Amend HB 432 on third reading by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 2158.003(a), Government Code, is amended to read as follows:

(a) A state agency may not purchase or lease a vehicle designed or used primarily for the transportation of individuals, including a station wagon, that has a wheelbase longer than 113 inches or that has more than 160 SAE net horsepower. The vehicle may have a wheelbase of up to 116 inches or SAE net horsepower of up to 280 if the vehicle will be converted so that it uses [is capable of using] compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity. This exception to the wheelbase and horsepower limitations applies to a state agency regardless of the size of the agency's vehicle fleet.

SECTION \_\_\_\_. Section 2158.004(a), Government Code, is amended to read as follows:

(a) A state agency operating a fleet of more than 15 vehicles, excluding law enforcement and emergency vehicles, may not purchase or lease a motor vehicle unless that vehicle uses [is capable of using] compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity.

SECTION \_\_\_\_. Section 2158.005, Government Code, is amended to read as follows:

Sec. 2158.005. PERCENTAGE REQUIREMENTS FOR VEHICLES [CAPABLE OF] USING ALTERNATIVE FUELS[7 PROGRAM REVIEW]. (a) Not later than September 30, 2010 [1, 1996], a state agency that operates a fleet of more than 15 motor vehicles, excluding law enforcement and emergency vehicles, shall have a fleet consisting of vehicles of which at least 50 percent use [are capable of using] compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or

electricity.

- (b) [The Texas Natural Resource Conservation Commission shall review the program established by this subchapter by December 31, 1996. If the Texas Natural Resource Conservation Commission determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, then after August 31, 1998, a state agency operating a fleet of more than 15 motor vehicles shall have a fleet consisting of vehicles of which at least 90 percent are capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity.
- [(c) The commission shall support the Texas Natural Resource Conservation Commission in collecting reasonable information needed to determine the air quality benefits from use of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity at affected agencies.
- [<del>(d)</del>] A state agency in its annual financial report to the legislature shall report its progress in achieving the percentage requirements of this section by [itemizing]:
- (1) <u>itemizing</u> purchases, leases, and conversions of motor vehicles; [and]
- (2) <u>itemizing</u> usage of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity; and
- (3) describing the availability of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity.
- (c) [(e)] A state agency may meet the percentage requirements of this section through purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws. The Texas State

Technical College System shall develop a program and provide training to a state agency converting an existing vehicle to meet the requirements of this section.

- (d) [(f)] The comptroller [commission] may reduce a percentage specified by this section or waive the requirements of this section for a state agency on receipt of certification supported by evidence acceptable to the comptroller [commission] that:
- (1) the agency's vehicles will be operating primarily in an area in which neither the agency nor a supplier has or can reasonably be expected to establish adequate refueling for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity; or
- (2) the agency is unable to obtain equipment or refueling facilities necessary to operate vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity at a projected cost that is reasonably expected to be no greater than the net costs of continued use of conventional gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

SECTION \_\_\_\_\_. Section 2158.008, Government Code, is amended to read as follows:

Sec. 2158.008. WHEN VEHICLE CONSIDERED TO BE [CAPABLE OF] USING ALTERNATIVE FUELS. In this subchapter, a vehicle is considered to be [capable of] using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity if the vehicle uses [is capable of using] those fuels:

## (1) not less than 80 percent of the time the vehicle is driven; and

 $\underline{(2)}$  either in its original equipment engine or in an engine that has been converted to use those fuels.