

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 1. Section 2158.001, Government Code, is amended to read as follows:

Sec. 2158.001. DEFINITIONS [~~DEFINITION~~]. In this subchapter:

(1) "Conventional [~~conventional~~] gasoline" means any gasoline that does not meet specifications set by a certification under Section 211(k) of the federal Clean Air Act (42 U.S.C. Section 7545(k)).

(2) "Golf cart" has the meaning assigned by Section 502.001, Transportation Code.

(3) "Light-duty motor vehicle" has the meaning assigned by Section 386.151, Health and Safety Code.

(4) "Motor vehicle" has the meaning assigned by Section 386.151, Health and Safety Code.

(5) "Neighborhood electric vehicle" means a motor vehicle that:

(A) is originally manufactured to meet, and does meet, the equipment requirements and safety standards established for "low speed vehicles" in Federal Motor Vehicle Safety Standard 500 (49 C.F.R. Section 571.500);

(B) is a slow-moving vehicle, as defined by Section 547.001, Transportation Code, that is able to attain a speed of more than 20 miles per hour but not more than 25 miles per hour in one mile on a paved, level surface;

(C) is a four-wheeled motor vehicle;

(D) is powered by electricity or alternative power sources;

(E) has a gross vehicle weight rating of less than 3,000

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

pounds; and

(F) is not a golf cart.

(6) "Plug-in hybrid motor vehicle" means a vehicle that:

(A) draws motive power from a battery with a capacity of at least four kilowatt-hours;

(B) can be recharged from an external source of electricity for motive power; and

(C) is a light-duty motor vehicle capable of operating at highway speeds, excluding golf carts and neighborhood electric vehicles.

SECTION 1. 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

SECTION 2. 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle.

This exception to the wheelbase and horsepower limitations applies to a state agency regardless of the size

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

of the agency's vehicle fleet.

SECTION 2. 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.

SENATE VERSION

of the agency's vehicle fleet.

SECTION 3. Sections 2158.004(a), (b), (c), and (d), Government Code, are 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle.

(b) A state agency may 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle:

- (1) by purchase or lease as authorized by law;
- (2) by gift or loan of the equipment or facilities; or
- (3) by gift or loan of the equipment or facilities or by another arrangement under a service contract for the supply of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or

CONFERENCE

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

ethanol/gasoline blends of 85 percent or greater, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle.

(c) If the equipment or facilities are donated, loaned, or provided through another arrangement with the supplier 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle, the supplier is entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

(d) The commission may waive the requirements of this section for a state agency on receipt of certification supported by evidence acceptable to the 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

plug-in hybrid motor vehicle; 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle, 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 3. Section 2158.005, Government Code, is amended to read as follows:

Sec. 2158.005. PERCENTAGE REQUIREMENTS FOR VEHICLES [~~CAPABLE—OF~~] USING ALTERNATIVE FUELS[; ~~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.

SECTION 4. Sections 2158.005, 2158.006, 2158.007, and 2158.008, Government Code, are amended to read as follows:

Sec. 2158.005. PERCENTAGE REQUIREMENTS FOR VEHICLES [~~CAPABLE—OF~~] USING ALTERNATIVE FUELS[; ~~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, biodiesel or biodiesel/diesel

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(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.~~

~~[(e) 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.~~

~~[(d)] 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]:~~

SENATE VERSION

blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle.

(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.~~

[(e)] The Texas Commission on Environmental Quality [commission] shall collect [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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle, at affected agencies.

~~(c) [(d)] 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]:~~

CONFERENCE

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(1) itemizing purchases, leases, and conversions of motor vehicles; ~~and~~

(2) itemizing 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

SENATE VERSION

(1) itemizing purchases, leases, and conversions of motor vehicles; ~~and~~

(2) itemizing 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle;

(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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle; and

(4) providing the information reasonably 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle.

(d) [(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

CONFERENCE

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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.

SENATE VERSION

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

(e) [(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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle; 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle, 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

CONFERENCE

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

equipment or facilities supplied.

Sec. 2158.006. DETERMINATION OF ALTERNATIVE FUELS PROGRAM PARAMETERS.

In developing the 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle, the commission should work with state agency fleet operators, vehicle manufacturers and converters, fuel distributors, and others to determine the vehicles to be covered, taking into consideration:

- (1) range;
- (2) specialty uses;
- (3) fuel availability;
- (4) vehicle manufacturing and conversion capability;
- (5) safety;
- (6) resale values; and
- (7) other relevant factors.

Sec. 2158.007. COMPLIANCE WITH APPLICABLE SAFETY STANDARDS. In purchasing, leasing, maintaining, or converting vehicles for use with 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, biodiesel or biodiesel/diesel

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle, the commission shall comply with all applicable safety standards adopted by the United States Department of Transportation and the Railroad Commission of Texas.

SECTION 4. 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
- (2) either in its original equipment engine or in an engine that has been converted to use those fuels.

SECTION 5. Section 2158.009(b), 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle, if the vehicle uses ~~[is capable of using]~~ those fuels:

- (1) not less than 80 percent of the time the vehicle is driven; and
- (2) either in its original equipment engine or in an engine that has been converted to use those fuels.

SECTION 5. Section 2158.009, Government Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(b) A state agency authorized to purchase passenger vehicles or other ground transportation vehicles for general use shall ensure that not less than 20 [40] percent of its vehicle purchases during any state fiscal biennium are purchases of vehicles that meet or exceed the emissions standards necessary to be rated by the United States Environmental Protection Agency as a Tier II, Bin 3, emissions standard vehicle that has a greenhouse gas score of eight under regulations of that agency as they existed September 1, 2007.

No equivalent provision.

SENATE VERSION

(b) A state agency authorized to purchase passenger vehicles or other ground transportation vehicles for general use shall ensure that not less than 25 [40] percent of the vehicles the agency [its vehicle] purchases during any state fiscal biennium, other than vehicles the purchase of which is exempted from this subsection by Subsection (c) or (d), are [~~purchases of~~] vehicles that meet or exceed the emissions standards necessary to be rated by the United States Environmental Protection Agency as a Tier II, Bin 3, emissions standard vehicle that has a greenhouse gas score of eight under regulations of that agency as they existed September 1, 2007.

(d) Subsection (b) does not apply to a state agency's purchase of a vehicle to be used by a peace officer, as defined by Article 2.12, Code of Criminal Procedure, whose duties include the apprehension of persons for violation of a criminal law of this state.

SECTION __. Section 2158.001, Government Code, is added to read as follows:

Sec. 2158.0011. APPLICABILITY OF SUBCHAPTER. The purchasing requirements relating to alternatively fueled vehicles established by this Subchapter do not apply if a state agency demonstrates that the state agency will incur net costs in meeting the requirements of this subchapter.

CONFERENCE

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 6. Section 113.286(b), Natural Resources Code, is amended to read as follows:

(b) To the extent permitted by federal law or regulations, the council may use the money in the fund only to:

- (1) make loans or grants under this subchapter;
- (2) finance activities supporting or encouraging the 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, biodiesel or biodiesel/diesel blends of 20 percent or greater, or electricity, including electricity to power a plug-in hybrid motor vehicle; or
- (3) pay the costs of administering this subchapter.

SECTION 6. Section 2158.009(a), Government Code, is repealed.

SECTION 7. Same as House version.

SECTION 7. This Act takes effect September 1, 2009.

SECTION 8. Same as House version.

No equivalent provision.

SECTION __. Section 386.252, Health and Safety Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

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

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(1) for the diesel emissions reduction incentive program, 87.5 percent of the money in the fund, of which not more than four percent may be used for the clean school bus program, five percent shall be used for the clean fleet program, and not more than 10 percent may be used for on-road diesel purchase or lease incentives;

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

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

evaluating new emissions-reducing technologies with potential for commercialization in this state and to facilitate their certification or verification; and
(3) for administrative costs incurred by the commission and the laboratory, three percent of the money in the fund.

(d) The commission may allocate unexpended money designated for the clean fleet program to other programs described under Subsection (a) after the commission allocates money to recipients under the clean fleet program.

No equivalent provision.

SECTION __. Subtitle C, Title 5, Health and Safety Code, is amended by adding Chapter 391 to read as follows:

CHAPTER 391. TEXAS CLEAN FLEET PROGRAM

Sec. 391.001. DEFINITIONS. In this chapter:

(1) "Alternative fuel" means a fuel other than gasoline, diesel or biodiesel fuel, including electricity, compressed natural gas, liquified natural gas, hydrogen, propane, or a mixture of fuels containing at least 85 percent methanol by volume.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Golf cart" has the meaning assigned by Section 502.001, Transportation Code.

(4) "Hybrid vehicle" means a vehicle with at least two different energy converters and two different energy

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

storage systems on board the vehicle for the purpose of propelling the vehicle.

(5) "Incremental cost" has the meaning assigned by Section 386.001.

(6) "Light-duty motor vehicle" has the meaning assigned by Section 386.151.

(7) "Motor vehicle" has the meaning assigned by Section 386.151.

(8) "Neighborhood electric vehicle" means a motor vehicle that:

(A) is originally manufactured to meet, and does meet, the equipment requirements and safety standards established for "low-speed vehicles" in Federal Motor Vehicle Safety Standard No. 500 (49 C.F.R. Section 571.500);

(B) is a slow-moving vehicle, as defined by Section 547.001, Transportation Code, that is able to attain a speed of more than 20 miles per hour but not more than 25 miles per hour in one mile on a paved, level surface;

(C) is a four-wheeled motor vehicle;

(D) is powered by electricity or alternative power sources;

(E) has a gross vehicle weight rating of less than 3,000 pounds; and

(F) is not a golf cart.

(9) "Program" means the Texas clean fleet program established under this chapter.

Sec. 391.002. PROGRAM. (a) The commission shall establish and administer the Texas clean fleet program to

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

encourage a person that has a fleet of vehicles to convert diesel-powered vehicles to alternative fuel or hybrid vehicles or replace them with alternative fuel or hybrid vehicles. Under the program, the commission shall provide grants for eligible projects to offset the incremental cost of projects for fleet owners.

(b) An entity that places 25 or more qualifying vehicles in service for use entirely in this state during a calendar year is eligible to participate in the program.

Sec. 391.003. QUALIFYING VEHICLES. (a) A vehicle is a qualifying vehicle that may be considered for a grant under the program if during the calendar year the entity purchases a new on-road vehicle that:

(1) is certified to current federal emissions standards;

(2) replaces a diesel-powered on-road vehicle of the same weight classification and use; and

(3) is a hybrid vehicle or fueled by an alternative fuel.

(b) A vehicle is not a qualifying vehicle if the vehicle:

(1) is a neighborhood electric vehicle;

(2) has been used as a qualifying vehicle to qualify for a grant under this chapter for a previous reporting period or by another entity; or

(3) has qualified for a similar grant or tax credit in another jurisdiction.

Sec. 391.004. APPLICATION FOR GRANT. (a) An entity operating in this state that operates a fleet of at least 100 vehicles may apply for and receive a grant under the program.

(b) The commission may adopt guidelines to allow a

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

regional planning commission, council of governments, or similar regional planning agency created under Chapter 391, Local Government Code, or a private nonprofit organization to apply for and receive a grant to improve the ability of the program to achieve its goals.

(c) An application for a grant under this chapter must be made on a form provided by the commission and must contain the information required by the commission.

Sec. 391.005. ELIGIBILITY OF PROJECTS FOR GRANTS. (a) The commission by rule shall establish criteria for prioritizing projects eligible to receive grants under this chapter. The commission shall review and revise the criteria as appropriate.

(b) To be eligible for a grant under the program, a project must:

(1) result in a reduction in emissions of nitrogen oxides or other pollutants, as established by the commission, of at least 25 percent, based on:

(A) the baseline emission level set by the commission under Subsection (g); and

(B) the certified emission rate of the new vehicle; and

(2) replace a vehicle that:

(A) is an on-road vehicle that has been owned, registered, and operated by the applicant in Texas for at least the two years immediately preceding the submission of a grant application;

(B) satisfies any minimum average annual mileage or fuel usage requirements established by the commission;

(C) satisfies any minimum percentage of annual usage

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

requirements established by the commission; and
(D) is in operating condition and has at least two years of remaining useful life, as determined in accordance with criteria established by the commission.
(c) As a condition of receiving a grant, the qualifying vehicle must be continuously owned, registered, and operated in the state by the grant recipient for at least five years from the date of reimbursement of the grant-funded expenses. Not less than 75 percent of the annual use of the qualifying vehicle, either mileage or fuel use as determined by the commission, must occur in the state.
(d) The commission shall include and enforce the usage provisions in the grant contracts. The commission shall monitor compliance with the ownership and usage requirements, including submission of reports on at least an annual basis, or more frequently as determined by the commission.
(e) The commission by contract may require the return of all or a portion of grant funds for a grant recipient's noncompliance with the usage and percentage of use requirements under this section.
(f) A vehicle or engine replaced under this program must be rendered permanently inoperable by crushing the vehicle or making a hole in the engine block and permanently destroying the frame of the vehicle. The commission shall establish criteria for ensuring the permanent destruction of the engine and vehicle. The commission shall monitor and enforce the destruction

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

requirements.

(g) The commission shall establish baseline emission levels for emissions of nitrogen oxides for on-road vehicles being replaced. The commission may consider and establish baseline emission rates for additional pollutants of concern, as determined by the commission.

(h) Mileage requirements established by the commission under Subsection (b)(2)(B) may differ by vehicle weight categories and type of use.

Sec. 391.006. RESTRICTION ON USE OF GRANT. A recipient of a grant under this chapter shall use the grant to pay the incremental costs of the project for which the grant is made, which may include the initial cost of the alternative fuel vehicle and the reasonable and necessary expenses incurred for the labor needed to install emissions-reducing equipment. The recipient may not use the grant to pay the recipient's administrative expenses.

Sec. 391.007. AMOUNT OF GRANT. (a) The amount the commission shall award for each vehicle being replaced is:

(1) 80 percent of the incremental cost for a heavy-duty diesel engine:

(A) manufactured prior to implementation of federal or California emission standards; and

(B) not certified to meet a specific emission level by either the U.S. Environmental Protection Agency or the California Air Resources Board;

(2) 70 percent of the incremental cost for a heavy-duty

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

diesel engine certified to meet the federal emission standards applicable to engines manufactured in 1990 through 1997;
(3) 60 percent of the incremental cost for a heavy-duty diesel engine certified to meet the federal emission standards applicable to engines manufactured in 1998 through 2003;
(4) 50 percent of the incremental cost for a heavy-duty diesel engine certified to meet the federal emission standards applicable to engines manufactured in 2004 and later;
(5) 80 percent of the incremental cost for a light-duty diesel vehicle:
(A) manufactured prior to the implementation of certification requirements; and
(B) not certified to meet either mandatory or voluntary emission certification standards;
(6) 70 percent of the incremental cost for a light-duty diesel vehicle certified to meet federal emission standards prior to 2004; and
(7) 60 percent of the incremental cost for a light-duty diesel vehicle certified to meet federal emission standards applicable after 2003.
(b) The commission may revise the standards for determining grant amounts, as needed to reflect changes to federal emission standards and decisions on pollutants of concern.
Sec. 391.008. EXPIRATION. This chapter expires August 31, 2017.

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION __. (a) In this section:

(1) "Alternative fuel" means a fuel other than gasoline or diesel fuel, other than biodiesel fuel, including electricity, compressed natural gas, liquified natural gas, hydrogen, propane, methanol, or a mixture of fuels containing at least 85 percent methanol by volume.

(2) "Commission" means the Texas Commission on Environmental Quality.

(b) The commission shall conduct an alternative fueling facilities study to:

(1) assess the correlation between the installation of fueling facilities in nonattainment areas and the deployment of fleet vehicles that use alternative fuels; and

(2) determine the emissions reductions achieved from replacing a diesel-powered engine with an engine utilizing alternative fuels.

(c) From the emissions reductions determined under Subsection (b) of this section, the commission shall determine the amount of emissions reductions which are fairly attributable to the installation of an alternative fuel fueling facility and the combustion of the alternative fuel in the vehicles fueled by the alternative fuel fueling facility.

(d) In connection with the study conducted under this section, the commission shall seek approval for credit in the state implementation plan from the United States

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Environmental Protection Agency for emissions reductions that can be:

(1) directly attributed to an alternative fuel fueling facility; and

(2) achieved as a consequence of an alternative fuel fueling facility encouraging the use of alternatively fueled vehicles.

(e) The commission shall include in the commission's biennial report to the legislature the findings of the study conducted under this section and the status of the discussions with the United States Environmental Protection Agency regarding credit for emissions reductions in the state implementation plan which can be achieved as a result of the installation of alternative fuel fueling facilities.

(f) This section expires August 31, 2011.

No equivalent provision.

SECTION __. The Texas Commission on Environmental Quality shall adopt rules under Section 391.005, Health and Safety Code, as added by this Act, as soon as practicable after the effective date of this Act.

The following rows were presented as identical to the language contained in the engrossed version of Senate Bill 1828, relating to the idling of motor vehicles.

No equivalent provision.

SECTION __. (a) Subsection (d), Section 382.0191,

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Health and Safety Code, is repealed.

(b) Effective November 1, 2010, Subsection (b), Section 382.0191, Health and Safety Code, is amended to read as follows:

(b) Except as provided by Subsection (c), the [The] commission may not prohibit or limit the idling of any [a] motor vehicle with a gross vehicle weight rating greater than 8,500 pounds that is equipped with a 2008 or subsequent model year heavy-duty diesel engine that has been certified by the United States Environmental Protection Agency or another state environmental agency to emit no more than 30 grams of nitrogen oxides emissions per hour when idling [is necessary to power a heater or air conditioner while a driver is using the vehicle's sleeper berth for a government mandated rest period. Idling is not necessary to power a heater or air conditioner if the vehicle is within two miles of a facility offering external heating and air conditioning connections at a time when those connections are available].

No equivalent provision.

SECTION __. Subchapter Z, Chapter 622, Transportation Code, is amended by adding Section 622.955 to read as follows:

Sec. 622.955. INCREASE OF MAXIMUM WEIGHT FOR VEHICLES WITH IDLE REDUCTION SYSTEMS. (a) For purposes of this section, "idle reduction system" means a system that provides heating,

House Bill 432
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

cooling, or electrical service to a commercial vehicle's sleeper berth for the purpose of reducing the idling of a motor vehicle.

(b) Notwithstanding any provision to the contrary, the maximum gross vehicle weight limit and axle weight limit for any vehicle or combination of vehicles equipped with an idle reduction system shall be increased by an amount necessary to compensate for the additional weight of the idle reduction system.

(c) The weight increase under Subsection (b) may not be greater than 400 pounds.

(d) On request by an appropriate law enforcement officer or an official of an appropriate regulatory agency, the vehicle operator shall provide proof that:

(1) the idle reduction technology is fully functional at all times; and

(2) the weight increase is not used for any purpose other than the use of an idle reduction system.

SECTION __. Except as provided by Subsection (b), Section 1 of this Act, this Act takes effect August 31, 2009.

No equivalent provision.