorities as appropriate.

3-50 SECTION 8. This Act takes effect immediately if it receives
3-51 a vote of two-thirds of all the members elected to each house, as
3-52 provided by Section 39, Article III, Texas Constitution. If this
3-53 Act does not receive the vote necessary for immediate effect, this
3-54 Act takes effect September 1, 2007.

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