

AN ACT

relating to projects funded through the Texas emissions reduction plan.

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

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

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

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

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

(3) the air quality research support [~~new technology research and development~~] program established under Chapter 387;

(4) the clean school bus program established under Chapter 390; [~~and~~]

(5) the new technology implementation grant program established under Chapter 391;

(6) the regional air monitoring program established under Section 386.252(a)(5);

(7) a health effects study as provided by Section 386.252(a)(7);

(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. Subsection (a), Section 386.108, Health and  
7 Safety Code, is amended to read as follows:

8 (a) The commission shall provide funding under Section  
9 386.252(a) [~~386.252(a)(1)~~] for infrastructure projects.

10 SECTION 3. Subsection (a), Section 386.252, Health and  
11 Safety Code, as amended by Chapters 1125 (H.B. 1796) and 1232 (S.B.  
12 1759), Acts of the 81st Legislature, Regular Session, 2009, is  
13 reenacted and 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 appropriation 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 [~~(A)~~] not more than four percent may be used for  
20 the clean school bus program;

21 (2) (2) [~~(B)~~] not more than 10 percent may be used for  
22 on-road diesel purchase or lease incentives; [~~and~~]

23 (3) (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 (4) five percent shall be used for the clean fleet

1 program;

2 (5) not more than \$7 million shall be allocated in 2012  
3 and 2013 and not more than \$3 million shall be allocated in 2014 and  
4 in subsequent years to fund a regional air monitoring program in  
5 commission Regions 3 and 4 to be implemented under the commission's  
6 oversight, including direction regarding the type, number,  
7 location, and operation of, and data validation practices for,  
8 monitors funded by the program through a regional nonprofit entity  
9 located in North Texas having representation from counties,  
10 municipalities, higher education institutions, and private sector  
11 interests across the area;

12 (6) a specified amount is to be allocated each year to  
13 support research related to air quality as provided by Chapter 387;

14 (7) ~~[(2) for the new technology research and~~  
15 ~~development program, nine percent of the money in the fund, of~~  
16 ~~which:~~

17 ~~[(A)] up to \$200,000 is allocated for a health~~  
18 ~~effects study;~~

19 (8) up to ~~[(B)]~~ \$500,000 is to be deposited in the  
20 state treasury to the credit of the clean air account created under  
21 Section 382.0622 to supplement funding for air quality planning  
22 activities in affected counties;

23 (9) not more than \$216,000 is allocated to the  
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~~  
26 ~~Section 387.010, and~~

27 ~~[(D) the balance is allocated each year to the~~

1 ~~commission to be used to:~~

2 ~~[(i) implement and administer the new~~  
 3 ~~technology research and development program for the purpose of~~  
 4 ~~identifying, testing, and evaluating new emissions-reducing~~  
 5 ~~technologies with potential for commercialization in this state and~~  
 6 ~~to facilitate their certification or verification; and~~

7 ~~[(ii)]~~ contract with the Energy Systems  
 8 Laboratory at the Texas Engineering Experiment Station [~~for~~  
 9 ~~\$216,000]~~ annually for the development and annual computation of  
 10 creditable statewide emissions reductions obtained through wind  
 11 and other renewable energy resources for the state implementation  
 12 plan; ~~and]~~

13 (10) not more than \$3,400,000 [~~(3) two percent]~~ is  
 14 allocated to the commission ~~[and 1.5 percent is allocated to the~~  
 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

18 (12) the balance is allocated to the commission for  
 19 the diesel emissions reduction incentive program.

20 SECTION 4. The heading to Chapter 387, Health and Safety  
 21 Code, is amended to read as follows:

22 CHAPTER 387. AIR QUALITY [NEW TECHNOLOGY] RESEARCH SUPPORT [AND  
 23 DEVELOPMENT] PROGRAM

24 SECTION 5. Subdivision (2), Section 387.001, Health and  
 25 Safety Code, is amended to read as follows:

26 (2) "Program" means the air quality research support  
 27 ~~[new technology research and development]~~ program established

1 under this chapter.

2 SECTION 6. Section 387.010, Health and Safety Code, is  
3 redesignated as Section 387.002, Health and Safety Code, and is  
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 chapter [~~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~~].

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.

10           SECTION 7. Subsection (h), Section 447.011, Government  
11 Code, is amended 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,

1 relating to nonsubstantive additions to and corrections in enacted  
2 codes.

3 SECTION 11. This Act takes effect September 1, 2011.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 527 passed the Senate on  
March 17, 2011, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 527 passed the House on  
April 21, 2011, by the following vote: Yeas 148, Nays 0, one  
present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor