By: Geren, Nash, Parker

H.B. No. 1145

Substitute the following for H.B. No. 1145:

By: Reynolds

C.S.H.B. No. 1145

A BILL TO BE ENTITLED

1 AN ACT

2 relating to projects funded through the Texas emissions reduction

- 3 plan.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 5 SECTION 1. Section 386.051(b), Health and Safety Code, is
- 6 amended to read as follows:
- 7 (b) Under the plan, the commission and the comptroller shall
- 8 provide grants or other funding for:
- 9 (1) the diesel emissions reduction incentive program
- 10 established under Subchapter C, including for infrastructure
- 11 projects established under that subchapter;
- 12 (2) the motor vehicle purchase or lease incentive
- 13 program established under Subchapter D;
- 14 (3) the <u>air quality research support</u> [new technology
- 15 research and development] program established under Chapter 387;
- 16 (4) the clean school bus program established under
- 17 Chapter 390; [and]
- 18 (5) the new technology implementation grant program
- 19 established under Chapter 391;
- 20 (6) the regional air monitoring program established
- 21 under Section 386.252(a)(5);
- 22 <u>(7) a health effects study as provided by Section</u>
- 23 386.252(a)(7);
- 24 (8) air quality planning activities as provided by

- 1 Section 386.252(a)(8); and
- 2 (9) a contract with the Energy Systems Laboratory at
- 3 the Texas Engineering Experiment Station for computation of
- 4 creditable statewide emissions reductions as provided by Section
- 5 386.252(a)(9).
- 6 SECTION 2. Section 386.108(a), Health and Safety Code, is
- 7 amended to read as follows:
- 8 (a) The commission shall provide funding under Section
- 9 $386.252(a) \left[\frac{386.252(a)(1)}{1}\right]$ for infrastructure projects.
- SECTION 3. Section 386.252(a), Health and Safety Code, as
- 11 amended by Chapters 1125 (H.B. 1796) and 1232 (S.B. 1759), Acts of
- 12 the 81st Legislature, Regular Session, 2009, is reenacted and
- 13 amended to read as follows:
- 14 (a) Money in the fund may be used only to implement and
- 15 administer programs established under the plan, and the total
- 16 <u>appropriation</u> shall be allocated as follows:
- 17 (1) [for the diesel emissions reduction incentive
- 18 program, 87.5 percent of the money in the fund, of which:
- 19 $\left[\frac{(A)}{A}\right]$ not more than four percent may be used for
- 20 the clean school bus program;
- 21 $\underline{(2)}$ [(B)] not more than 10 percent may be used for
- 22 on-road diesel purchase or lease incentives; [and]
- 23 $\underline{\text{(3)}}$ [(C)] a specified amount may be used for the new
- 24 technology implementation grant program, from which a defined
- 25 amount may be set aside for electricity storage projects related to
- 26 renewable energy;
- 27 $\underline{(4)}$ five percent shall be used for the clean fleet

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   program;
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               (5) not more than $7 million shall be allocated in 2012
   and 2013 and not more than $3 million shall be allocated in 2014 and
 3
   in subsequent years to fund a regional air monitoring program in
4
5
   commission Regions 3 and 4 to be implemented under the commission's
   oversight, including direction regarding the type, number,
6
   location, and operation of, and data validation practices for,
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8
   monitors funded by the program through a regional nonprofit entity
   located in North Texas having representation from counties,
9
   municipalities, higher education institutions, and private sector
10
   interests across the area;
11
12
               (6) a specified amount is to be allocated each year to
   support research related to air quality as provided by Chapter 387;
13
                    [(2) for the new technology research
14
               (7)
15
   development program, nine percent of the money in the fund, of
   which:
16
17
                    [\frac{(A)}{A}] up to $200,000 is allocated for a health
   effects study;
18
               (8) up to [\frac{(B)}{(B)}] $500,000 is to be deposited in the
19
   state treasury to the credit of the clean air account created under
20
21
   Section 382.0622 to supplement funding for air quality planning
   activities in affected counties;
22
               (9) not more than $216,000 is allocated to the
23
24
   commission to [(C) not less than 20 percent is to be allocated each
25
   year to support research related to air quality as provided by
   Section 387.010; and
26
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(D) the balance is allocated each year to

27

1 commission to be used to: [(i) implement and administer the new 2 3 technology research and development program for the purpose of identifying, testing, and evaluating new emissions-reducing 4 5 technologies with potential for commercialization in this state and to facilitate their certification or verification; and 6 7 [(ii)] contract with the Energy Systems 8 Laboratory at the Texas Engineering Experiment Station [for \$216,000 annually for the development and annual computation of 9 creditable statewide emissions reductions obtained through wind 10 and other renewable energy resources for the state implementation 11 12 plan; [and] (10) not more than \$3.4 million [(3) two percent] is 13 allocated to the commission [and 1.5 percent is allocated to the 14 15 laboratory] for administrative costs incurred by the commission; 16 (11) 1.5 percent of the money in the fund is allocated 17 for administrative costs incurred by [and] the laboratory; and (12) the balance is allocated to the commission for 18 the diesel emissions reduction incentive program. 19 SECTION 4. The heading to Chapter 387, Health and Safety 20 Code, is amended to read as follows: 21 CHAPTER 387. AIR QUALITY [NEW TECHNOLOGY] RESEARCH SUPPORT [AND 22 **DEVELOPMENT**] PROGRAM 23 24 SECTION 5. Section 387.001(2), Health and Safety Code, is amended to read as follows: 25 26 (2) "Program" means the <u>air quality research support</u>

[new technology research and development] program established

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- 1 <u>under this chapter</u>.
- 2 SECTION 6. Section 387.010, Health and Safety Code, is
- 3 redesignated as Section 387.002, Health and Safety Code, and
- 4 amended to read as follows:
- 5 Sec. 387.002 [387.010]. AIR QUALITY RESEARCH SUPPORT
- 6 PROGRAM. (a) The commission shall contract with a nonprofit
- 7 organization or institution of higher education to establish and
- 8 administer a program to support research related to air quality.
- 9 (b) The board of directors of a nonprofit organization
- 10 establishing and administering the research program related to air
- 11 quality under this chapter [section] may not have more than 11
- 12 members, must include two persons with relevant scientific
- 13 expertise to be nominated by the commission, and may not include
- 14 more than four county judges selected from counties in the
- 15 Houston-Galveston-Brazoria and Dallas-Fort Worth nonattainment
- 16 areas. The two persons with relevant scientific expertise to be
- 17 nominated by the commission may be employees or officers of the
- 18 commission, provided that they do not participate in funding
- 19 decisions affecting the granting of funds by the commission to a
- 20 nonprofit organization on whose board they serve.
- 21 (c) The commission shall provide oversight as appropriate
- 22 for grants provided under the program established under this
- 23 <u>chapter</u> [section].
- 24 (d) A nonprofit organization or institution of higher
- 25 education shall submit to the commission for approval a budget for
- 26 the disposition of funds granted under the program established
- 27 under this chapter [section].

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- 1 (e) A nonprofit organization or institution of higher
- 2 education shall be reimbursed for costs incurred in establishing
- 3 and administering the research program related to air quality under
- 4 this chapter [section]. Reimbursable administrative costs of a
- 5 nonprofit organization or institution of higher education may not
- 6 exceed 10 percent of the program budget.
- 7 (f) A nonprofit organization that receives grants from the
- 8 commission under this chapter [section] is subject to Chapters 551
- 9 and 552, Government Code.
- SECTION 7. Section 447.011(h), Government Code, is amended
- 11 to read as follows:
- 12 (h) The Texas Commission on Environmental Quality shall
- 13 obtain information on any fuel-saving technology that appears to
- 14 reduce particulate matter, oxides of nitrogen, carbon monoxide, or
- 15 hydrocarbon emissions. [The Texas Commission on Environmental
- 16 Quality may use this information to fund the United States
- 17 Environmental Protection Agency verification of a technology in
- 18 accordance with Section 387.003, Health and Safety Code.
- 19 SECTION 8. Sections 387.003, 387.004, 387.005, 387.006, and
- 20 387.007, Health and Safety Code, are repealed.
- 21 SECTION 9. A grant issued under Chapter 387, Health and
- 22 Safety Code, before the effective date of this Act is governed by
- 23 Chapter 387, Health and Safety Code, as it existed immediately
- 24 before the effective date of this Act, and that law is continued in
- 25 effect for that purpose.
- 26 SECTION 10. To the extent of any conflict, this Act prevails
- 27 over another Act of the 82nd Legislature, Regular Session, 2011,

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- 1 relating to nonsubstantive additions to and corrections in enacted
- 2 codes.
- 3 SECTION 11. This Act takes effect September 1, 2011.