

BILL ANALYSIS

H.B. 3110
By: Hilderbran
Environmental Regulation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that the successful commercialization of alternative transportation fuels, such as natural gas, propane, and electricity, is crucial for improving the environmental performance of the light-duty vehicle fleet in Texas, reducing greenhouse gas emissions and petroleum dependence, and achieving Texas' environmental objectives. The parties further note that an incentive program may spur the adoption of alternative-fueled vehicles. The goal of H.B. 3110 is to create a purchase or lease incentive program for certain light-duty motor vehicles powered by compressed natural gas, liquefied petroleum gas, or electric drive.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 2 of this bill.

ANALYSIS

H.B. 3110 amends the Health and Safety Code to require the Texas emissions reduction plan's light-duty motor vehicle purchase or lease incentive program to authorize statewide incentives for the purchase or lease of new light-duty motor vehicles powered by compressed natural gas, liquefied petroleum gas, or electric drives, rather than new light-duty motor vehicles that are certified by the U.S. Environmental Protection Agency to meet certain emissions standards, for certain purchasers or lessees.

H.B. 3110 makes a new light-duty motor vehicle powered by compressed natural gas, liquefied petroleum gas, or electric drive eligible for a \$2,500 incentive under the program and sets out the vehicle eligibility requirements. The bill authorizes the Texas Commission on Environmental Quality by rule, on determining that an updated version of a code or standard relating to the fuel system of a vehicle with a compressed natural gas or liquefied petroleum gas fuel system is more stringent than the version of the code or standard described by the bill's provisions, to make vehicle eligibility contingent on the vehicle complying with the updated version of the code or standard. The bill adds temporary provisions, set to expire September 1, 2015, to limit the incentive for new light-duty motor vehicles powered by compressed natural gas or liquefied petroleum gas to 2,000 vehicles and the incentive for new light-duty motor vehicles powered by electric drive to 2,000 vehicles for the state fiscal biennium beginning September 1, 2013.

H.B. 3110 clarifies that a person who purchases or leases a new light-duty motor vehicle powered by compressed natural gas, liquefied petroleum gas, or electric drive that meets the bill's prescribed requirements and is listed on the list of motor vehicles eligible for an incentive is eligible to apply for an incentive.

H.B. 3110 repeals the following sections of the Health and Safety Code:

- Section 386.151(1)
- Section 386.154

- Section 386.155

EFFECTIVE DATE

September 1, 2013.