| **House Bill 14**  Senate Amendments  Section-by-Section Analysis | | |
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| HOUSE VERSION | SENATE VERSION (IE) | CONFERENCE |
| SECTION 1. Sections 386.001(2) and (3), Health and Safety Code, are amended to read as follows:  (2) "Affected county" includes:  (A) Bastrop County;  (A-1) Bell County;  (B) Bexar County;  (C) Caldwell County;  (D) Comal County;  (E) Ellis County;  (F) Gregg County;  (G) Guadalupe County;  (H) Harrison County;  (I) Hays County;  (J) Henderson County;  (K) Hood County;  (L) Hunt County;  (M) Johnson County;  (N) Kaufman County;  (N-1) McLennan County;  (O) Nueces County;  (P) Parker County;  (Q) Rockwall County;  (R) Rusk County;  (S) San Patricio County;  (T) Smith County;  (U) Travis County;  (V) Upshur County;  (W) Victoria County;  (W-1) Webb County;  (X) Williamson County;  (Y) Wilson County; and  (Z) any other county designated as an affected county by commission rule because of deteriorating air quality.  (3) "Commission" means the Texas [~~Natural Resource Conservation~~] Commission on Environmental Quality. | SECTION 1. Section 386.001(3), Health and Safety Code, is amended to read as follows:  (3) "Commission" means the Texas [~~Natural Resource Conservation~~] Commission on Environmental Quality. |  |
| SECTION 2. Section 386.002, Health and Safety Code, is amended to read as follows:  Sec. 386.002. EXPIRATION. This chapter expires August 31, 2023 [~~2019~~]. | SECTION 2. Same as House version. |  |
| SECTION 3. Section 386.051(b), 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 program established under Chapter 387;  (4) the clean school bus program established under Chapter 390;  (5) the new technology implementation grant program established under Chapter 391;  (6) the regional air monitoring program established under Section 386.252(a);  (7) a health effects study as provided by Section 386.252(a);  (8) air quality planning activities as provided by Section 386.252(a);  (9) a contract with the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station for computation of creditable statewide emissions reductions as provided by Section 386.252(a) [~~386.252(a)(14)~~];  (10) the clean fleet program established under Chapter 392;  (11) the alternative fueling facilities program established under Chapter 393;  (12) the natural gas vehicle grant program [~~and clean transportation triangle program~~] established under Chapter 394;  (13) other programs the commission may develop that lead to reduced emissions of nitrogen oxides, particulate matter, or volatile organic compounds in a nonattainment area or affected county;  (14) other programs the commission may develop that support congestion mitigation to reduce mobile source ozone precursor emissions; and  (15) the drayage truck incentive program established under Subchapter D-1. | SECTION 3. Section 386.051(b), 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 program established under Chapter 387;  (4) the clean school bus program established under Chapter 390;  (5) the new technology implementation grant program established under Chapter 391;  (6) the regional air monitoring program established under Section 386.252(a);  (7) a health effects study as provided by Section 386.252(a);  (8) air quality planning activities as provided by Section 386.252(a);  (9) a contract with the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station for computation of creditable statewide emissions reductions as provided by Section 386.252(a) [~~386.252(a)(14)~~];  (10) the clean fleet program established under Chapter 392;  (11) the alternative fueling facilities program established under Chapter 393;  (12) the natural gas vehicle grant program [~~and clean transportation triangle program~~] established under Chapter 394;  (13) other programs the commission may develop that lead to reduced emissions of nitrogen oxides, particulate matter, or volatile organic compounds in a nonattainment area or affected county;  (14) other programs the commission may develop that support congestion mitigation to reduce mobile source ozone precursor emissions; [~~and~~] [FA1(1)]  (15) the drayage truck incentive program established under Subchapter D-1; and  (16) the governmental alternative fuel fleet grant program established under Chapter 395. [FA1(2)] |  |
| SECTION 4. Section 386.103, Health and Safety Code, is amended by adding Subsection (c) to read as follows:  (c) To reduce the administrative burden for the commission and applicants, the commission may streamline the application process by:  (1) reducing data entry and the copying and recopying of applications; and  (2) developing, maintaining, and periodically updating a system to accept applications electronically through the commission's Internet website. | SECTION 4. Same as House version. |  |
| SECTION 5. Section 386.104(j), Health and Safety Code, is amended to read as follows:  (j) The executive director may [~~shall~~] waive any eligibility requirements established under this section on a finding of good cause, which may include a waiver for short lapses in registration or operation attributable to economic conditions, seasonal work, or other circumstances. | SECTION 5. Same as House version. |  |
| SECTION 6. Section 386.152, Health and Safety Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:  (b) The program shall authorize statewide incentives for the purchase or lease of new light-duty motor vehicles powered by compressed natural gas, liquefied petroleum gas, or hydrogen fuel cell or other electric drives for a purchaser or lessee who agrees to register and operate the vehicle in this state for a minimum period of time to be established by the commission.  (d) The commission by rule may revise the standards for the maximum unloaded vehicle weight rating and gross vehicle weight rating of an eligible vehicle to ensure that all of the vehicle weight configurations available under one general vehicle model may be eligible for an incentive. | SECTION 6. Same as House version. |  |
| SECTION 7. Sections 386.153(a), (b-1), (c), and (d), Health and Safety Code, are amended to read as follows:  (a) A new light-duty motor vehicle powered by compressed natural gas or liquefied petroleum gas is eligible for a $5,000 [~~$2,500~~] incentive if the vehicle:  (1) has four wheels;  (2) was originally manufactured to comply with and has been certified by an original equipment manufacturer or intermediate or final state vehicle manufacturer as complying with, or has been altered to comply with, federal motor vehicle safety standards, state emissions regulations, and any additional federal or state regulations applicable to vehicles powered by compressed natural gas or liquefied petroleum gas;  (3) was manufactured for use primarily on public streets, roads, and highways;  (4) [~~is rated at not more than 9,600 pounds unloaded vehicle weight;~~  [~~(5)~~] has a dedicated or bi-fuel compressed natural gas or liquefied petroleum gas fuel system:  (A) installed prior to first sale or within 500 miles of operation of the vehicle following first sale; and  (B) with a range of at least 125 miles as estimated, published, and updated by the United States Environmental Protection Agency;  (5) [~~(6)~~] has, as applicable, a:  (A) compressed natural gas fuel system that complies with the:  (i) 2013 NFPA 52 Vehicular Gaseous Fuel Systems Code; and  (ii) American National Standard for Basic Requirements for Compressed Natural Gas Vehicle (NGV) Fuel Containers, commonly cited as "ANSI/CSA NGV2"; or  (B) liquefied petroleum gas fuel system that complies with:  (i) the 2011 NFPA 58 Liquefied Petroleum Gas Code; and  (ii) Section VII of the 2013 ASME Boiler and Pressure Vessel Code; and  (6) [~~(7)~~] was acquired on or after September 1, 2013, or a later date established by the commission, by the person applying for the incentive under this subsection and for use or lease by that person and not for resale.  (b-1) The incentive under Subsection (a) is limited to 1,000 [~~2,000~~] vehicles for each [~~the~~] state fiscal biennium [~~beginning September 1, 2013~~].  (c) A new light-duty motor vehicle powered by an electric drive is eligible for a $2,500 incentive if the vehicle:  (1) has four wheels;  (2) was manufactured for use primarily on public streets, roads, and highways;  (3) has not been modified from the original manufacturer's specifications;  (4) [~~is rated at not more than 8,500 pounds unloaded vehicle weight;~~  [~~(5)~~] has a maximum speed capability of at least 55 miles per hour;  (5) [~~(6)~~] is propelled to a significant extent by an electric motor that draws electricity from a hydrogen fuel cell or from a battery that:  (A) has a capacity of not less than four kilowatt hours; and  (B) is capable of being recharged from an external source of electricity; and  (6) [~~(7)~~] was acquired on or after September 1, 2013, or a later date as established by the commission, by the person applying for the incentive under this subsection and for use or lease by that person and not for resale.  (d) The incentive under Subsection (c) is limited to 2,000 vehicles for each [~~the~~] state fiscal biennium [~~beginning September 1, 2013~~]. | SECTION 7. Same as House version. |  |
| SECTION 8. Section 386.155, Health and Safety Code, is amended to read as follows:  Sec. 386.155. MANUFACTURER'S REPORT. (a) At the beginning of but not later than July 1 of each year preceding the vehicle model year, a manufacturer of motor vehicles, an intermediate or final state vehicle manufacturer, or a manufacturer of compressed natural gas or liquefied petroleum gas systems shall provide to the commission a list of the new vehicle or natural gas or liquefied petroleum gas systems models that the manufacturer intends to sell in this state during that model year that meet the incentive requirements [~~emissions standards~~] established [~~by the schedules set out~~] under Section 386.153. The manufacturer or installer may supplement the list provided to the commission under this section as necessary to include additional new vehicle models the manufacturer intends to sell in this state during the model year.  (b) The commission may supplement the information provided under Subsection (a) with additional information on available vehicle models, including information provided by manufacturers or installers of systems to convert new motor vehicles to operate on natural gas or liquefied petroleum gas before sale as a new vehicle or within 500 miles of operation of the vehicle following first sale. | SECTION 8. Same as House version. |  |
| SECTION 9. Section 386.156, Health and Safety Code, is amended to read as follows:  Sec. 386.156. LIST OF ELIGIBLE MOTOR VEHICLES. (a) On August 1 each year the commission shall publish a list of new [~~model~~] motor vehicle models [~~vehicles~~] eligible for inclusion in an incentive under this subchapter [~~as listed for the commission under Section 386.155~~]. The commission shall publish supplements to that list as necessary to include additional new vehicle models.  (b) The commission shall publish the list of eligible motor vehicle models [~~vehicles~~] on the commission's Internet website. | SECTION 9. Same as House version. |  |
| SECTION 10. Section 386.158(b), Health and Safety Code, is amended to read as follows:  (b) A lease incentive for a new light-duty motor vehicle shall be prorated based on a three-year [~~four-year~~] lease term. | SECTION 10. Same as House version. |  |
| SECTION 11. Section 386.160(c), Health and Safety Code, is amended to read as follows:  (c) The commission may require the submission of forms and documentation as needed to verify eligibility for an incentive under this subchapter [~~In addition to other forms developed and published under this section, the commission shall develop and publish a verification form by which, with information provided by the dealer or leasing agent, the commission can verify the sale of a vehicle covered by this subchapter. The verification form shall include at least the name of the purchaser, the vehicle identification number of the vehicle involved, the date of the purchase, and the name of the new motor dealer or leasing agent involved in the transaction. At the time of sale or lease of a vehicle eligible for an incentive under this subchapter, the dealer or leasing agent shall complete the verification form supplied to the dealer by the commission. The purchaser or lessee shall include the completed verification form as part of the purchaser's application for an incentive. The dealer shall maintain a copy of the completed verification form for at least two years from the date of the transaction~~]. | SECTION 11. Same as House version. |  |
| SECTION 12. The heading to Section 386.161, Health and Safety Code, is amended to read as follows:  Sec. 386.161. [~~SUSPENSION OF~~] PURCHASE OR LEASE INCENTIVES INFORMATION. | SECTION 12. Same as House version. |  |
| SECTION 13. Subchapter D, Chapter 386, Health and Safety Code, is amended by adding Section 386.1611 to read as follows:  Sec. 386.1611. RESERVATION OF INCENTIVES. The commission may provide for dealers and leasing agents to reserve for a limited time period incentives for vehicles that are not readily available and must be ordered, if the dealer or leasing agent has a purchase or lease order signed by an identified customer. | SECTION 13. Same as House version. |  |
| SECTION 14. Section 386.162, Health and Safety Code, is amended to read as follows:  Sec. 386.162. EXPIRATION. This subchapter expires August 31, 2023 [~~2015~~]. | SECTION 14. Same as House version. |  |
| SECTION 15. Section 386.181(a), Health and Safety Code, is amended to read as follows:  (a) In this subchapter, "drayage truck" means a truck or land-based equipment that transports a load to, [~~or~~] from, or in a seaport or rail yard. | SECTION 15. Same as House version. |  |
| SECTION 16. Section 386.182(a), Health and Safety Code, is amended to read as follows:  (a) The commission shall:  (1) develop a purchase incentive program to encourage owners to replace drayage trucks with pre-2007 model year engines or engines certified to an emission rate equivalent to a pre-2007 model year engine; and  (2) [~~with newer drayage trucks and shall~~] adopt guidelines necessary to implement the program described by Subdivision (1). | SECTION 16. Same as House version. |  |
| SECTION 17. Section 386.252, Health and Safety Code, is amended by amending Subsection (a) and adding Subsections (g-1) and (g-2) to read as follows:  (a) Money in the fund may be used only to implement and administer programs established under the plan. Money appropriated to the commission to be used for the programs under Section 386.051(b) shall be allocated as follows:  (1) not more than four percent may be used for the clean school bus program under Chapter 390;  (2) not more than three percent may be used for the new technology implementation grant program under Chapter 391, from which at least $1 million will be set aside for electricity storage projects related to renewable energy;  (3) five percent shall be used for the clean fleet program under Chapter 392;  (4) not more than $3 million may be used by the commission to fund a regional air monitoring program in commission Regions 3 and 4 to be implemented under the commission's oversight, including direction regarding the type, number, location, and operation of, and data validation practices for, monitors funded by the program through a regional nonprofit entity located in North Texas having representation from counties, municipalities, higher education institutions, and private sector interests across the area;  (5) not less than 16 percent shall be used for the Texas natural gas vehicle grant program under Chapter 394;  (6) not more than 10 [~~five~~] percent may be used [~~to provide grants for natural gas fueling stations under the clean transportation triangle program under Section 394.010;~~  [~~(7) not more than five percent may be used~~] for the Texas alternative fueling facilities program under Chapter 393, of which a specified amount may be used for fueling stations to provide natural gas fuel;  (7) [~~(8)~~] a specified amount may be used each year to support research related to air quality as provided by Chapter 387;  (8) [~~(9)~~] not more than $200,000 may be used for a health effects study[~~;~~  [~~(10) $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~~];  (9) [~~(11)~~] at least $4 million and up to four percent to a maximum of $7 million, whichever is greater, is allocated to the commission for administrative costs;  (10) [~~(12)~~] at least two percent and up to five percent [~~of the fund~~] is to be used by the commission for the drayage truck incentive program established under Subchapter D-1;  (11) [~~(13)~~] not more than five percent may be used for the light-duty motor vehicle purchase or lease incentive program established under Subchapter D;  (12) [~~(14)~~] not more than $216,000 is allocated to the commission to contract with the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station annually for the development and annual computation of creditable statewide emissions reductions obtained through wind and other renewable energy resources for the state implementation plan;  [~~(15) 1.5 percent of the money in the fund is allocated for administrative costs incurred by the laboratory;~~] and  (13) [~~(16)~~] the balance is to be used by the commission for the diesel emissions reduction incentive program under Subchapter C as determined by the commission.  (g-1) To supplement funding for air quality planning activities in affected counties, $500,000 from the fund is to be deposited annually in the state treasury to the credit of the clean air account created under Section 382.0622.  (g-2) Money in the fund may be allocated for administrative costs incurred by the laboratory. | SECTION 17. Same as House version. |  |
| SECTION 18. Section 390.006, Health and Safety Code, is amended to read as follows:  Sec. 390.006. EXPIRATION. This chapter expires August 31, 2023 [~~2019~~]. | SECTION 18. Same as House version. |  |
| SECTION 19. Section 391.002(b), Health and Safety Code, is amended to read as follows:  (b) Projects that may be considered for a grant under the program include:  (1) advanced clean energy projects, as defined by Section 382.003;  (2) new technology projects that reduce emissions of regulated pollutants from stationary [~~point~~] sources;  (2-a) new technology projects that reduce emissions from upstream and midstream oil and gas production, completions, gathering, storage, processing, and transmission activities through:  (A) the replacement, repower, or retrofit of stationary compressor engines; or  (B) the installation of systems to reduce or eliminate the loss of gas, flaring of gas, or burning of gas using other combustion control devices; and  (3) electricity storage projects related to renewable energy, including projects to store electricity produced from wind and solar generation that provide efficient means of making the stored energy available during periods of peak energy use. | SECTION 19. Same as House version. |  |
| SECTION 20. Section 391.205(a), Health and Safety Code, is amended to read as follows:  (a) Except as provided by Subsection (c), in awarding grants under this chapter the commission shall give preference to projects that:  (1) involve the transport, use, recovery for use, or prevention of the loss of natural resources originating or produced in this state;  (2) contain an energy efficiency component; or  (3) include the use of solar, wind, or other renewable energy sources. | SECTION 20. Same as House version. |  |
| SECTION 21. Section 391.304, Health and Safety Code, is amended to read as follows:  Sec. 391.304. EXPIRATION. This chapter expires August 31, 2023 [~~2019~~]. | SECTION 21. Same as House version. |  |
| SECTION 22. Section 392.001(1), Health and Safety Code, is amended to read as follows:  (1) "Alternative fuel" means a fuel other than gasoline or diesel fuel, including electricity, compressed natural gas, liquefied [~~liquified~~] natural gas, hydrogen, propane, or a mixture of fuels containing at least 85 percent methanol by volume. | SECTION 22. Same as House version. |  |
| SECTION 23. Section 392.003(a), Health and Safety Code, is amended to read as follows:  (a) A vehicle is a qualifying vehicle that may be considered for a grant under the program if during the eligibility period established by the commission [~~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. | SECTION 23. Same as House version. |  |
| SECTION 24. Section 392.004(d), Health and Safety Code, is amended to read as follows:  (d) The commission shall minimize, to the maximum extent possible, the amount of paperwork required for an application. [~~An applicant may be required to submit a photograph or other documentation of a vehicle identification number, registration information, inspection information, tire condition, or engine block identification only if the photograph or documentation is requested by the commission after the commission has decided to award a grant to the applicant under this chapter.~~] | SECTION 24. Same as House version. |  |
| SECTION 25. Section 392.005, Health and Safety Code, is amended by amending Subsections (b), (c), and (i) and adding Subsection (c-1) to read as follows:  (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, leased, or otherwise commercially financed and 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 requirements established by the commission; and  (D) is in operating condition and has at least four [~~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 until the earlier of the fifth anniversary of the activity start date established by the commission [~~the date of reimbursement of the grant-funded expenses~~] or [~~until~~] the date the vehicle has been in operation for 400,000 miles after the activity start date established by the commission [~~of reimbursement~~]. 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.  (c-1) For purposes of Subsection (c), the commission shall establish the activity start date based on the date the commission accepts verification of the disposition of the vehicle being replaced.  (i) The executive director may [~~shall~~] waive the requirements of Subsection (b)(2)(A) on a finding of good cause, which may include a waiver for short lapses in registration or operation attributable to economic conditions, seasonal work, or other circumstances. | SECTION 25. Same as House version. |  |
| SECTION 26. Section 392.008, Health and Safety Code, is amended to read as follows:  Sec. 392.008. EXPIRATION. This chapter expires August 31, 2023 [~~2017~~]. | SECTION 26. Same as House version. |  |
| SECTION 27. Section 393.001, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:  (1) "Alternative fuel" means a fuel other than gasoline or diesel fuel, other than biodiesel fuel, including electricity, compressed natural gas, liquefied [~~liquified~~] natural gas, hydrogen, propane, or a mixture of fuels containing at least 85 percent methanol by volume.  (1-a) "Clean transportation triangle" means:  (A) counties containing or intersected by a portion of an interstate highway connecting the cities of Houston, San Antonio, Dallas, and Fort Worth;  (B) counties located within the triangular area formed by the interstate highways described by Paragraph (A);  (C) counties in this state all or part of which are included in a nonattainment area designated under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended; and  (D) counties designated as affected counties under Section 386.001. | SECTION 27. Section 393.001, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivisions (1-a) and (4) to read as follows:  (1) "Alternative fuel" means a fuel other than gasoline or diesel fuel, other than biodiesel fuel, including electricity, compressed natural gas, liquefied [~~liquified~~] natural gas, hydrogen, propane, or a mixture of fuels containing at least 85 percent methanol by volume.  (1-a) "Clean transportation triangle" means:  (A) counties containing or intersected by a portion of an interstate highway connecting the cities of Houston, San Antonio, Dallas, and Fort Worth;  (B) counties located within the triangular area formed by the interstate highways described by Paragraph (A);  (C) counties containing or intersected by a portion of:  (i) an interstate highway connecting San Antonio to Corpus Christi or Laredo; or  (ii) a state highway connecting Corpus Christi and Laredo;  (D) counties located within the triangular area formed by the highways described by Paragraph (C);  (E) counties in this state all or part of which are included in a nonattainment area designated under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended; and  (F) counties designated as affected counties under Section 386.001.  (4) "State highway" means a highway in this state included in the plan providing for a system of state highways prepared by the executive director of the Texas Department of Transportation under Section 201.103, Transportation Code. |  |
| SECTION 28. Section 393.002, Health and Safety Code, is amended to read as follows:  Sec. 393.002. PROGRAM. (a) The commission shall establish and administer the Texas alternative fueling facilities program to provide fueling facilities for alternative fuel in the clean transportation triangle [~~nonattainment areas~~]. Under the program, the commission shall provide a grant for each eligible facility to offset the cost of those facilities.  (b) An entity that constructs or [~~,~~] reconstructs[~~, or acquires~~] an alternative fueling facility is eligible to participate in the program.  (c) To ensure that alternative fuel vehicles have access to fuel and to build the foundation for a self-sustaining market for alternative fuels in Texas, the commission shall provide for strategically placed fueling facilities in the clean transportation triangle to enable an alternative fuel vehicle to travel in those areas relying solely on the alternative fuel.  (d) The commission shall maintain a listing to be made available to the public online of all vehicle fueling facilities that have received grant funding, including location and hours of operation. | SECTION 28. Same as House version. |  |
| SECTION 29. Section 393.003, Health and Safety Code, is amended by amending Subsections (a) and (b) and adding Subsections (d) and (e) to read as follows:  (a) An entity operating in this state that constructs or [~~,~~] reconstructs[~~, or acquires~~] a facility to [~~store, compress, or~~] dispense alternative fuels may apply for and receive a grant under the program.  (b) The commission may [~~adopt guidelines to~~] allow a 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.  (d) An application for a grant under the program must include a certification that the applicant complies with laws, rules, guidelines, and requirements applicable to taxation of fuel provided by the applicant at each fueling facility owned or operated by the applicant. The commission may terminate a grant awarded under this section without further obligation to the grant recipient if the commission determines that the recipient did not comply with a law, rule, guideline, or requirement described by this subsection. This subsection does not create a cause of action to contest an application or award of a grant.  (e) The commission shall disperse grants under the program through a competitive application selection process to offset a portion of the eligible costs. | SECTION 29. Same as House version. |  |
| SECTION 30. Section 393.004, Health and Safety Code, is amended to read as follows:  Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS. (a) In addition to the requirements of this chapter, the commission shall establish additional eligibility and prioritization criteria as needed to implement the program [~~The commission by rule shall establish criteria for prioritizing facilities 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, the entity receiving the grant must agree to make the alternative fueling facility accessible and available to the public [~~persons not associated with the entity~~] at times designated by the commission in the grant contract [~~agreement~~].  (c) The commission may not award more than one grant for each facility.  (d) The commission may give preference to or otherwise limit grant selections to:  (1) fueling facilities providing specific types of alternative fuels;  (2) fueling facilities in a specified area or location; and  (3) fueling facilities meeting other specified prioritization criteria established by the commission.  (e) For fueling facilities to provide natural gas, the commission shall give preference to:  (1) facilities providing both liquefied natural gas and compressed natural gas at a single location;  (2) facilities located not more than one mile from an interstate highway system; and  (3) facilities located in the triangular area in and between the Houston, San Antonio, and Dallas-Fort Worth areas [~~A recipient of a grant under this chapter is not eligible to receive a second grant under this chapter for the same facility~~]. | SECTION 30. Section 393.004, Health and Safety Code, is amended to read as follows:  Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS. (a) In addition to the requirements of this chapter, the commission shall establish additional eligibility and prioritization criteria as needed to implement the program [~~The commission by rule shall establish criteria for prioritizing facilities 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, the entity receiving the grant must agree to make the alternative fueling facility accessible and available to the public [~~persons not associated with the entity~~] at times designated by the commission in the grant contract [~~agreement~~].  (c) The commission may not award more than one grant for each facility.  (d) The commission may give preference to or otherwise limit grant selections to:  (1) fueling facilities providing specific types of alternative fuels;  (2) fueling facilities in a specified area or location; and  (3) fueling facilities meeting other specified prioritization criteria established by the commission.  (e) For fueling facilities to provide natural gas, the commission shall give preference to:  (1) facilities providing both liquefied natural gas and compressed natural gas at a single location;  (2) facilities located not more than one mile from an interstate highway system;  (3) facilities located in the triangular area in and between the Houston, San Antonio, and Dallas-Fort Worth areas; and  (4) facilities located in the triangular area in and between the Corpus Christi, Laredo, and San Antonio areas [~~A recipient of a grant under this chapter is not eligible to receive a second grant under this chapter for the same facility~~]. |  |
| SECTION 31. Section 393.005, Health and Safety Code, is amended to read as follows:  Sec. 393.005. RESTRICTION ON USE OF GRANT. (a) A recipient of a grant under this chapter shall use the grant only to pay the costs of the facility for which the grant is made. The recipient may not use the grant to pay the recipient's:  (1) administrative expenses;  (2) expenses for the purchase of land or an interest in land; or  (3) expenses for equipment or facility improvements that are not directly related to the delivery, storage, compression, or dispensing of the alternative fuel at the facility.  (b) Each grant must be awarded using a contract that requires the recipient to meet operational, maintenance, and reporting requirements as specified by the commission. | SECTION 31. Same as House version. |  |
| SECTION 32. Section 393.006, Health and Safety Code, is amended to read as follows:  Sec. 393.006. AMOUNT OF GRANT. (a) Grants awarded under this chapter for a facility to provide alternative fuels other than natural gas may not exceed [~~For each eligible facility for which a recipient is awarded a grant under the program, the commission shall award the grant in an amount equal to~~] the lesser of:  (1) 50 percent of the sum of the actual eligible costs incurred by the grant recipient within deadlines established by the commission [~~to construct, reconstruct, or acquire the facility~~]; or  (2) $600,000.  (b) Grants awarded under this chapter for a facility to provide natural gas may not exceed:  (1) $400,000 for a compressed natural gas facility;  (2) $400,000 for a liquefied natural gas facility; or  (3) $600,000 for a facility providing both liquefied and compressed natural gas. | SECTION 32. Same as House version. |  |
| SECTION 33. Section 393.007, Health and Safety Code, is amended to read as follows:  Sec. 393.007. EXPIRATION. This chapter expires August 31, 2023 [~~2018~~]. | SECTION 33. Same as House version. |  |
| SECTION 34. Sections 394.001(1), (4), and (5), Health and Safety Code, are amended to read as follows:  (1) "Clean transportation triangle" has the meaning assigned by Section 393.001 [~~"Advisory board" means the Texas Emissions Reduction Plan Advisory Board~~].  (4) "Heavy-duty motor vehicle" means a motor vehicle that [~~with~~]:  (A) has a gross vehicle weight rating of more than 8,500 pounds; and  (B) is certified to or has an engine certified to the United States Environmental Protection Agency's emissions standards for heavy-duty vehicles or engines.  (5) "Incremental cost" has the meaning assigned by Section 386.001 [~~means the difference between the manufacturer's suggested retail price of a baseline vehicle, the documented dealer price of a baseline vehicle, cost to lease or otherwise commercially finance a baseline vehicle, cost to repower with a baseline engine, or other appropriate baseline cost established by the commission, and the actual cost of the natural gas vehicle purchase, lease, or other commercial financing, or repower~~]. | SECTION 34. Same as House version. |  |
| SECTION 35. Section 394.001, Health and Safety Code, is amended by adding Subdivision (1-a) to read as follows:  (1-a) "Certified" includes:  (A) new vehicle or engine certification by the United States Environmental Protection Agency; or  (B) certification or approval by the United States Environmental Protection Agency of a system to convert a vehicle or engine to operate on an alternative fuel and a demonstration by the emissions data used to certify or approve the vehicle or engine, if the commission determines the testing used to obtain the emissions data is consistent with the testing required for approval of an alternative fuel conversion system for new and relatively new vehicles or engines under 40 C.F.R. Part 85. | SECTION 35. Same as House version. |  |
| SECTION 36. Section 394.003(a), Health and Safety Code, is amended to read as follows:  (a) A vehicle is a qualifying vehicle that may be considered for a grant under the program if during the eligibility period established by the commission [~~calendar year~~] the entity:  (1) purchased, leased, or otherwise commercially financed the vehicle as a new on-road heavy-duty or medium-duty motor vehicle that:  (A) is a natural gas vehicle;  (B) is certified to current federal emissions standards;  (C) replaces an on-road heavy-duty or medium-duty motor vehicle of the same weight classification and use; and  (D) is certified to or powered by an engine certified to:  (i) emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; [~~or~~]  (ii) meet or exceed the United States Environmental Protection Agency's Bin 5 standard for light-duty engines when powering the vehicle; or  (iii) meet or exceed the United States Environmental Protection Agency's chassis-certified heavy-duty vehicle emission standard of:  (a) 0.2 grams of nitrogen oxides per mile for vehicles with a gross vehicle weight rating of 8,501 to 10,000 pounds; or  (b) 0.4 grams of nitrogen oxides per mile for vehicles with a gross vehicle weight rating of 10,001 to 14,000 pounds; or  (2) repowered the on-road motor vehicle to a natural gas vehicle powered by a natural gas engine that:  (A) is certified to current federal emissions standards; and  (B) is:  (i) a heavy-duty engine that is certified to emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; [~~or~~]  (ii) certified to meet or exceed the United States Environmental Protection Agency's Bin 5 standard for light-duty engines when powering the vehicle; or  (iii) certified to meet or exceed the United States Environmental Protection Agency's chassis-certified heavy-duty vehicle emission standard of:  (a) 0.2 grams of nitrogen oxides per mile for vehicles with a gross vehicle weight rating of 8,501 to 10,000 pounds when powering the vehicle; or  (b) 0.4 grams of nitrogen oxides per mile for vehicles with a gross vehicle weight rating of 10,001 to 14,000 pounds when powering the vehicle. | SECTION 36. Same as House version. |  |
| SECTION 37. Section 394.005, Health and Safety Code, is amended by amending Subsections (a), (b), (c), (g), and (i) and adding Subsection (c-1) to read as follows:  (a) The commission [~~by rule~~] shall establish criteria for prioritizing qualifying vehicles eligible to receive grants under this chapter. The commission shall review and revise the criteria as appropriate [~~after consultation with the advisory board~~].  (b) To be eligible for a grant under the program:  (1) the use of the qualifying vehicle must be projected to result in a reduction in emissions of nitrogen oxides of at least 25 percent as compared to the motor vehicle or engine being replaced, 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) the qualifying vehicle must:  (A) replace a heavy-duty or medium-duty motor vehicle that:  (i) is an on-road vehicle that has been owned, leased, or otherwise commercially financed and registered and operated by the applicant in Texas for at least the two years immediately preceding the submission of a grant application;  (ii) satisfies any minimum average annual mileage or fuel usage requirements established by the commission;  (iii) satisfies any minimum percentage of annual usage requirements established by the commission; and  (iv) is in operating condition and has at least four [~~two~~] years of remaining useful life, as determined in accordance with criteria established by the commission; or  (B) be a heavy-duty or medium-duty motor vehicle repowered with a natural gas engine that:  (i) is installed in an on-road vehicle that has been owned, leased, or otherwise commercially financed and registered and operated by the applicant in Texas for at least the two years immediately preceding the submission of a grant application;  (ii) satisfies any minimum average annual mileage or fuel usage requirements established by the commission;  (iii) satisfies any minimum percentage of annual usage requirements established by the commission; and  (iv) is installed in an on-road vehicle that, at the time of the vehicle's repowering, was in operating condition and had at least four [~~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, leased, or otherwise commercially financed and registered and operated in the state by the grant recipient until the earlier of the fourth anniversary of the activity start date established by the commission [~~the date of reimbursement of the grant-funded expenses~~] or [~~until~~] the date the vehicle has been in operation for 400,000 miles after the activity start date established by the commission [~~of reimbursement~~]. 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 clean transportation triangle [~~:~~  [~~(1) the counties any part of which are included in the area described by Section 394.010(a); or~~  [~~(2) counties designated as nonattainment areas within the meaning of Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407)~~].  (c-1) For purposes of Subsection (c), the commission shall establish the activity start date based on the date the commission accepts verification of the disposition of the vehicle or engine.  (g) The commission shall establish baseline emission levels for emissions of nitrogen oxides for on-road heavy-duty or medium-duty motor vehicles being replaced or repowered by using the emission certification for the engine or vehicle being replaced. The commission may consider deterioration of the emission performance of the engine of the vehicle being replaced in establishing the baseline emission level. The commission may consider and establish baseline emission rates for additional pollutants of concern[~~, as determined by the commission after consultation with the advisory board~~].  (i) The executive director may [~~shall~~] waive the requirements of Subsection (b)(2)(A)(i) on a finding of good cause, which may include short lapses in registration or operation due to economic conditions, seasonal work, or other circumstances. | SECTION 37. Same as House version. |  |
| SECTION 38. Section 394.006, Health and Safety Code, is amended to read as follows:  Sec. 394.006. RESTRICTION ON USE OF GRANT. A recipient of a grant under this chapter shall use the grant to pay the incremental costs of the replacement or vehicle repower for which the grant is made, which may include a portion of the initial cost of the natural gas vehicle or natural gas engine, including the cost of the natural gas fuel system and installation [~~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. | SECTION 38. Same as House version. |  |
| SECTION 39. Section 394.007(c), Health and Safety Code, is amended to read as follows:  (c) A person may not receive a grant under this chapter that, when combined with any other grant, tax credit, or other governmental incentive, exceeds the incremental cost of the vehicle or vehicle repower for which the grant is awarded. A person shall return to the commission the amount of a grant awarded under this chapter that, when combined with any other grant, tax credit, or other governmental incentive, exceeds the incremental cost of the vehicle or vehicle repower for which the grant is awarded. | SECTION 39. Same as House version. |  |
| SECTION 40. Sections 394.008(a) and (b), Health and Safety Code, are amended to read as follows:  (a) The commission shall establish [~~adopt~~] procedures for:  (1) awarding grants under this chapter to reimburse eligible costs [~~in the form of rebates~~]; and  (2) streamlining the grant application, contracting, reimbursement, and reporting process for qualifying natural gas vehicle purchases or repowers.  (b) Procedures established [~~adopted~~] under this section must:  (1) provide for the commission to compile and regularly update a listing of potentially eligible [~~preapproved~~] natural gas vehicles and engines powered by natural gas that are certified to:  (A) [~~powered by natural gas engines certified to~~] emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; [~~or~~]  (B) [~~certified to~~] the United States Environmental Protection Agency's light-duty Bin 5 standard or better; or  (C) meet or exceed the United States Environmental Protection Agency's chassis-certified heavy-duty vehicle emission standard of:  (i) 0.2 grams of nitrogen oxides per mile for vehicles with a gross vehicle weight rating of 8,501 to 10,000 pounds; or  (ii) 0.4 grams of nitrogen oxides per mile for vehicles with a gross vehicle weight rating of 10,001 to 14,000 pounds;  (2) if a federal standard for the calculation of emissions reductions exists, provide a method to calculate the reduction in emissions of nitrogen oxides, volatile organic compounds, carbon monoxide, particulate matter, and sulfur compounds for each replacement or repowering;  (3) assign a standardized grant [~~rebate~~] amount for each qualifying vehicle or engine repower under Section 394.007;  (4) allow for processing applications [~~rebates~~] on an ongoing first-come, first-served basis;  (5) [~~provide for contracts between the commission and participating dealers under Section 394.009;~~  [~~(6) allow grant recipients to assign their grant funds to participating dealers to offset the purchase or lease price;~~  [~~(7)~~] require grant applicants to identify natural gas fueling stations that are available to fuel the qualifying vehicle in the area of its use;  (6) [~~(8)~~] provide for payment not later than the 30th day after the date the request for reimbursement for an approved grant is received;  (7) [~~(9)~~] provide for application submission and application status checks using procedures established by the commission, which may include application submission and status checks to be made over the Internet; and  (8) [~~(10)~~] consolidate, simplify, and reduce the administrative work for applicants and the commission associated with grant application, contracting, reimbursement, and reporting requirements. | SECTION 40. Same as House version. |  |
| SECTION 41. Section 394.012, Health and Safety Code, is amended to read as follows:  Sec. 394.012. EXPIRATION. This chapter expires August 31, 2023 [~~2017~~]. | SECTION 41. Same as House version. |  |
| SECTION 42. Sections 386.161(b), 386.252(e-1), 394.009, 394.010, and 394.011, Health and Safety Code, are repealed. | SECTION 42. Same as House version. |  |
| SECTION 43. The changes in law made by this Act apply only to a Texas emissions reduction plan grant awarded on or after the effective date of this Act. A grant awarded before the effective date of this Act is governed by the law in effect on the date the award was made, and the former law is continued in effect for that purpose. | SECTION 43. Same as House version. |  |
| SECTION 44. This Act takes effect August 31, 2015. | SECTION 44. Same as House version. |  |
| No equivalent provision. | SECTION \_\_. 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 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, hydrogen fuel cells, 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, hydrogen fuel cells, 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 ethanol/gasoline blends of 85 percent or greater, biodiesel or biodiesel/diesel blends of 20 percent or greater, hydrogen fuel cells, 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, hydrogen fuel cells, 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, hydrogen fuel cells, 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, hydrogen fuel cells, 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. [FA1(3)] |  |
| No equivalent provision. | SECTION \_\_. Subchapter A, Chapter 2158, Government Code, is amended by adding Section 2158.0051 to read as follows:  Sec. 2158.0051. ALTERNATIVE FUEL FLEETS. (a) It is the intent of this state that:  (1) the vehicle fleet of a state agency that operates a fleet of more than 15 motor vehicles, subject to the availability of funds, shall be converted into or replaced with motor vehicles that use compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen fuel cells, or electricity, including fully electric vehicles and plug-in hybrid motor vehicles;  (2) a county or municipality that operates a vehicle fleet of more than 15 motor vehicles is authorized, but is not required, to convert the fleet into or replace the fleet with motor vehicles that use compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen fuel cells, or electricity, including fully electric vehicles and plug-in hybrid motor vehicles; and  (3) motor vehicles of a state agency, county, or municipality described by Subdivisions (1) and (2) that are capable of using fuels described by those subdivisions be primarily operated with those fuels rather than conventional gasoline or diesel fuels.  (b) In complying with Subsection (a), a state agency to which this section applies shall prioritize:  (1) the purchase or lease of new motor vehicles when replacing vehicles or adding vehicles to the fleet;  (2) the purchase of new motor vehicles to replace vehicles that have the highest total mileage and do not use a fuel described by Subsection (a);  (3) the conversion of motor vehicles that were driven the most miles during the previous biennium and do not use a fuel described by Subsection (a); and  (4) to the extent feasible, obtaining, whether by conversion, purchase, or lease, motor vehicles that use compressed natural gas, liquefied natural gas, or liquefied petroleum gas.  (c) Subsection (a)(1) does not apply to law enforcement or emergency vehicles. [FA1(3)] |  |
| No equivalent provision. | SECTION \_\_. Subtitle C, Title 5, Health and Safety Code, is amended by adding Chapter 395 to read as follows:  CHAPTER 395. GOVERNMENTAL ALTERNATIVE FUEL FLEET GRANT PROGRAM  Sec. 395.001. DEFINITIONS. In this chapter:  (1) "Alternative fuel" means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen fuel cells, or electricity, including electricity to power fully electric vehicles and plug-in hybrid motor vehicles.  (2) "Commission" means the Texas Commission on Environmental Quality.  (3) "Incremental cost" means the cost of a motor vehicle or the cost of purchasing or installing refueling infrastructure and equipment less a baseline cost that would otherwise be incurred by a grant recipient in the normal course of business. Incremental costs may include added lease or fuel costs as well as additional capital costs.  (4) "Motor vehicle" means a self-propelled device designed for transporting persons or property on a public highway that is required to be registered under Chapter 502, Transportation Code.  (5) "Political subdivision" means a school district, junior college district, river authority, water district or other special district, or other political subdivision created under the constitution or a statute of this state, other than a county or municipality.  (6) "Program" means the governmental alternative fuel fleet grant program established under this chapter.  (7) "State agency" has the meaning assigned by Section 2151.002, Government Code.  Sec. 395.002. PROGRAM. (a) The commission shall establish and administer a governmental alternative fuel fleet grant program to assist an eligible state agency, county, municipality, or political subdivision in:  (1) purchasing or leasing new motor vehicles that operate primarily on an alternative fuel; or  (2) converting motor vehicles to operate primarily on an alternative fuel.  (b) The program is funded under the Texas emissions reduction plan established under Chapter 386.  (c) The program may provide a grant to a state agency, county, municipality, or political subdivision to:  (1) purchase or lease a new motor vehicle described by Section 395.004;  (2) convert a motor vehicle to operate primarily on an alternative fuel; or  (3) purchase, lease, or install refueling infrastructure or equipment or procure refueling services as described by Section 395.005 to store and dispense alternative fuel needed for a motor vehicle described by Subdivision (1) or (2).  Sec. 395.003. ELIGIBLE APPLICANTS. (a) A state agency, county, or municipality is eligible to apply for a grant under this program if the entity operates a fleet of more than 15 motor vehicles, excluding motor vehicles that are owned and operated by a private company or other third party under a contract with the entity.  (b) A mass transit or school transportation provider or other broadly similar public entity established to provide public or school transportation services is eligible for a grant under this program.  (c) If, on April 1 of an even-numbered year, the commission has awarded less than 75 percent of the total amount to be awarded in that fiscal year to eligible applicants under Subsections (a) and (b), a political subdivision is eligible to apply for a grant under the program during the remainder of that fiscal year.  Sec. 395.004. MOTOR VEHICLE REQUIREMENTS. (a) A grant recipient may purchase or lease with money from a grant under the program a new motor vehicle that is originally manufactured to operate using one or more alternative fuels or is converted to operate using one or more alternative fuels before the first retail sale of the vehicle, and that:  (1) has a dedicated system, dual-fuel system, or bi-fuel system; and  (2) if the motor vehicle is a fully electric vehicle or plug-in hybrid motor vehicle, has a United States Environmental Protection Agency rating of at least 75 miles per gallon equivalent or a 75-mile combined city and highway range.  (b) A grant recipient may not use money from a grant under the program to replace a motor vehicle, transit bus, or school bus that operates on an alternative fuel unless the replacement vehicle produces fewer emissions and has greater fuel efficiency than the vehicle being replaced.  Sec. 395.005. REFUELING INFRASTRUCTURE, EQUIPMENT, AND SERVICES. A grant recipient may purchase, lease, or install refueling infrastructure or equipment or procure refueling services with money from a grant under the program if:  (1) the purchase, lease, installation, or procurement is made in conjunction with the purchase or lease of a motor vehicle as described by Section 395.004 or the conversion of a motor vehicle to operate primarily on an alternative fuel;  (2) the grant recipient demonstrates that a refueling station that meets the needs of the recipient is not available within five miles of the location at which the recipient's vehicles are stored or primarily used; and  (3) for the purchase or installation of refueling infrastructure or equipment, the infrastructure or equipment will be owned and operated by the grant recipient, and for the lease of refueling infrastructure or equipment or the procurement of refueling services, a third-party service provider engaged by the grant recipient will provide the infrastructure, equipment, or services.  Sec. 395.006. ELIGIBLE COSTS. (a) A motor vehicle lease agreement paid for with money from a grant under the program must have a term of at least three years.  (b) Refueling infrastructure or equipment purchased or installed with money from a grant under the program must be used specifically to store or dispense alternative fuel, as determined by the commission.  (c) A lease of or service agreement for refueling infrastructure, equipment, or services paid for with money from a grant under the program must have a term of at least three years.  Sec. 395.007. GRANT AMOUNTS. (a) The commission may establish standardized grant amounts based on the incremental costs associated with the purchase or lease of different categories of motor vehicles, including the type of fuel used, vehicle class, and other categories the commission considers appropriate.  (b) In determining the incremental costs and setting the standardized grant amounts, the commission may consider the difference in cost between a new motor vehicle operated using conventional gasoline or diesel fuel and a new motor vehicle operated using alternative fuel.  (c) The amount of a grant for the purchase or lease of a motor vehicle may not exceed the amount of the incremental cost of the purchase or lease.  (d) The commission may establish grant amounts to reimburse the full cost of the purchase, lease, installation, or procurement of refueling infrastructure, equipment, or services or may establish criteria for reimbursing a percentage of the cost.  (e) A grant under the program may be combined with funding from other sources, including other grant programs, except that a grant may not be combined with other funding or grants from the Texas emissions reduction plan. When combined with other funding sources, a grant may not exceed the total cost to the grant recipient.  Sec. 395.008. AVAILABILITY OF EMISSIONS REDUCTION CREDITS. (a) A purchase, lease, or installation that uses money from a grant under the program may not be used for credit under a state or federal emissions reduction credit averaging, banking, or trading program.  (b) An emissions reduction generated by a purchase or lease under this chapter:  (1) may not be used as a marketable emissions reduction credit; and  (2) may be used to demonstrate conformity with the state implementation plan.  (c) A project involving a new emissions reduction measure that would otherwise generate marketable credits under a state or federal emissions reduction credit averaging, banking, or trading program is not eligible for funding under the program unless:  (1) the project includes the transfer of the reductions that would otherwise be marketable credits to the state implementation plan; and  (2) the reductions are permanently retired.  Sec. 395.009. USE OF GRANT MONEY BY COUNTY OR MUNICIPALITY. A county or municipality shall prioritize the actions listed in Sections 2158.0051(b)(1)-(4), Government Code, when using money from a grant under the program.  Sec. 395.010. GRANT PROCEDURES AND CRITERIA. (a) The commission shall establish specific criteria and procedures in order to implement and administer the program, including the creation and provision of application forms and guidance on the application process.  (b) The commission shall award a grant through a contract between the commission and the grant recipient.  (b-1) The commission shall provide an online application process for the submission of all required application documents.  (c) The commission may limit funding for a particular period according to priorities established by the commission, including limiting the availability of grants to specific entities, for certain types of vehicles and infrastructure, or to certain geographic areas to ensure equitable distribution of grant funds across the state.  (d) In awarding grants under the program, the commission shall prioritize projects that:  (1) are proposed by a state agency;  (2) are in or near a nonattainment area;  (3) are in an affected county, as that term is defined by Section 386.001(2);  (4) will produce the greatest emissions reductions; and  (5) will generate the most marketable credits under a state or federal emissions reduction credit averaging, banking, or trading program.  (e) In addition to the requirements under Subsection (d), in awarding grants under the program, the commission shall consider:  (1) the effectiveness of a proposed project in assisting an applicant in complying with Section 2158.0051, Government Code;  (2) the total amount of the emissions reduction that would be achieved from the project;  (3) the type and number of vehicles purchased, leased, or converted;  (4) the location of the fleet and the refueling infrastructure or equipment;  (5) the number of vehicles served and the rate at which vehicles are served by the refueling infrastructure or equipment;  (6) the amount of any matching funds committed by the applicant; and  (7) the schedule for project completion.  (f) The commission may not award more than 10 percent of the total amount awarded under the program in any fiscal year for purchasing, leasing, installing, or procuring refueling infrastructure, equipment, or services.  Sec. 395.011. FUNDING. The legislature may appropriate money to the commission from the Texas emissions reduction plan fund established under Section 386.251 to administer the program.  Sec. 395.0115. ADMINISTRATIVE COSTS. In each fiscal year, the commission may use up to three-fourths of one percent of the total amount of money awarded under the program in that fiscal year, but not more than $1 million, for the administrative costs of the program.  Sec. 395.012. RULES. The commission may adopt rules as necessary to implement this chapter.  Sec. 395.013. REPORT REQUIRED. On or before November 1 of each even-numbered year, the commission shall submit to the governor, lieutenant governor, and members of the legislature a report that includes the following information regarding awards made under the program during the preceding state fiscal biennium:  (1) the number of grants awarded under the program;  (2) the recipient of each grant awarded;  (3) the number of vehicles converted or replaced;  (4) the number, type, and location of any refueling infrastructure, equipment, or services funded under the program;  (5) the total emissions reductions achieved under the program; and  (6) any other information the commission considers relevant.  Sec. 395.014. EXPIRATION. This chapter expires August 31, 2025. [FA1(3)] |  |
| No equivalent provision. | SECTION \_\_. Section 2158.0051, Government Code, as added by this Act, applies beginning with the state fiscal biennium beginning September 1, 2015. [FA1(3)] |  |
| No equivalent provision. | SECTION \_\_. (a) To the extent that money is appropriated from the Texas emissions reduction plan fund for that purpose, the Texas Commission on Environmental Quality may use that money to award grants under the governmental alternative fuel fleet grant program created under Chapter 395, Health and Safety Code, as added by this Act, except that the commission may not use for that purpose more than three percent of the balance of the Texas emissions reduction plan fund as of September 1 of each fiscal year of the biennium for the governmental alternative fuel fleet grant program in that fiscal year.  (b) This section expires August 31, 2025. [FA1(3)] |  |