

By: Strama

H.B. No. 2867

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the development by the Texas Commission on
3 Environmental Quality of a rebate program for plug-in hybrid motor
4 vehicles.

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

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

8 (b) Under the plan, the commission and the comptroller shall
9 provide grants or other funding for:

10 (1) the diesel emissions reduction incentive program
11 established under Subchapter C, including for infrastructure
12 projects established under that subchapter;

13 (2) the motor vehicle purchase or lease incentive
14 program established under Subchapter D;

15 (3) the new technology research and development
16 program established under Chapter 387; ~~and~~

17 (4) the clean school bus program established under
18 Chapter 390; and

19 (5) the plug-in hybrid motor vehicle rebate program
20 established under Subchapter G.

21 SECTION 2. Section 386.252(a), Health and Safety Code, is
22 amended to read as follows:

23 (a) Money in the fund may be used only to implement and
24 administer programs established under the plan and shall be

1 allocated as follows:

2 (1) for the diesel emissions reduction incentive
3 program, 87.5 percent of the money in the fund, of which not more
4 than four percent may be used for the clean school bus program,
5 ~~and~~ not more than 10 percent may be used for on-road diesel
6 purchase or lease incentives, and a portion determined by the
7 commission may be used for light-duty plug-in hybrid motor vehicle
8 rebates;

9 (2) for the new technology research and development
10 program, 9.5 percent of the money in the fund, of which up to
11 \$250,000 is allocated for administration, up to \$200,000 is
12 allocated for a health effects study, \$500,000 is to be deposited in
13 the state treasury to the credit of the clean air account created
14 under Section 382.0622 to supplement funding for air quality
15 planning activities in affected counties, not less than 20 percent
16 is to be allocated each year to support research related to air
17 quality for the Houston-Galveston-Brazoria and Dallas-Fort Worth
18 nonattainment areas by a nonprofit organization based in Houston of
19 which \$216,000 each year shall be contracted to the Energy Systems
20 Laboratory at the Texas Engineering Experiment Station for the
21 development and annual calculation of creditable statewide
22 emissions reductions obtained through wind and other renewable
23 energy resources for the State Implementation Plan, and the balance
24 is to be allocated each year to a nonprofit organization or an
25 institution of higher education based in Houston to be used to
26 implement and administer the new technology research and
27 development program under a contract with the commission for the

1 purpose of identifying, testing, and evaluating new
2 emissions-reducing technologies with potential for
3 commercialization in this state and to facilitate their
4 certification or verification; and

5 (3) for administrative costs incurred by the
6 commission and the laboratory, three percent of the money in the
7 fund.

8 SECTION 3. Chapter 386, Health and Safety Code, is amended
9 by adding Subchapter G to read as follows:

10 SUBCHAPTER G. PLUG-IN HYBRID MOTOR VEHICLE REBATE PROGRAM

11 Sec. 386.301. DEFINITIONS. In this subchapter:

12 (1) "Light-duty motor vehicle" and "motor vehicle"
13 have the meanings assigned by Section 386.151.

14 (2) "Plug-in hybrid motor vehicle" means a vehicle
15 that:

16 (A) draws motive power from a battery that:

17 (i) has a capacity of at least four
18 kilowatt-hours; and

19 (ii) can be recharged from an external
20 source of electricity; and

21 (B) is a light-duty motor vehicle.

22 Sec. 386.302. COMMISSION DUTIES REGARDING PLUG-IN HYBRID
23 MOTOR VEHICLE REBATE PROGRAM. (a) The commission shall develop a
24 rebate program for plug-in hybrid motor vehicles and shall adopt
25 rules necessary to implement the program.

26 (b) The program shall authorize statewide rebates for the
27 purchase of new plug-in hybrid motor vehicles for a purchaser who

1 agrees to register the vehicle in this state and operate the vehicle
2 in this state for not less than 75 percent of the vehicle's annual
3 mileage.

4 (c) Only one rebate may be provided for each new plug-in
5 hybrid motor vehicle.

6 Sec. 386.303. PLUG-IN HYBRID MOTOR VEHICLE REBATE. A new
7 plug-in hybrid motor vehicle is eligible for a \$4,000 rebate.

8 Sec. 386.304. MODIFICATION OF REBATE. After evaluating new
9 technologies, the commission may change the rebate established by
10 Section 386.303 to improve the ability of the program to achieve its
11 goals, including a phaseout of the rebate based on the level of
12 market saturation of each vehicle, consistent with federal
13 regulations governing the phaseout, if any, of incentives for
14 hybrid vehicles.

15 Sec. 386.305. MANUFACTURER'S REPORT. Not later than July 1
16 of each year and before the beginning of the manufacturer's vehicle
17 model year, a manufacturer of motor vehicles shall provide to the
18 commission a list of the new plug-in hybrid motor vehicle models
19 that the manufacturer intends to sell in this state during that
20 model year. The manufacturer may supplement the list provided to
21 the commission under this section as necessary to include
22 additional new plug-in hybrid motor vehicle models the manufacturer
23 intends to sell in this state during the model year.

24 Sec. 386.306. LIST OF ELIGIBLE VEHICLES. (a) On August 1
25 of each year, the commission shall publish a list of the new model
26 plug-in hybrid motor vehicles as listed for the commission under
27 Section 386.305. The commission shall publish and supplement that

1 list as necessary to include additional new plug-in hybrid motor
2 vehicle models listed in a supplement to the original list provided
3 by a manufacturer under Section 386.305.

4 (b) The commission shall distribute the list of eligible
5 plug-in hybrid motor vehicles to all new motor vehicle dealers in
6 this state.

7 Sec. 386.307. COMMISSION TO ACCOUNT FOR REBATES. (a) The
8 commission by rule shall develop a method to administer and account
9 for the plug-in hybrid motor vehicle rebates authorized by this
10 subchapter and to pay rebates to the purchaser of a new plug-in
11 hybrid motor vehicle on application of the purchaser as provided by
12 this subchapter.

13 (b) The commission shall develop and publish forms and
14 instructions for the purchaser of a new plug-in hybrid motor
15 vehicle to use in applying to the commission for a rebate under this
16 subchapter. The commission shall make the forms available to new
17 motor vehicle dealers. Dealers shall make the forms available to
18 their prospective purchasers.

19 (c) In addition to other forms developed and published under
20 this section, the commission shall develop and publish a
21 verification form by which, with information provided by the
22 dealer, the commission can verify the sale of a vehicle covered by
23 this subchapter. The verification form must include at least the
24 name of the purchaser, the vehicle identification number of the
25 vehicle involved, the date of the purchase, and the name of the new
26 motor vehicle dealer involved in the transaction. At the time of
27 sale of a vehicle eligible for a rebate under this subchapter, the

1 dealer shall complete the verification form supplied to the dealer
2 by the commission. The purchaser must include the completed
3 verification form as part of the purchaser's application for a
4 rebate. The dealer shall maintain a copy of the completed
5 verification form for at least two years from the date of the
6 transaction.

7 Sec. 386.308. SUSPENSION OF REBATES. (a) The commission
8 shall keep a record of plug-in hybrid motor vehicle rebate
9 applications and payments.

10 (b) If the balance of the money in the fund available for
11 plug-in hybrid motor vehicle rebates falls below 15 percent of the
12 total amount allocated for the rebates during a fiscal year, the
13 commission may suspend the rebates until the date the commission
14 can certify that the balance available in the fund for rebates is an
15 amount adequate to resume the rebates or until the beginning of the
16 next fiscal year, whichever is earlier. If the commission suspends
17 the rebates, the commission shall immediately notify all new motor
18 vehicle dealers that the rebates have been suspended.

19 (c) The commission shall establish a toll-free telephone
20 number available to motor vehicle dealers to call to verify that
21 rebates are available. The commission may provide for issuing
22 verification numbers over the telephone.

23 (d) Reliance by a dealer on information provided by the
24 commission is a complete defense to an action involving or based on
25 eligibility of a vehicle for a rebate or availability of vehicles
26 eligible for a rebate.

27 SECTION 4. Not later than January 1, 2010, the Texas

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1 Commission on Environmental Quality shall adopt rules under
2 Subchapter G, Chapter 386, Health and Safety Code, as added by this
3 Act.

4 SECTION 5. This Act takes effect September 1, 2009.