

By: Strama

H.B. No. 3215

A BILL TO BE ENTITLED

AN ACT

relating to the Texas natural gas vehicle grant program.

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

SECTION 1. Section 394.001, Health and Safety Code, as added by Chapter 892 (S.B. 385), Acts of the 82nd Legislature, Regular Session, 2011, is amended by adding Subdivisions (10) and (11) to read as follows:

(10) "School bus" has the meaning assigned by Section 541.201, Transportation Code.

(11) "Taxicab" means a private passenger vehicle that provides passenger taxicab transportation services for compensation.

SECTION 2. Section 394.002, Health and Safety Code, as added by Chapter 892 (S.B. 385), Acts of the 82nd Legislature, Regular Session, 2011, is amended to read as follows:

Sec. 394.002. PROGRAM. The commission shall establish and administer the Texas natural gas vehicle grant program to encourage an entity that has a heavy-duty or medium-duty motor vehicle, a school bus, or a taxicab to repower the vehicle with a natural gas engine or replace the vehicle with a natural gas vehicle. Under the program, the commission shall provide grants for eligible heavy-duty ~~motor vehicles~~ and medium-duty motor vehicles, school buses, and taxicabs to offset the incremental cost for the entity of repowering or replacing the ~~[heavy-duty or medium-duty motor]~~

1 vehicle, school bus, or taxicab.

2 SECTION 3. Section 394.003, Health and Safety Code, as
3 added by Chapter 892 (S.B. 385), Acts of the 82nd Legislature,
4 Regular Session, 2011, is amended to read as follows:

5 Sec. 394.003. QUALIFYING VEHICLES. (a) A heavy-duty or
6 medium-duty motor vehicle is a qualifying vehicle that may be
7 considered for a grant under the program if during the calendar year
8 the entity:

9 (1) purchased, leased, or otherwise commercially
10 financed the vehicle as a new on-road heavy-duty or medium-duty
11 motor vehicle that:

12 (A) is a natural gas vehicle;

13 (B) is certified to current federal emissions
14 standards;

15 (C) replaces an on-road heavy-duty or
16 medium-duty motor vehicle of the same weight classification and
17 use; and

18 (D) is powered by an engine certified to:

19 (i) emit not more than 0.2 grams of nitrogen
20 oxides per brake horsepower hour; or

21 (ii) meet or exceed the United States
22 Environmental Protection Agency's Bin 5 standard for light-duty
23 engines when powering the vehicle; or

24 (2) repowered the on-road motor vehicle to a natural
25 gas vehicle powered by a natural gas engine that:

26 (A) is certified to current federal emissions
27 standards; and

1 (B) is:

2 (i) a heavy-duty engine that is certified
3 to emit not more than 0.2 grams of nitrogen oxides per brake
4 horsepower hour; or

5 (ii) certified to meet or exceed the United
6 States Environmental Protection Agency's Bin 5 standard for
7 light-duty engines when powering the vehicle.

8 (a-1) A school bus or taxicab is a qualifying vehicle that
9 may be considered for a grant under the program if during the
10 calendar year the entity:

11 (1) purchased, leased, or otherwise commercially
12 financed the vehicle as a new school bus or taxicab that:

13 (A) is a natural gas vehicle;

14 (B) is certified to current federal emissions
15 standards;

16 (C) replaces a school bus or taxicab of the same
17 weight classification and use; and

18 (D) is powered by an engine that meets emission
19 standards designated for the program by the commission under
20 Subsection (a-2); or

21 (2) repowered the school bus or taxicab to a natural
22 gas vehicle powered by a natural gas engine that meets emission
23 standards designated for the program by the commission under
24 Subsection (a-2).

25 (a-2) The commission by rule may establish emission
26 standards applicable to school buses and taxicabs that qualify a
27 school bus or taxicab to be considered for a grant under the

1 program.

2 (b) A heavy-duty or medium-duty motor vehicle, school bus,
3 or taxicab is not a qualifying vehicle if the vehicle or the natural
4 gas engine powering the vehicle:

5 (1) has been awarded a grant under this chapter or
6 Chapter 390 for a previous reporting period; or

7 (2) has received a similar grant or tax credit in
8 another jurisdiction if that grant or tax credit program is relied
9 on for credit in the state implementation plan.

10 SECTION 4. Section 394.004(a), Health and Safety Code, as
11 added by Chapter 892 (S.B. 385), Acts of the 82nd Legislature,
12 Regular Session, 2011, is amended to read as follows:

13 (a) Only an entity operating in this state that operates a
14 heavy-duty or medium-duty motor vehicle, school bus, or taxicab may
15 apply for and receive a grant under this chapter.

16 SECTION 5. Sections 394.005(b), (c), (f), and (g), Health
17 and Safety Code, as added by Chapter 892 (S.B. 385), Acts of the
18 82nd Legislature, Regular Session, 2011, are amended to read as
19 follows:

20 (b) To be eligible for a grant under the program:

21 (1) the use of the qualifying vehicle must be
22 projected to result in a reduction in emissions of nitrogen oxides
23 of at least 25 percent as compared to the motor vehicle or engine
24 being replaced, based on:

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

27 (B) the certified emission rate of the new

1 vehicle; and

2 (2) the qualifying vehicle must:

3 (A) replace a heavy-duty or medium-duty motor
4 vehicle, school bus, or taxicab that:

5 (i) is an on-road vehicle that has been
6 owned, leased, or otherwise commercially financed and registered
7 and operated by the applicant in Texas for at least the two years
8 immediately preceding the submission of a grant application;

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

11 (iii) satisfies any minimum percentage of
12 annual usage requirements established by the commission; and

13 (iv) is in operating condition and has at
14 least two years of remaining useful life, as determined in
15 accordance with criteria established by the commission; or

16 (B) be a heavy-duty or medium-duty motor vehicle, school bus, or taxicab
17 repowered with a natural gas engine that:

18 (i) is installed in an on-road vehicle that
19 has been owned, leased, or otherwise commercially financed and
20 registered and operated by the applicant in Texas for at least the
21 two years immediately preceding the submission of a grant
22 application;

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

25 (iii) satisfies any minimum percentage of
26 annual usage requirements established by the commission; and

27 (iv) is installed in an on-road vehicle

1 that, at the time of the vehicle's repowering, was in operating
2 condition and had at least two years of remaining useful life, as
3 determined in accordance with criteria established by the
4 commission.

5 (c) As a condition of receiving a grant, the qualifying
6 vehicle must be continuously owned, leased, or otherwise
7 commercially financed and registered and operated in the state by
8 the grant recipient until the earlier of the fourth anniversary of
9 the date of reimbursement of the grant-funded expenses or until the
10 date the vehicle has been in operation for 400,000 miles after the
11 date of reimbursement. Not less than 75 percent of the annual use
12 of the qualifying vehicle, either mileage or fuel use as determined
13 by the commission, must occur in:

14 (1) the counties any part of which are included in the
15 areas [~~area~~] described by Section 394.010(a-1) [~~394.010(a)~~]; or

16 (2) counties designated as nonattainment areas within
17 the meaning of Section 107(d) of the federal Clean Air Act (42
18 U.S.C. Section 7407).

19 (f) A heavy-duty or medium-duty motor vehicle, school bus,
20 or taxicab replaced under this program must be rendered permanently
21 inoperable by crushing the vehicle, by making a hole in the engine
22 block and permanently destroying the frame of the vehicle, or by
23 another method approved by the commission that permanently removes
24 the vehicle from operation in this state. The commission shall
25 establish criteria for ensuring the permanent destruction of the
26 engine or vehicle. The commission shall enforce the destruction
27 requirements.

1 (g) The commission shall establish baseline emission levels
2 for emissions of nitrogen oxides for on-road heavy-duty or
3 medium-duty motor vehicles, school buses, or taxicabs being
4 replaced by using the emission certification for the engine or
5 vehicle being replaced. The commission may consider deterioration
6 of the emission performance of the engine of the vehicle being
7 replaced in establishing the baseline emission level. The
8 commission may consider and establish baseline emission rates for
9 additional pollutants of concern, as determined by the commission
10 after consultation with the advisory board.

11 SECTION 6. Sections 394.009(a) and (e), Health and Safety
12 Code, as added by Chapter 892 (S.B. 385), Acts of the 82nd
13 Legislature, Regular Session, 2011, are amended to read as follows:

14 (a) In this section, "participating dealer" means a person
15 who:

16 (1) sells, leases, or otherwise commercially finances
17 on-road heavy-duty or medium-duty natural gas vehicles, school
18 buses, taxicabs, or heavy-duty or medium-duty natural gas engines;
19 and

20 (2) has satisfied all requirements established by the
21 commission for participation in the program as a dealer.

22 (e) The commission shall:

23 (1) maintain and make available to the public online a
24 list of all qualified dealers; and

25 (2) establish requirements for participation in the
26 program by sellers of on-road heavy-duty or medium-duty natural gas
27 vehicles, school buses, taxicabs, and heavy-duty or medium-duty

1 natural gas engines.

2 SECTION 7. The heading to Section 394.010, Health and
3 Safety Code, is amended to read as follows:

4 Sec. 394.010. CLEAN TRANSPORTATION TRIANGLES [~~TRIANGLE~~].

5 SECTION 8. Section 394.010, Health and Safety Code, is
6 amended by amending Subsections (a) and (d) and adding Subsections
7 (a-1) and (a-2) to read as follows:

8 (a) In this section, "state highway" means a highway in
9 this state included in the plan providing for a system of state
10 highways prepared by the executive director of the Texas Department
11 of Transportation under Section 201.103, Transportation Code.

12 (a-1) To ensure that natural gas vehicles purchased,
13 leased, or otherwise commercially financed or repowered under the
14 program have access to fuel, and to build the foundation for a
15 self-sustaining market for natural gas vehicles in Texas, the
16 commission shall award grants to support the development of a
17 network of natural gas vehicle fueling stations along:

18 (1) the interstate highways connecting Houston, San
19 Antonio, Dallas, and Fort Worth; and

20 (2) the interstate highways connecting San Antonio to
21 Corpus Christi and Laredo and the state highways connecting Corpus
22 Christi and Laredo.

23 (a-2) In awarding the grants, the commission shall provide
24 for:

25 (1) strategically placed natural gas vehicle fueling
26 stations:

27 (A) in and between the Houston, San Antonio, and

1 Dallas-Fort Worth areas to enable a natural gas vehicle to travel
2 along that triangular area relying solely on natural gas fuel; and
3 (B) in and between the Corpus Christi, Laredo,
4 and San Antonio areas to enable a natural gas vehicle to travel
5 along that triangular area relying solely on natural gas fuel;

6 (2) the grants for each region described by Subsection
7 (a-1)(1) or (2) to be dispersed through a competitive bidding
8 process to offset a portion of the cost of installation of the
9 natural gas dispensing equipment;

10 (3) contracts that require the recipient stations to
11 meet operational, maintenance, and reporting requirements as
12 specified by the commission; and

13 (4) for each region described by Subsection (a-1)(1)
14 or (2), a listing, to be maintained by the commission and made
15 available to the public online, of all natural gas vehicle fueling
16 stations that have received grant funding, including location and
17 hours of operation.

18 (d) Stations funded by grants under this section must be
19 publicly accessible and must be located, as applicable, not more
20 than three miles from an interstate highway described by Subsection
21 (a-1)(1) or not more than three miles from an interstate highway or
22 state highway described by Subsection (a-1)(2) [system]. The
23 commission shall give preference to:

24 (1) stations providing both liquefied natural gas and
25 compressed natural gas at a single location; and

26 (2) stations located not more than one mile from an
27 interstate highway ~~[system]~~.

1 SECTION 9. Chapter 393, Health and Safety Code, as added by
2 Chapter 589 (S.B. 20), Acts of the 82nd Legislature, Regular
3 Session, 2011, is repealed.

4 SECTION 10. This Act takes effect September 1, 2013.