

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

No equivalent provision.

SECTION \_\_. Chapter 140, Local Government Code, is amended by adding Section 140.012 to read as follows:

Sec. 140.012. EXPENDITURES FOR LOBBYING ACTIVITIES. (a) This section applies only to:

- (1) a political subdivision that imposes a tax;
- (2) a political subdivision or special district that has the authority to issue bonds, including revenue bonds;
- (3) a regional mobility authority;
- (4) a transit authority;
- (5) a regional tollway authority;
- (6) a special purpose district;
- (7) a public institution of higher education;
- (8) a community college district;
- (9) a utility owned by the state or a political subdivision; or
- (10) a river authority.

(b) A political subdivision or entity described by Subsection (a) may enter into a contract to spend money to directly or indirectly influence or attempt to influence the outcome of any legislation only if the contract, purpose of the contract, recipient of the contract, and amount of the contract expenditure are authorized by a majority vote of the governing body of the political subdivision or entity in an open meeting of the governing body. The contract expenditure must be voted on by the governing body as a stand-alone item on the agenda at the meeting. The governing body may approve multiple contract expenditures for the purpose described by this subsection by a single vote of the governing body, if the total amount of those expenditures is stated as a separate item on the meeting agenda.

(c) A political subdivision or entity described by Subsection (a) shall report to the Texas Ethics Commission and publish on the political subdivision's or entity's Internet website:

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(1) the amount of money authorized under Subsection (b) for the purpose of directly or indirectly influencing or attempting to influence the outcome of any legislation pending before the legislature;

(2) the name of any person required to register under Chapter 305, Government Code, retained or employed by the political subdivision or entity for the purpose described by Subdivision (1); and

(3) an electronic copy of any contract for services described by Subdivision (1) entered into by the political subdivision or entity with each person listed under Subdivision (2).

(d) In addition to the requirements of Subsection (c), the political subdivision or entity described by Subsection (a) shall report to the Texas Ethics Commission and publish on the political subdivision's or entity's Internet website the amount of public money spent for membership fees and dues of any nonprofit state association or organization of similarly situated political subdivisions or entities that directly or indirectly influences or attempts to influence the outcome of any legislation pending before the legislature.

(e) The Texas Ethics Commission shall make available to the public an online searchable database on the commission's Internet website containing the reports submitted to the commission under Subsection (c).

(f) If any political subdivision or entity described by Subsection (a) does not comply with the requirements of this section, an interested party is entitled to appropriate injunctive relief to prevent any further activity in violation of this section. For purposes of this subsection, "interested party" means a person who:

(1) is a taxpayer of a political subdivision or entity described by Subsection (a); or

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(2) is served by or receives services from a political subdivision or entity described by Subsection (a).

(g) This section does not apply to expenditures or contracts of a political subdivision or entity described by Subsection (a) that are related to a person who is a full-time employee of the political subdivision or entity or to the reimbursement of expenses for a full-time employee of the political subdivision or entity. [FA5]

No equivalent provision.

SECTION \_\_. (a) Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0147 to read as follows:

Sec. 403.0147. REPORT ON STATE PROGRAMS NOT FUNDED BY APPROPRIATIONS. (a) In this section, "state agency" means an agency, department, board, commission, or other entity in the executive, legislative, or judicial branch of state government.

(b) Not later than December 31 of each year, the comptroller shall submit a report to the legislature that identifies for each state agency:

(1) each program the state agency is statutorily required to implement for which no appropriation was made for the preceding state fiscal year, along with a citation to the law imposing the requirement; and

(2) the amount and source of money the state agency spent, if any, to implement any portion of the program described by Subdivision (1) during the preceding state fiscal year.

(c) A state agency shall provide to the comptroller not later than September 30 of each year information necessary for the comptroller to prepare the report required by this section. The comptroller may prescribe the form and content of the information a state agency must provide.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(b) The comptroller of public accounts shall submit the initial report required by Section 403.0147, Government Code, as added by this section, not later than December 31, 2017.

(c) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for this section to have immediate effect, this section takes effect September 1, 2017. [FA3]

No equivalent provision.

SECTION \_\_. Chapter 411, Government Code, is amended by adding Subchapter P to read as follows:

SUBCHAPTER P. CAMO ALERT FOR MISSING MILITARY MEMBERS

Sec. 411.441. DEFINITIONS. In this subchapter:

(1) "Alert" means the statewide camo alert for missing military members that is developed and implemented under this subchapter.

(2) "Law enforcement agency" means a law enforcement agency with jurisdiction over the investigation of a missing military member.

(3) "Military member" means a person who is a current or former member of the United States armed forces, including the National Guard or a reserve or auxiliary unit of any branch of the armed forces.

Sec. 411.442. CAMO ALERT FOR MISSING MILITARY MEMBERS. With the cooperation of the Texas Department of Transportation, the office of the governor, and other appropriate law enforcement agencies in this state, the department shall develop and implement a statewide camo alert to be activated on behalf of a missing military member who suffers from a diagnosed mental illness, including post-

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

traumatic stress disorder, or a diagnosed traumatic brain injury.

Sec. 411.443. ADMINISTRATION. (a) The director is the statewide coordinator of the alert.

(b) The director shall adopt rules and issue directives as necessary to ensure proper implementation of the alert. The rules and directives must include:

(1) the procedures to be used by a law enforcement agency to verify whether a military member:

(A) is missing; and

(B) suffers from a diagnosed mental illness, including post-traumatic stress disorder, or a diagnosed traumatic brain injury;

(2) a description of the circumstances under which a law enforcement agency is required to report a missing military member to the department; and

(3) the procedures to be used by an individual or entity to report information about a missing military member to designated media outlets in this state.

(c) The director shall prescribe forms for use by law enforcement agencies in requesting activation of the alert system.

Sec. 411.444. DEPARTMENT TO RECRUIT PARTICIPANTS. The department shall recruit public and commercial television and radio broadcasters, private commercial entities, state or local governmental entities, the public, and other appropriate persons to assist in developing and implementing the alert system.

Sec. 411.445. STATE AGENCIES. (a) A state agency participating in the alert system shall:

(1) cooperate with the department and assist in developing and implementing the alert system; and

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(2) establish a plan for providing relevant information to its officers, investigators, or employees, as appropriate, once the alert system has been activated.

(b) In addition to its duties as a state agency under Subsection (a), the Texas Department of Transportation shall establish a plan for providing relevant information to the public through an existing system of dynamic message signs located across the state.

Sec. 411.446. NOTIFICATION TO DEPARTMENT OF MISSING MILITARY MEMBER. (a) A law enforcement agency shall notify the department if the agency:

(1) receives notice of a missing military member;

(2) verifies that at the time the military member is reported missing:

(A) the person reported missing is a military member;

(B) the military member's location is unknown;

(C) the military member's residence is in this state;

(D) the military member suffers from a diagnosed mental illness, including post-traumatic stress disorder, or a diagnosed traumatic brain injury; and

(E) the military member is under the care of a physician or a court-appointed guardian;

(3) determines that the military member's disappearance poses a credible threat to the military member's health and safety or the health and safety of another; and

(4) believes sufficient information that could assist in locating the missing military member is available to disseminate to the public.

(b) The law enforcement agency shall:

(1) require the family or legal guardian of the missing military member to provide documentation of the military member's mental illness or traumatic brain injury and of the

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

military member's care to verify whether the member satisfies the requirements of Subsections (a)(2)(D) and (E); and (2) as soon as practicable, determine whether the military member's disappearance poses a credible threat to the military member's health and safety or the health and safety of another for purposes of Subsection (a)(3).

Sec. 411.447. ACTIVATION OF CAMO ALERT. (a) When a law enforcement agency notifies the department under Section 411.446, the department shall confirm the accuracy of the information and, if confirmed, immediately issue an alert under this subchapter in accordance with department rules.

(b) In issuing the alert, the department shall send the alert to designated media outlets in this state. Following receipt of the alert, participating radio stations and television stations and other participating media outlets may issue the alert at designated intervals to assist in locating the missing military member.

Sec. 411.448. CONTENT OF CAMO ALERT. The alert must include:

(1) all appropriate information that is provided by the law enforcement agency under Section 411.446 and that may lead to the safe recovery of the missing military member, which may include:

(A) the missing military member's name, age, identifying marks, picture, and vehicle information; and

(B) the general location from which the military member is missing; and

(2) a statement instructing any person with information related to the missing military member to contact a law enforcement agency.

Sec. 411.449. TERMINATION OF CAMO ALERT. (a) The director shall terminate any activation of the alert with respect

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

to a particular missing military member not later than the earlier of the date on which:

(1) the missing military member is located or the situation is otherwise resolved; or

(2) the notification period ends, as determined by department rule.

(b) A law enforcement agency that locates a missing military member who is the subject of an alert under this subchapter shall notify the department as soon as possible that the missing military member has been located.

Sec. 411.450. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2021. [FA9]

SECTION 1. The heading to Subchapter G, Chapter 441, Government Code, is amended to read as follows:

SUBCHAPTER G. STATE PUBLICATIONS AND REPORTS

SECTION 2. Section 441.101, Government Code, is amended by adding Subdivision (5) to read as follows:

(5) "Texas Digital Archive" means the digital repository maintained and operated by the commission for the preservation of and access to permanently valuable copies of archival state records, reports, and publications.

SECTION 3. Subchapter G, Chapter 441, Government Code, is amended by adding Sections 441.107 and 441.108 to read as follows:

Sec. 441.107. REPORT OF REPORTS. (a) Notwithstanding Section 441.101, in this section, "state agency" has the meaning assigned by Section 441.180.

(b) Not later than January 1 of every other odd-numbered

SECTION 1. Same as House version.

SECTION 2. Same as House version.

SECTION 3. Same as House version.



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

year, the commission shall submit to the governor and the Legislative Budget Board a written report regarding all statutorily required reports prepared by and submitted to a state agency. The commission may consult with other state agencies in preparing the report. A state agency shall cooperate with the commission in securing the information necessary for preparing the report and shall submit that information to the commission. The commission shall prescribe the time and manner in which a state agency transmits the information necessary to prepare the report, and may require the information to be submitted using the Texas Digital Archive. The report must include for each statutorily required report:

- (1) the title of and the agency preparing the report;
- (2) the statutory authority requiring the report;
- (3) the recipient of the report;
- (4) the deadline for submitting the report;
- (5) a brief description of the report; and
- (6) an assessment from each recipient of the report whether the report is necessary.

(c) The report required by Subsection (b) must:

- (1) be made available to the public; and
- (2) provide indices by preparing agency, title of report, and report recipient.

Sec. 441.108. STATE AGENCY USE OF TEXAS DIGITAL ARCHIVE FOR CERTAIN REPORTS. (a) Notwithstanding Section 441.101, in this section, "state agency" has the meaning assigned by Section 2054.003.

(b) To the extent a report prepared by a state agency is not confidential or excepted from the requirements of Section 552.021, the agency shall use the Texas Digital Archive to submit or post the report if the report is required by a statute.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

rule, or rider in the General Appropriations Act to be submitted to:

(1) the governor;

(2) a member, agency, or committee of the legislature;

(3) another state agency; or

(4) the public.

(c) The commission shall develop and make accessible to each state agency guidelines that assist the agency in determining:

(1) the reports prepared by the agency that are appropriate for submission through the Texas Digital Archive; and

(2) the retention requirements for those reports.

(d) The commission shall monitor the effectiveness of state agency use of the Texas Digital Archive for the purposes provided under this section.

(e) A state agency that posts a report using the Texas Digital Archive satisfies any requirement in state law that the agency post the report on the agency's Internet website if the agency posts a direct link to the Texas Digital Archive on the agency's Internet website.

No equivalent provision.

SECTION \_\_. Subchapter B, Chapter 551, Government Code, is amended by adding Section 551.024 to read as follows:

Sec. 551.024. INTERNET BROADCAST AND ARCHIVE OF OPEN MEETINGS. (a) This section applies only to a governmental body that is an agency within the executive or legislative branch of state government to which the total appropriation made in the General Appropriations Act from general revenue for any fiscal year beginning on or after September 1, 2017, including any amount of general revenue transferred to the governmental body under that Act for that

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

fiscal year, is greater than \$40 million and for which the bill pattern for the General Appropriations Act for the same fiscal year designates 250 or more full-time employees.

(b) A governmental body that becomes subject to this section under Subsection (a) for a fiscal year shall comply with this section in each following fiscal year.

(c) A governmental body subject to this section shall broadcast over the Internet live video and audio of each open meeting of the governmental body. The governmental body shall provide access to the broadcast on the governmental body's Internet website.

(d) Not later than the seventh day after the date an open meeting is broadcast under this section, the governmental body shall make available through the governmental body's Internet website archived video and audio of the open meeting. The governmental body shall maintain the archived video and audio of the open meeting on the governmental body's Internet website until the second anniversary of the date the archived video and audio was first made available on the website.

(e) The governmental body shall provide on the governmental body's Internet website the same notice of the open meeting that the governmental body is required to post under Subchapter C. The notice must be posted on the governmental body's Internet website within the time required for posting notice under Subchapter C.

(f) The governmental body may use for an Internet broadcast of an open meeting of the governmental body a room made available to the governmental body on request in any state building, as that term is defined by Section 2165.301.

(g) The governmental body is exempt from the requirements of this section to the extent a catastrophe, as defined by

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

Section 551.0411, or a technical breakdown prevents the governmental body from complying with this section. Following the catastrophe or technical breakdown, the governmental body shall make all reasonable efforts to make the required video and audio of the open meeting available in a timely manner.

(h) The governmental body shall consider contracting through competitive bidding with a private individual or entity to broadcast and archive an open meeting subject to this section to minimize the cost of complying with this section. [FA8]

SECTION \_\_. Section 551.024, Government Code, as added by this Act, applies only to an open meeting held on or after September 1, 2019. [FA8]

SECTION 4. Same as House version.

No equivalent provision.

No equivalent provision.

SECTION 4. Section 2001.026, Government Code, is amended to read as follows:

Sec. 2001.026. NOTICE TO PERSONS REQUESTING ADVANCE NOTICE OF PROPOSED RULES. A state agency shall provide [mail] notice of a proposed rule to each person who has made a timely written request of the agency for advance notice of its rulemaking proceedings. The agency may provide the notice by electronic mail if the person requests electronic delivery of the notice and includes an e-mail address in the person's written request submitted to the agency. Failure to provide [mail] the notice does not invalidate an action taken or rule adopted.

SECTION 5. Chapter 2051, Government Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. UNIFORM ELECTRONIC LEGAL MATERIAL ACT

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

Sec. 2051.151. SHORT TITLE. This subchapter may be cited as the Uniform Electronic Legal Material Act.

Sec. 2051.152. DEFINITIONS. In this subchapter:

(1) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(2) "Legal material" means, whether or not in effect:

(A) the constitution of this state;

(B) the general or special laws passed in a regular or special session of the Texas Legislature; and

(C) a state agency rule adopted in accordance with Chapter 2001.

(3) "Official publisher" means:

(A) for legal material described by Subdivision (2)(A), the Texas Legislative Council; and

(B) for legal material described by Subdivision (2)(B) or (C), the secretary of state.

(4) "Publish" means displaying, presenting, or releasing to the public, or causing to be displayed, presented, or released to the public, legal material by the official publisher.

(5) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(6) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

Sec. 2051.153. APPLICABILITY. (a) This subchapter applies to all legal material in an electronic record that is:

(1) designated as official by the official publisher under Section 2051.154; and

(2) first published electronically by the official publisher on

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

or after January 1, 2019.

(b) The official publisher is not required to publish legal material on or before the date on which the legal material takes effect.

Sec. 2051.154. LEGAL MATERIAL IN OFFICIAL ELECTRONIC RECORD. (a) If the official publisher publishes legal material only in an electronic record, the official publisher shall:

(1) designate the electronic record as official; and

(2) comply with Sections 2051.155, 2051.157, and 2051.158.

(b) If the official publisher publishes legal material in an electronic record and also publishes the material in a record other than an electronic record, the official publisher may designate the electronic record as official if the official publisher complies with Sections 2051.155, 2051.157, and 2051.158.

Sec. 2051.155. AUTHENTICATION OF OFFICIAL ELECTRONIC RECORD. (a) If the official publisher designates an electronic record as official in accordance with Section 2051.154, the official publisher shall authenticate the record.

(b) The official publisher authenticates an electronic record by providing a method with which a person viewing the electronic record is able to determine that the electronic record is unaltered from the official record published by the official publisher.

Sec. 2051.156. EFFECT OF AUTHENTICATION. (a) Legal material in an electronic record that is authenticated as provided by Section 2051.155 is presumed to be an accurate copy of the legal material.

(b) If another state has adopted a law that is substantially similar to this subchapter, legal material in an electronic

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

record that is authenticated in that state is presumed to be an accurate copy of the legal material.

(c) A party contesting the authenticity of legal material in an electronic record authenticated as provided by Section 2051.155 has the burden of proving by a preponderance of the evidence that the record is not authentic.

Sec. 2051.157. PRESERVATION AND SECURITY OF LEGAL MATERIAL IN OFFICIAL ELECTRONIC RECORD. (a) The official publisher of legal material in an electronic record designated as official in accordance with Section 2051.154 shall provide for the preservation and security of the record in an electronic form or in a form that is not electronic.

(b) If legal material is preserved under Subsection (a) in an electronic record, the official publisher shall:

(1) ensure the integrity of the record;

(2) provide for backup and disaster recovery of the record;  
and

(3) ensure the continuing usability of the legal material in the record.

Sec. 2051.158. PUBLIC ACCESS. The official publisher of legal material in an electronic record that is required to be preserved under Section 2051.157 shall ensure that the material is reasonably available for use by the public on a permanent basis.

Sec. 2051.159. STANDARDS. In implementing this subchapter, the official publisher of legal material in an electronic record shall consider:

(1) the standards and practices of other jurisdictions;

(2) the most recent standards regarding authentication, preservation, and security of and public access to legal material in an electronic record and other electronic records.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

as adopted by national standard-setting bodies;

(3) the needs of users of legal material in electronic records;

(4) the views of governmental officials and entities and other interested persons; and

(5) to the extent practicable, the methods and technologies for the authentication, preservation, and security of and public access to legal material that are compatible with the methods and technologies used by official publishers in other states that have adopted a law that is substantially similar to this subchapter.

Sec. 2051.160. UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and construing this subchapter, consideration must be given to the need to promote uniformity of the law with respect to the subject matter of this subchapter among the states that enact a law similar to this subchapter.

Sec. 2051.161. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This subchapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001 et seq.) but does not modify, limit, or supersede Section 101(c) of that Act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that Act (15 U.S.C. Section 7003(b)).

SECTION 6. Chapter 2052, Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. TRANSMISSION AND RECEIPT OF AGENCY DOCUMENTS

Sec. 2052.401. DEFINITION. In this subchapter, "state agency" means a department, commission, board, office,

SENATE VERSION (IE)

CONFERENCE

SECTION 5. Same as House version.



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

council, authority, or other agency that is in the executive, legislative, or judicial branch of state government and that is created by the constitution or a statute of this state, including a university system or institution of higher education as defined by Section 61.003, Education Code.

Sec. 2052.402. TRANSMISSION AND RECEIPT OF DOCUMENTS. (a) A state agency may transmit and receive state documents in a format prescribed by the agency and in any manner that the agency determines will increase agency efficiency without compromising the delivery of the agency's program to the public.

(b) A state agency that transmits and receives state documents using the Internet or another electronic medium shall by rule develop electronic communication procedures for the agency.

(c) Notwithstanding Subsection (a), a state agency may continue to use established procedures prescribed by state law or agency policy for the transmission and receipt of documents, including the delivery of certain publications that exist in physical format to a depository library as required by Section 441.103.

(d) This section does not authorize the electronic transmission or receipt of documents that are prohibited from being electronically transmitted or received under federal law.

(e) To the extent of any conflict, this section prevails over any other state law relating to the transmission and receipt of state agency documents.

(f) A state agency shall include in the agency's legislative appropriations request submitted to the Legislative Budget Board for the state fiscal biennium beginning September 1, 2019, a report on any cost savings or achievements in efficiency recognized from implementing a change in the agency's procedures for the transmission and receipt of state

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

documents during the state fiscal biennium ending August 31, 2019. This subsection expires September 1, 2020.

SECTION 7. (a) Section 2054.1183, Government Code, is amended to read as follows:

Sec. 2054.1183. ANNUAL REPORT ON MAJOR INFORMATION RESOURCES PROJECTS. (a) Not later than December 1 of each year, the quality assurance team shall report on the status of major information resources projects to the:

- (1) governor;
- (2) lieutenant governor;
- (3) speaker of the house of representatives;
- (4) presiding officer of the committee in the house of representatives with primary responsibility for appropriations; and
- (5) presiding officer of the committee in the senate with primary responsibility for appropriations.

(b) The annual report must include:

(1) the current status of each major information resources project; and

(2) information regarding the performance indicators developed under Section 2054.159 for each major information resources project at each stage of the project's life cycle.

(b) Subchapter G, Chapter 2054, Government Code, is amended by adding Section 2054.159 to read as follows:

Sec. 2054.159. MAJOR INFORMATION RESOURCES PROJECT MONITORING. (a) For the entire life cycle of each major information resources project, the quality assurance team shall monitor and report on performance indicators for each project, including schedule, cost, scope, and quality.

SECTION 6. Same as House version.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

(b) The department by rule shall develop the performance indicators the quality assurance team is required to monitor under Subsection (a). In adopting rules under this subsection, the department shall consider applicable information technology industry standards.

(c) If the quality assurance team determines that a major information resources project is not likely to achieve the performance objectives for the project, the quality assurance team shall place the project on a list for more intense monitoring by the quality assurance team.

(d) The quality assurance team shall closely monitor monthly reports for each major information resources project identified under Subsection (c) and, based on criteria developed by the department, determine whether to recommend to the executive director the need to initiate corrective action for the project.

(e) The department shall create and maintain on the department's Internet website a user-friendly data visualization tool that provides an analysis and visual representation of the performance indicators developed under Subsection (b) for each major information resources project.

(c) Not later than December 1, 2017, the Department of Information Resources shall adopt rules to implement Section 2054.159, Government Code, as added by this section.

(d) This section takes effect January 1, 2018.

SECTION 8. Subchapter C, Chapter 2171, Government Code, is amended by adding Section 2171.106 to read as follows:

Sec. 2171.106. MANAGEMENT OF VEHICLE FLEET BY STATE AGENCY. (a) Each state agency shall:

(1) as the state agency considers necessary, evaluate the effectiveness and efficiency of the agency's vehicle fleet

SENATE VERSION (IE)

CONFERENCE

SECTION 7. Same as House version.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

management, including the agency's vehicle acquisition methods and interagency agreements to operate vehicle maintenance and repair facilities that are owned or operated by this state; and

(2) establish and maintain a schedule for replacing the agency's vehicles.

(b) Based on the state agency's findings from the evaluation conducted under Subsection (a)(1), the agency shall implement any measures that will increase the agency's effectiveness and efficiency in managing the agency's vehicle fleet.

(c) A state agency shall conduct the first evaluation required by Subsection (a)(1) and implement the findings from that evaluation as required by Subsection (b) not later than August 31, 2019. This subsection expires December 31, 2019.

SECTION 9. Subchapter A, Chapter 2176, Government Code, is amended by adding Section 2176.007 to read as follows:

Sec. 2176.007. COMPTROLLER STUDY ON MAIL OPERATIONS. (a) The comptroller shall conduct a study on the mail operations of each state agency in the executive branch of state government that receives an appropriation. The study must identify provisions of law relating to the mailing requirements for the agency that impede the efficient transmission and receipt of documents by the agency.

(b) In conducting the study, the comptroller shall collaborate with other state agencies to consider the needs or concerns specific to those agencies.

(c) Not later than November 1, 2018, the comptroller shall post the findings of the study conducted under this section on the comptroller's Internet website.

SENATE VERSION (IE)

CONFERENCE

SECTION 8. Same as House version.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(d) This section expires September 1, 2019.

SECTION 10. Section 243.015, Health and Safety Code, is amended by amending Subsection (e) and adding Subsections (e-1) and (e-2) to read as follows:

(e) If the department initially determines that a violation occurred, the department shall give written notice of the report ~~[by certified mail]~~ to the person. Notwithstanding any other law, the notice may be provided by any certified delivery method, including certified mail or certified electronic mail.

(e-1) If the notice under Subsection (e) is sent by certified electronic mail:

(1) it must be sent to the person's last known e-mail address as provided by the person to the department; and

(2) the department shall maintain proof that the notice was sent.

(e-2) For purposes of Subsection (e), a person's provision of an e-mail address to the department is considered consent to electronically deliver notices and correspondence to the person.

SECTION 11. Sections 21.010(a), (d), and (e), Labor Code, are amended to read as follows:

(a) Each state agency shall provide to employees of the agency ~~a [an employment discrimination]~~ training program on the prevention of employment discrimination [that complies with this section].

(d) The commission shall develop materials for use by state agencies in providing the [employment discrimination] training program ~~[as]~~ required by this section.

(e) Each state agency shall require an employee of the agency who completes the [attends a] training program required by

SECTION 9. Same as House version.

SECTION 10. Same as House version.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

this section to verify [~~sign a statement verifying~~] the employee's completion of [~~attendance at~~] the training program in the manner prescribed by the agency. The agency shall:  
(1) file a document that verifies the employee's completion of the training program [~~the statement~~] in the employee's personnel file; or  
(2) retain an electronic record that verifies the employee's completion of the training program in accordance with the record retention requirements applicable to the agency.

SECTION 12. Section 11.082(a), Natural Resources Code, is amended to read as follows:

(a) A state agency or political subdivision may not formally take any action that may affect state land dedicated to the permanent school fund without first giving notice of the action to the board. Notice of the proposed action shall be delivered [~~by certified mail, return receipt requested, addressed to the deputy commissioner of the asset management division of the General Land Office~~] on or before the state agency's or political subdivision's formal initiation of the action by:  
(1) certified mail, return receipt requested, addressed to the deputy commissioner of the asset management division of the General Land Office; or  
(2) certified electronic mail to an e-mail address specified by the deputy commissioner for the purpose of receiving the notice.

SECTION 13. Section 301.160, Occupations Code, is amended by adding Subsection (k) to read as follows:

(k) Notwithstanding Subsection (j), the board may deliver the report under that subsection by certified electronic mail if the recipient provides an e-mail address to the board for the

SENATE VERSION (IE)

SECTION 11. Same as House version.

SECTION 12. Same as House version.

CONFERENCE

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

purpose of receiving the report.

No equivalent provision.

SECTION \_\_. Subchapter A, Chapter 222, Transportation Code, is amended by adding Section 222.007 to read as follows:

Sec. 222.007. ALLOCATION OF MONEY FROM TRANSPORTATION PROJECT DELAYS. (a) The department shall establish a system to track liquidated damages, including road user costs, retained by the department associated with delayed transportation project contracts.

(b) The system must allow the department to correlate the liquidated damages with:

- (1) the project that was the subject of the damages; and
- (2) each department district in which the project that was the subject of the damages is located.

(c) Each year, the department shall:

- (1) for each department district, determine the amount of money described by Subsection (a) retained in the previous year that is attributable to projects located in the district; and
- (2) in addition to other amounts, allocate to each department district an amount of money equal to the amount determined for the district under Subdivision (1) to be used for transportation projects located in that district.

(d) If a transportation project that was the subject of liquidated damages is located in more than one department district, the department may reasonably allocate the amount of the liquidated damages from that project among the districts in which the project is located. [FA10]

SECTION 14. Section 228.0545, Transportation Code, is amended by adding Subsection (e) to read as follows:

SECTION 13. Same as House version.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

(e) The department may provide that the notice under Subsection (c), instead of being sent by first class mail, be sent as an electronic record to a registered owner that agrees to the terms of the electronic record transmission of the information.

SECTION 15. (a) Section 552.139, Government Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (d) to read as follows:

(b) The following information is confidential:

(1) a computer network vulnerability report;

(2) any other assessment of the extent to which data processing operations, a computer, a computer program, network, system, or system interface, or software of a governmental body or of a contractor of a governmental body is vulnerable to unauthorized access or harm, including an assessment of the extent to which the governmental body's or contractor's electronically stored information containing sensitive or critical information is vulnerable to alteration, damage, erasure, or inappropriate use; ~~and~~

(3) a photocopy or other copy of an identification badge issued to an official or employee of a governmental body; and

(4) information directly arising from a governmental body's routine efforts to prevent, detect, investigate, or mitigate a computer security incident, including information contained in or derived from an information security log.

(b-1) Subsection (b)(4) does not affect the notification requirements related to a breach of system security as defined by Section 521.053, Business & Commerce Code.

(d) A state agency shall redact from a contract posted on the agency's Internet website under Section 2261.253 information that is made confidential by, or excepted from required public

SENATE VERSION (IE)

SECTION 14. Same as House version.

CONFERENCE



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

disclosure under this section. The redaction of information under this subsection does not exempt the information from the requirements of Section 552.021 or 552.221.

(b) Subchapter C, Chapter 2054, Government Code, is amended by adding Section 2054.068 to read as follows:

Sec. 2054.068. INFORMATION TECHNOLOGY INFRASTRUCTURE REPORT. (a) In this section, "information technology" includes information resources and information resources technologies.

(b) The department shall collect from each state agency information on the status and condition of the agency's information technology infrastructure, including information regarding:

(1) the agency's information security program;

(2) an inventory of the agency's servers, mainframes, cloud services, and other information technology equipment;

(3) identification of vendors that operate and manage the agency's information technology infrastructure; and

(4) any additional related information requested by the department.

(c) A state agency shall provide the information required by Subsection (b) to the department according to a schedule determined by the department.

(d) Not later than November 15 of each even-numbered year, the department shall submit to the governor, chair of the house appropriations committee, chair of the senate finance committee, speaker of the house of representatives, lieutenant governor, and staff of the Legislative Budget Board a consolidated report of the information submitted by state agencies under Subsection (b).

(e) The consolidated report required by Subsection (d) must:

(1) include an analysis and assessment of each state agency's

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

security and operational risks; and

(2) for a state agency found to be at higher security and operational risks, include a detailed analysis of, and an estimate of the costs to implement, the:

(A) requirements for the agency to address the risks and related vulnerabilities; and

(B) agency's efforts to address the risks through the:

(i) modernization of information technology systems;

(ii) use of cloud services; and

(iii) use of a statewide technology center established by the department.

(f) With the exception of information that is confidential under Chapter 552, including Section 552.139, or other state or federal law, the consolidated report submitted under Subsection (d) is public information and must be released or made available to the public on request. A governmental body as defined by Section 552.003 may withhold information confidential under Chapter 552, including Section 552.139, or other state or federal law that is contained in a consolidated report released under this subsection without the necessity of requesting a decision from the attorney general under Subchapter G, Chapter 552.

(g) This section does not apply to an institution of higher education or university system, as defined by Section 61.003, Education Code.

(c) Section 2054.0965(a), Government Code, is amended to read as follows:

(a) Not later than March 31 [~~December 1~~] of each even-numbered [~~odd-numbered~~] year, a state agency shall complete a review of the operational aspects of the agency's information resources deployment following instructions developed by the department.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(d) Section 2157.007, Government Code, is amended by amending Subsection (b) and adding Subsection (e) to read as follows:

(b) A state agency shall ~~may~~ consider cloud computing service options, including any security benefits and cost savings associated with purchasing those service options from a cloud computing service provider and from a statewide technology center established by the department, when making purchases for a major information resources project under Section 2054.118.

(e) Not later than November 15 of each even-numbered year, the department, using existing resources, shall submit a report to the governor, lieutenant governor, and speaker of the house of representatives on the use of cloud computing service options by state agencies. The report must include use cases that provided cost savings and other benefits, including security enhancements. A state agency shall cooperate with the department in the creation of the report by providing timely and accurate information and any assistance required by the department.

(e) Sections 552.139(b)(4) and (b-1), Government Code, as added by this section, apply only to a request for public information received on or after the effective date of this Act. A request received before the effective date of this Act is governed by the law in effect when the request was received, and the former law is continued in effect for that purpose.

No equivalent provision.

No equivalent provision.

SECTION \_\_. Section 651.004, Government Code, is repealed. [FA1]

SECTION \_\_. AGRICULTURE POLICY BOARD. (a) The

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

Agriculture Policy Board is abolished.  
(b) Section 2.004, Agriculture Code, is repealed. [FA6]

SECTION \_\_. TEXAS BIOENERGY POLICY COUNCIL;  
TEXAS BIOENERGY RESEARCH COMMITTEE. (a) The  
Texas Bioenergy Policy Council and the Texas Bioenergy  
Research Committee are abolished.  
(b) Chapter 50D, Agriculture Code, is repealed. [FA6]

SECTION \_\_. PROPERTY, RECORDS, OR OTHER  
ASSETS. If an entity that is abolished by this Act has  
property, records, or other assets, including unspent and  
unobligated appropriations, the Department of Agriculture  
shall take custody of the entity's property, records, or other  
assets. [FA6]

SECTION 15. Same as House version.

No equivalent provision.

No equivalent provision.

SECTION 16. (a) The Department of Information Resources shall conduct an interim study on state reliance on the use of paper documents, including current requirements that certain state documents be mailed, for the purpose of reducing the state's volume of paper transactions and increasing governmental efficiency.  
(b) The study must include:  
(1) recommendations on opportunities to increase operational efficiency in state government through a reduction in the use of paper documents; and  
(2) strategies to replace the use of paper documents with electronic documents and to automate state transactions to better meet the needs of residents of this state.  
(c) The Department of Information Resources shall submit a report on the findings of the study to the governor, lieutenant governor, speaker of the house of representatives, and

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

Legislative Budget Board.

(d) This section expires September 1, 2019.

SECTION 17. This Act may not be construed as exempting a state agency from complying with any applicable law that requires the state agency to physically post notice to the public in a paper format, including Chapter 551, Government Code.

SECTION 18. A state agency is not required to comply with Section 441.108, Government Code, as added by this Act, until the Texas State Library and Archives Commission notifies the agency that the Texas Digital Archive, as defined by Section 441.101, Government Code, as amended by this Act, is configured to allow compliance by the agency with that section.

SECTION 19. The changes in law made by this Act relating to the method of delivery or submission of a notice or report apply only to a notice or report that is required to be delivered or submitted on or after the effective date of this Act. A notice or report required to be delivered or submitted before the effective date of this Act is governed by the law in effect on the date the notice or report was required to be delivered or submitted, and the former law is continued in effect for that purpose.

SECTION 20. The first report required under Section 441.107, Government Code, as added by this Act, is due not later than January 1, 2021.

SECTION 21. (a) An official publisher in the executive

SECTION 16. Same as House version.

SECTION 17. Same as House version.

SECTION 18. Same as House version.

SECTION 19. Same as House version.

No equivalent provision.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

branch of state government shall comply with the applicable provisions of Subchapter E, Chapter 2051, Government Code, as added by this Act, in accordance with an implementation plan developed under Subsection (b) of this section.

(b) The Records Management Interagency Coordinating Council and an official publisher in the executive branch of state government are jointly responsible for developing an implementation plan for the applicable provisions of Subchapter E, Chapter 2051, Government Code, as added by this Act. The implementation plan must:

(1) for each applicable type of legal material defined by Subchapter E, Chapter 2051, Government Code, as added by this Act, advise as to the method by which the legal material may be authenticated, preserved, and made available on a permanent basis; and

(2) establish a timeline for the official publisher to comply with Sections 2051.154, 2051.155, 2051.157, and 2051.158, Government Code, as added by this Act.

(c) The implementation plan developed under Subsection (b) of this section may provide for compliance by an official publisher in the executive branch of state government with Sections 2051.154, 2051.155, 2051.157, and 2051.158, Government Code, as added by this Act, to be phased in over a period of time.

(d) The Records Management Interagency Coordinating Council shall provide the implementation plan developed under Subsection (b) of this section to the legislature not later than September 1, 2018.

SECTION 22. (a) An official publisher in the legislative branch of state government shall comply with the applicable provisions of Subchapter E, Chapter 2051, Government Code,

SENATE VERSION (IE)

No equivalent provision.

CONFERENCE

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

as added by this Act, in accordance with an implementation plan developed under Subsection (b) of this section.

(b) An official publisher in the legislative branch of state government, in consultation with the lieutenant governor, the speaker of the house of representatives, the Senate Committee on Administration, and the House Committee on Administration, shall develop an implementation plan for the applicable provisions of Subchapter E, Chapter 2051, Government Code, as added by this Act. The implementation plan must:

(1) for each applicable type of legal material defined by Subchapter E, Chapter 2051, Government Code, as added by this Act, recommend the method by which the legal material may be authenticated, preserved, and made available on a permanent basis; and

(2) establish a timeline for the official publisher to comply with Sections 2051.154, 2051.155, 2051.157, and 2051.158, Government Code, as added by this Act.

(c) The implementation plan developed under Subsection (b) of this section may provide for compliance by an official publisher in the legislative branch of state government with Sections 2051.154, 2051.155, 2051.157, and 2051.158, Government Code, as added by this Act, to be phased in over a period of time.

(d) An official publisher in the legislative branch of state government shall provide the implementation plan developed under Subsection (b) of this section to the lieutenant governor and speaker of the house of representatives not later than September 1, 2018.

SECTION 23. Except as otherwise provided by this Act, this Act takes effect September 1, 2017.

SENATE VERSION (IE)

SECTION 20. Same as House version.

CONFERENCE

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SENATE VERSION (IE)

CONFERENCE

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



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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. [FA2]

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SENATE VERSION (IE)

CONFERENCE

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) In this section, "political subdivision" has the meaning assigned by Section 395.001, Health and Safety Code.

(b) Notwithstanding the purchase requirements of Section 2158.004:

(1) the vehicle fleet of a state agency that operates a fleet of more than 15 motor vehicles, subject to the availability of funds, may be replaced with motor vehicles that use compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen fuel cells, or electricity, including both fully electric motor vehicles and plug-in hybrid motor vehicles;

(2) a political subdivision that operates a vehicle fleet of more than 15 motor vehicles is authorized, but is not required, to replace the fleet with motor vehicles that use compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen fuel cells, or electricity, including both fully electric motor vehicles and plug-in hybrid motor vehicles; and

(3) motor vehicles of a state agency or political subdivision described by Subdivisions (1) and (2) that are capable of using fuels described by those subdivisions shall be primarily operated with those 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, including new motor vehicles that are converted to operate on an alternative fuel described by Subsection (a)(1), when replacing vehicles or adding vehicles to the fleet;

(2) the purchase of new motor vehicles, including new motor

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

vehicles that are converted to operate on an alternative fuel described by Subsection (a)(1), to replace vehicles that have the highest total mileage and do not use a fuel described by Subsection (a)(1); and  
(3) to the extent feasible, obtaining, whether by purchase, purchase and conversion, 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. [FA2]

No equivalent provision.

SECTION \_\_. Subchapter B, Chapter 382, Health and Safety Code, is amended by adding Section 382.037 to read as follows:  
Sec. 382.037. NOTICE IN TEXAS REGISTER REGARDING NATIONAL AMBIENT AIR QUALITY STANDARDS FOR OZONE. (a) This section applies only if:  
(1) with respect to each active or revoked national ambient air quality standard for ozone referenced in 40 C.F.R. Section 81.344, the United States Environmental Protection Agency has, for each designated area referenced in that section:  
(A) designated the area as attainment or unclassifiable/attainment; or  
(B) approved a redesignation substitute making a finding of attainment for the area; and  
(2) for each designated area described by Subdivision (1), with respect to an action of the United States Environmental Protection Agency described by Subdivision (1)(A) or (B):  
(A) the action has been fully and finally upheld following judicial review or the limitations period to seek judicial review of the action has expired; and

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(B) the rules under which the action was approved by the agency have been fully and finally upheld following judicial review or the limitations period to seek judicial review of those rules has expired.

(b) Not later than the 30th day after the date the conditions described by Subsection (a) have been met, the commission shall publish notice in the Texas Register that, with respect to each active or revoked national ambient air quality standard for ozone referenced in 40 C.F.R. Section 81.344, the United States Environmental Protection Agency has, for each designated area referenced in that section:

(1) designated the area as attainment or unclassifiable/attainment; or

(2) approved a redesignation substitute making a finding of attainment for the area. [FA2]

No equivalent provision.

SECTION \_\_. 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. [FA2]

No equivalent provision.

SECTION \_\_. Section 386.002, Health and Safety Code, is amended to read as follows:

Sec. 386.002. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 ~~[August 31, 2019]~~. [FA2]

No equivalent provision.

SECTION \_\_. 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:

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

- (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(d) [~~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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

precursor emissions; ~~and~~

(15) the seaport and rail yard areas emissions reduction [drayage—truck—incentive] program established under Subchapter D-1;

(16) conducting research and other activities associated with making any necessary demonstrations in the state's air quality state implementation plan submitted to the United States Environmental Protection Agency that account for the impact of foreign emissions or an exceptional event;

(17) studies of or pilot programs for incentives for port authorities located in nonattainment areas or affected counties as provided by Section 386.252(a); and

(18) the governmental alternative fuel fleet grant program established under Chapter 395. [FA2]

No equivalent provision.

SECTION \_\_. Sections 386.0515(a) and (c), Health and Safety Code, are amended to read as follows:

(a) In this section:

(1) "Agricultural[~~,"agricultural~~] product transportation" means the transportation of a raw agricultural product from the place of production using a heavy-duty truck to:

(A) [~~(1)~~] a nonattainment area;

(B) [~~(2)~~] an affected county;

(C) [~~(3)~~] a destination inside the clean transportation zone [~~triangle~~]; or

(D) [~~(4)~~] a county adjacent to a county described by Paragraph (B) [~~Subdivision—(2)~~] or that contains an area described by Paragraph (A) or (C) [~~Subdivision (1) or (3)~~].

(2) "Clean transportation zone" has the meaning assigned by Section 393.001.

(c) The determining factor for eligibility for participation in a program established under Chapter 392 or [~~Chapter~~] 394[~~, as~~

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

~~added by Chapter 892 (Senate Bill No. 385), Acts of the 82nd Legislature, Regular Session, 2011,~~] for a project relating to agricultural product transportation is the overall accumulative net reduction in emissions of oxides of nitrogen in a nonattainment area, an affected county, or the clean transportation zone ~~[triangle]~~. [FA2]

No equivalent provision.

SECTION \_\_. 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. [FA2]

No equivalent provision.

SECTION \_\_. 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. [FA2]

No equivalent provision.

SECTION \_\_. Sections 386.116(a), (b), and (c), Health and Safety Code, are amended to read as follows:  
(a) In this section, "small business" means a business owned by a person who:  
(1) owns and operates not more than five ~~[two]~~ vehicles, one of which is:

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

- (A) an on-road diesel [~~with a pre 1994 engine model~~]; or  
(B) a non-road diesel [~~with an engine with uncontrolled emissions~~]; and  
(2) has owned the vehicle described by Subdivision (1)(A) or (B) for more than two years [~~one year~~].  
(b) The commission [~~by rule~~] shall develop a method of providing fast and simple access to grants under this subchapter for a small business. The method must:  
(1) create a separate small business grant program; or  
(2) require the commission to give special consideration to small businesses when implementing another program established under this subchapter.  
(c) The commission shall publicize and promote the availability of grants under this subchapter for small businesses [~~section~~] to encourage the use of vehicles that produce fewer emissions. [FA2]

No equivalent provision.

SECTION \_\_. Chapter 386, Health and Safety Code, is amended by adding Subchapter D to read as follows:  
SUBCHAPTER D. MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE PROGRAM  
Sec. 386.151. DEFINITIONS. In this subchapter:  
(1) "Light-duty motor vehicle" means a motor vehicle with a gross vehicle weight rating of less than 10,000 pounds.  
(2) "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.  
Sec. 386.152. APPLICABILITY. The provisions of this subchapter relating to a lessee do not apply to a person who rents or leases a light-duty motor vehicle for a term of 30 days or less.



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

Sec. 386.153. COMMISSION DUTIES REGARDING LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE PROGRAM. (a) The commission shall develop a purchase or lease incentive program for new light-duty motor vehicles and shall adopt rules necessary to implement the program.

(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.

(c) Only one incentive will be provided for each new light-duty motor vehicle. The incentive shall be provided to the lessee and not to the purchaser if the motor vehicle is purchased for the purpose of leasing the vehicle to another person.

(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.

Sec. 386.154. LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE REQUIREMENTS.

(a) A new light-duty motor vehicle powered by compressed natural gas or liquefied petroleum gas is eligible for a \$5,000 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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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) 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) 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) 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) If the commission determines that an updated version of a code or standard described by Subdivision (a)(5) is more

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

stringent than the version of the code or standard described by Subdivision (a)(5), the commission by rule may provide that a vehicle for which a person applies for an incentive under Subsection (a) is eligible for the incentive only if the vehicle complies with the updated version of the code or standard.

(c) The incentive under Subsection (a) is limited to 1,000 vehicles for each state fiscal biennium.

(d) 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) has a maximum speed capability of at least 55 miles per hour;

(5) 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) 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.

(e) The incentive under Subsection (d) is limited to 2,000 vehicles for each state fiscal biennium.

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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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 established under Section 386.154. 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.

Sec. 386.156. LIST OF ELIGIBLE MOTOR VEHICLES.

(a) On August 1 of each year the commission shall publish a list of new motor vehicle models eligible for inclusion in an incentive under this subchapter. 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 on the commission's Internet website.

Sec. 386.157. LIGHT-DUTY MOTOR VEHICLE

PURCHASE OR LEASE INCENTIVE. (a) A person who purchases or leases a new light-duty motor vehicle described by Section 386.154 and listed under Section 386.156(a) is eligible to apply for an incentive under this subchapter.

(b) A lease incentive for a new light-duty motor vehicle shall be prorated based on a three-year lease term.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(c) To receive money under an incentive program provided by this subchapter, the purchaser or lessee of a new light-duty motor vehicle who is eligible to apply for an incentive under this subchapter shall apply for the incentive in the manner provided by law or by rule of the commission.

Sec. 386.158. COMMISSION TO ACCOUNT FOR MOTOR VEHICLE PURCHASE OR LEASE INCENTIVES. (a) The commission by rule shall develop a method to administer and account for the motor vehicle purchase or lease incentives authorized by this subchapter and to pay incentive money to the purchaser or lessee of a new motor vehicle, on application of the purchaser or lessee as provided by this subchapter.

(b) The commission shall develop and publish forms and instructions for the purchaser or lessee of a new motor vehicle to use in applying to the commission for an incentive payment under this subchapter. The commission shall make the forms available to new motor vehicle dealers and leasing agents. Dealers and leasing agents shall make the forms available to their prospective purchasers or lessees.

(c) The commission may require the submission of forms and documentation as needed to verify eligibility for an incentive under this subchapter.

Sec. 386.159. PURCHASE OR LEASE INCENTIVES INFORMATION. (a) The commission shall establish a toll-free telephone number available to motor vehicle dealers and leasing agents for the dealers and agents to call to verify that incentives are available. The commission may provide for issuing verification numbers over the telephone line.

(b) Reliance by a dealer or leasing agent on information provided by the commission is a complete defense to an action involving or based on eligibility of a vehicle for an incentive or availability of vehicles eligible for an incentive.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

Sec. 386.160. 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. [FA2]

No equivalent provision.

SECTION \_\_. The heading to Subchapter D-1, Chapter 386, Health and Safety Code, is amended to read as follows:  
SUBCHAPTER D-1. SEAPORT AND RAIL YARD AREAS EMISSIONS REDUCTION DRAYAGE—TRUCK INCENTIVE] PROGRAM [FA2][

No equivalent provision.

SECTION \_\_. The heading to Section 386.181, Health and Safety Code, is amended to read as follows:  
Sec. 386.181. DEFINITIONS [~~DEFINITION~~]; RULES. [FA2]

No equivalent provision.

SECTION \_\_. Section 386.181(a), Health and Safety Code, is amended to read as follows:  
(a) In this subchapter;  
(1) "Cargo handling equipment" means any heavy-duty non-road, self-propelled vehicle or land-based equipment used at a seaport or rail yard to lift or move cargo, such as containerized, bulk, or break-bulk goods.  
(2) "Drayage [,-"drayage] truck" means a heavy-duty on-road or non-road vehicle that is used for drayage activities and that operates in or transgresses through [truck that transports a load to or from] a seaport or rail yard for the purpose of loading, unloading, or transporting cargo, including transporting empty containers and chassis.  
(3) "Repower" means to replace on old engine powering a

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

vehicle with a new engine, a used engine, a remanufactured engine, or electric motors, drives, or fuel cells. [FA2]

No equivalent provision.

SECTION \_\_. Section 386.182, Health and Safety Code, is amended to read as follows:

Sec. 386.182. COMMISSION DUTIES. (a) The commission shall:

(1) develop a purchase incentive program to encourage owners to:

(A) replace older drayage trucks and cargo handling equipment [~~with pre-2007 model year engines~~] with newer drayage trucks and cargo handling equipment; or

(B) repower drayage trucks and cargo handling equipment; and

(2) [~~shall~~] adopt guidelines necessary to implement the program described by Subdivision (1).

(b) The commission by rule and guideline shall establish criteria for the engines the models of drayage trucks and cargo handling equipment that are eligible for inclusion in an incentive program under this subchapter. [~~The guidelines must provide that a drayage truck owner is not eligible for an incentive payment under this subchapter unless the truck being replaced contains a pre-2007 model year engine and the replacement truck's engine is from model year 2010 or later as determined by the commission and that the truck operates at a seaport or rail yard.~~] [FA2]

No equivalent provision.

SECTION \_\_. The heading to Section 386.183, Health and Safety Code, is amended to read as follows:

Sec. 386.183. DRAYAGE TRUCK AND CARGO HANDLING EQUIPMENT PURCHASE INCENTIVE. [FA2]

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SENATE VERSION (IE)

CONFERENCE

SECTION \_\_. Section 386.183, Health and Safety Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsection (a-1) to read as follows:

(a) To be eligible for an incentive under this subchapter, a person must:

(1) purchase a replacement drayage truck, piece of cargo handling equipment, or engine that under Subsection (a-1)(1)(A) or (2)(A), as applicable, and the guidelines adopted by the commission under Section 386.182 is eligible for inclusion in the program for an incentive under this subchapter; and

(2) agree to:

(A) register the drayage truck in this state, if the replacement or repowered vehicle is an on-road drayage truck;

(B) operate the replacement or repowered drayage truck or cargo handling equipment in and within a maximum distance established by the commission of a seaport or rail yard in a nonattainment area of this state for not less than 50 percent of the truck's or equipment's [vehicle's] annual mileage or hours of operation, as determined by the commission; and

(C) permanently remove the [a pre-2007] drayage truck, cargo handling equipment, or engine replaced under the program [containing a pre-2007 engine owned by the person] from operation in a nonattainment area of this state by destroying the engine in accordance with guidelines established by the commission, and if the incentive is for a replacement drayage truck or cargo handling equipment, scrapping the truck or equipment after the purchase of the replacement [new] truck or equipment in accordance with guidelines established by the commission.

(a-1) To be eligible for purchase under this program:

(1) a drayage truck or cargo handling equipment must:



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(A) be powered by an electric motor or contain an engine certified to the current federal emissions standards applicable to that type of engine, as determined by the commission; and  
(B) emit oxides of nitrogen at a rate that is at least 25 percent less than the rate at which the truck or equipment being replaced under the program emits such pollutants;  
(2) an engine repowering a drayage truck or cargo handling equipment must:  
(A) be an electric motor or an engine certified to the current federal emissions standards applicable to that type of engine, as determined by the commission; and  
(B) emit oxides of nitrogen at a rate that is at least 25 percent less than the rate at which the former engine in the truck or equipment being repowered under the program emits such pollutants.  
(b) To receive money under an incentive program provided by this subchapter, the purchaser of a drayage truck, piece of cargo handling equipment, or engine eligible for inclusion in the program must apply for the incentive in the manner provided by law, rule, or guideline of the commission.  
(c) Not more than one incentive may be provided for each drayage truck or piece of cargo handling equipment purchased or repowered.  
(d) An incentive provided under this subchapter may be used to fund not more than 80 percent of, as applicable, the purchase price of:  
(1) the drayage truck or cargo handling equipment; or  
(2) the engine and any other eligible costs associated with repowering the drayage truck or cargo handling equipment, as determined by the commission.  
(e) The commission shall establish procedures to verify that a person who receives an incentive:

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(1) has operated in a seaport or rail yard and owned or leased the drayage truck or cargo handling equipment to be replaced or repowered for at least two years prior to receiving the grant; and

(2) as applicable:

(A) after the purpose of the replacement drayage truck or cargo handling equipment, permanently destroys the engine and scraps the [drayage] truck or equipment replaced under the program [that contained the pre 2007 engine owned or leased by the person], in accordance with guidelines established by the commission; or

(B) after repowering the drayage truck or cargo handling equipment, permanently destroys the engine that was contained in the truck or equipment in accordance with the guidelines established by the commission [, after the purchase of the new truck]. [FA2]

No equivalent provision.

SECTION \_\_. Section 386.252, Health and Safety Code, is amended to read as follows:

Sec. 386.252. USE OF FUND. (a) Money in the fund may be used only to implement and administer programs established under the plan. Subject to the reallocation of funds by the commission under Subsection (h), money [Money] appropriated to the commission to be used for the programs under Section 386.051(b) shall initially 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;

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

- (3) five percent may [~~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) 10 [~~not less than 16~~] percent may [~~shall~~] be used for the Texas natural gas vehicle grant program under Chapter 394;
- (6) not more than \$6 million [~~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, except that money may not be allocated for the Texas alternative fueling facilities program for the state fiscal year ending August 31, 2019;
- [(7) [(8)] not more than \$750,000 [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 \$6 [~~\$4~~] million but not more than \$8 [~~and~~

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

~~up to four percent to a maximum of \$7] million[~~, whichever is greater,~~] is allocated to the commission for administrative costs, including all direct and indirect costs for administering the plan and costs for conducting outreach and education activities, and costs attributable to the review or approval of applications for marketable emissions reduction credits;~~  
~~(10) six [(12) at least two] percent [and up to five percent of the fund is to] may be used by the commission for the seaport and rail yard areas emissions reduction [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;~~  
~~(13) not more than \$500,000 may be used for studies of or pilot programs for incentives for port authorities located in nonattainment areas or affected counties to encourage cargo movement that reduces emissions of nitrogen oxides and particulate matter [(15) 1.5 percent of the money in the fund is allocated for administrative costs incurred by the laboratory]; and~~  
~~(14) [(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.~~  
~~(b) [The commission may allocate unexpended money designated for the clean fleet program under Chapter 392 to~~

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

~~other programs described under Subsection (a) after the commission allocates money to recipients under the clean fleet program.~~

~~[(e) The commission may allocate unexpended money designated for the Texas alternative fueling facilities program under Chapter 393 to other programs described under Subsection (a) after the commission allocates money to recipients under the alternative fueling facilities program.~~

~~[(d) The commission may reallocate money designated for the Texas natural gas vehicle grant program under Chapter 394 to other programs described under Subsection (a) if:~~

~~[(1) the commission, in consultation with the governor and the advisory board, determines that the use of the money in the fund for that program will cause the state to be in noncompliance with the state implementation plan to the extent that federal action is likely; and~~

~~[(2) the commission finds that the reallocation of some or all of the funding for the program would resolve the noncompliance.~~

~~[(e) Under Subsection (d), the commission may not reallocate more than the minimum amount of money necessary to resolve the noncompliance.~~

~~[(e-1) Money allocated under Subsection (a) to a particular program may be used for another program under the plan as determined by the commission.~~

~~[(f)] Money in the fund may be used by the commission for programs under Sections 386.051(b)(13), (b)(14), and (b-1) as may be appropriated for those programs.~~

~~(c) [(g)] If the legislature does not specify amounts or percentages from the total appropriation to the commission to be allocated under Subsection (a) or (b) [(f)], the commission shall determine the amounts of the total appropriation to be~~

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

allocated under each of those subsections, such that the total appropriation is expended while maximizing emissions reductions.

(d) 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.

(e) Money in the fund may be allocated for administrative costs incurred by the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station as may be appropriated by the legislature.

(f) To the extent that money is appropriated from the fund for that purpose, not more than \$2.5 million may be used by the commission to conduct research and other activities associated with making any necessary demonstrations to the United States Environmental Protection Agency to account for the impact of foreign emissions or an exceptional event.

(g) To the extent that money is appropriated from the fund for that purpose, the commission may use that money to award grants under the governmental alternative fuel fleet grant program established under Chapter 395, except that the commission may not use for that purpose more than three percent of the balance of the fund as of September 1 of each state fiscal year of the biennium for the governmental alternative fuel fleet grant program in that fiscal year.

(h) Subject to the limitations outlined in this section and any additional limitations placed on the use of the appropriated funds, money allocated under this section to a particular program may be used for another program under the plan as determined by the commission, based on demand for grants for eligible projects under particular programs after the commission solicits projects to which to award grants

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

according to the initial allocation provisions of this section.  
[FA2]

No equivalent provision.

SECTION \_\_. Section 390.001, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:

(1) "Commission" means the Texas Commission on Environmental Quality. [FA2]

No equivalent provision.

SECTION \_\_. Section 390.002(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) diesel oxidation catalysts for school buses built before 1994;

(2) diesel particulate filters for school buses built from 1994 to 1998;

(3) the purchase and use of emission-reducing add-on equipment for school buses, including devices that reduce crankcase emissions;

(4) the use of qualifying fuel; ~~and~~

(5) other technologies that the commission finds will bring about significant emissions reductions; and

(6) replacement of a pre-2007 model year school bus. [FA2]

No equivalent provision.

SECTION \_\_. Section 390.004, Health and Safety Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) A school bus proposed for replacement must:

(1) be of model year 2006 or earlier;

(2) have been owned and operated by the applicant for at least the two years before submission of the grant application;

(3) be in good operational condition; and

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(4) be currently used on a regular, daily route to and from a school.

(d) A school bus proposed for purchase to replace a pre-2007 model year school bus must be of the current model year or the year before the current model year at the time of submission of the grant application. [FA2]

No equivalent provision.

SECTION \_\_. Section 390.005, Health and Safety Code, is amended to read as follows:

Sec. 390.005. RESTRICTION ON USE OF GRANT. (a) A recipient of a grant under this chapter shall use the grant to pay the incremental costs of the project for which the grant is made, which may include 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.

(b) A school bus acquired to replace an existing school bus must be purchased and the grant recipient must agree to own and operate the school bus on a regular, daily route to and from a school for at least five years after a start date established by the commission, based on the date the commission accepts documentation of the permanent destruction or permanent removal of the school bus being replaced.

(c) A school bus replaced under this program must be rendered permanently inoperable by crushing the bus, by making a hole in the engine block and permanently destroying the frame of the bus, or by another method approved by the commission, or be permanently removed from operation in this state. The commission shall establish criteria for ensuring the permanent destruction or permanent removal of the engine or bus. The commission shall enforce the destruction and



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

removal requirements. In this section, "permanent removal" means the permanent export of a school bus or the engine of a school bus to a destination outside of the United States, Canada, or the United Mexican States. [FA2]

No equivalent provision.

SECTION \_\_. Section 390.006, Health and Safety Code, is amended to read as follows:  
Sec. 390.006. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 [August 31, 2019]. [FA2]

No equivalent provision.

SECTION \_\_. 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;  
(3) 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;  
(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; or  
(C) the installation of systems that reduce flaring emissions and other site emissions by capturing waste heat to generate electricity solely for on-site service; and

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

~~(4) [(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. [FA2]

No equivalent provision.

SECTION \_\_. Section 391.102(f), Health and Safety Code, is amended to read as follows:

(f) In reviewing a grant application under this chapter ~~[coordinating interagency application review procedures]~~, the commission may ~~[shall]~~:

- (1) solicit review and comments from:
  - (A) the comptroller to assess:
    - (i) the financial stability of the applicant;
    - (ii) the economic benefits and job creation potential associated with the project; and
    - (iii) any other information related to the duties of that office;
  - (B) the Public Utility Commission of Texas to assess:
    - (i) the reliability of the proposed technology;
    - (ii) the feasibility and cost-effectiveness of electric transmission associated with the project; and
    - (iii) any other information related to the duties of that agency; and
  - (C) the Railroad Commission of Texas to assess:
    - (i) the availability and cost of the fuel involved with the project; and
    - (ii) any other information related to the duties of that agency; and
- and
- (2) consider the comments received under Subdivision (1) in the commission's grant award decision process~~;~~ ~~and~~  
~~[(3) as part of the report required by Section 391.104, justify awards made to projects that have been negatively reviewed~~

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

~~by agencies under Subdivision (1)]. [FA2]~~

No equivalent provision.

SECTION \_\_. Section 391.104, Health and Safety Code, is amended to read as follows:  
Sec. 391.104. REPORTING REQUIREMENTS. The commission ~~[annually]~~ shall include in the biennial plan report required by Section 386.057(b) information [prepare a report] that summarizes the applications received and grants awarded in the preceding biennium [year]. Preparation of the information for the report may [must] include the participation of any [the] state agency [agencies] involved in the review of applications under Section 391.102, if the commission determines participation of the agency is needed. [FA2]

No equivalent provision.

SECTION \_\_. 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; or  
(4) recover waste heat from the combustion of natural resources and use the heat to generate electricity. [FA2]

No equivalent provision.

SECTION \_\_. Section 391.304, Health and Safety Code, is amended to read as follows:  
Sec. 391.304. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

commission publishes in the Texas Register the notice required by Section 382.037 [August 31, 2019]. [FA2]

No equivalent provision.

SECTION \_\_. 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. [FA2]

No equivalent provision.

SECTION \_\_. Sections 392.002(b) and (c), Health and Safety Code, are amended to read as follows:  
(b) An entity that places 10 [~~20~~] or more qualifying vehicles in service for use entirely in this state during a calendar year is eligible to participate in the program.  
(c) Notwithstanding Subsection (b), an entity that submits a grant application for 10 [~~20~~] or more qualifying vehicles is eligible to participate in the program even if the commission denies approval for one or more of the vehicles during the application process. [FA2]

No equivalent provision.

SECTION \_\_. 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 the appropriate current federal emissions standards as determined by the commission;  
(2) replaces a diesel-powered on-road vehicle of the same weight classification and use; and

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(3) is a hybrid vehicle or fueled by an alternative fuel. [FA2]

No equivalent provision.

SECTION \_\_. 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.]~~  
[FA2]

No equivalent provision.

SECTION \_\_. Section 392.005, Health and Safety Code, is amended by amending Subsections (c) and (i) and adding Subsection (c-1) to read as follows:

(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.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(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. [FA2]

No equivalent provision.

SECTION \_\_. Section 392.008, Health and Safety Code, is amended to read as follows:  
Sec. 392.008. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 ~~[August 31, 2017]~~. [FA2]

No equivalent provision.

SECTION \_\_. 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 zone" 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 area bounded 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;  
(ii) the most direct route using highways in the state highway system connecting Corpus Christi and Laredo; or

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(iii) a highway corridor connecting Corpus Christi and Houston;

(D) counties located within the area bounded 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); and

(F) counties designated as affected counties under Section 386.001. [FA2]

No equivalent provision.

SECTION \_\_. 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 zone ~~[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 zone 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. [FA2]

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SENATE VERSION (IE)

SECTION \_\_. 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~~<sup>[.]</sup> 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 disburse grants under the program through a competitive application selection process to offset a portion of the eligible costs. [FA2]

No equivalent provision.

SECTION \_\_. 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,



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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) The prioritization criteria established under Subsection (a) must provide that, for each grant round, the commission may not award a grant to an entity that does not  
~~[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 grant contract until each eligible entity that does agree to those terms has been awarded a grant  
~~[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 area in and between the Houston, San Antonio, and Dallas-Fort Worth areas; and

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(4) facilities located in the 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].~~ [FA2]

No equivalent provision.

SECTION \_\_. 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. [FA2]

No equivalent provision.

SECTION \_\_. 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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

- (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. [FA2]

No equivalent provision.

SECTION \_\_. Section 393.007, Health and Safety Code, is amended to read as follows:  
Sec. 393.007. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 [August 31, 2018]. [FA2]

No equivalent provision.

SECTION \_\_. Section 394.001, Health and Safety Code, is amended by amending Subdivisions (1), (4), (5), and (8) and adding Subdivisions (1-a) and (7-a) to read as follows:  
(1) "Clean transportation zone" has the meaning assigned by Section 393.001 ["Advisory board" means the Texas Emissions Reduction Plan Advisory Board].  
(1-a) "Certified" includes:  
(A) new vehicle or new 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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

C.F.R. Part 85.

(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].~~

(7-a) "Natural gas engine" means an engine that operates:

(A) solely on natural gas, including compressed natural gas, liquefied natural gas, or liquefied petroleum gas; or

(B) on a combination of diesel fuel and natural gas, including compressed natural gas, liquefied natural gas, or liquefied petroleum gas, and is capable of achieving at least 60 percent displacement of diesel fuel with natural gas.

(8) "Natural gas vehicle" means a motor vehicle that is powered by a natural gas engine ~~[receives not less than 75 percent of its power from compressed or liquefied natural gas]. [FA2]~~

No equivalent provision.

SECTION \_\_. 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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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 the appropriate current federal emissions standards as determined by the commission; and

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

~~[(D) is 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~~

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

~~[(A)]~~ is certified to the appropriate current federal emissions standards as determined by the commission; ~~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]. [FA2]~~

No equivalent provision.

SECTION \_\_. Section 394.005, Health and Safety Code, is amended by amending Subsections (a), (b), (c), (f), (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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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 two years of remaining useful life, as determined in accordance with criteria established by the commission; ~~or~~

(B) replace a heavy-duty or medium-duty motor vehicle that:

(i) is owned by the applicant;

(ii) is an on-road vehicle that has been:

(a) owned, leased, or otherwise commercially financed and operated in Texas as a fleet vehicle for at least the two years immediately preceding the submission of a grant application;

and

(b) registered in a county located in the clean transportation

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

zone for at least the two years immediately preceding the submission of a grant application; and

(iii) otherwise satisfies the mileage, usage, and useful life requirements established under Paragraph (A) as determined by documentation associated with the vehicle; or

(C) 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 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 zone~~;~~

~~[(1) the counties any part of which are included in the area~~

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

~~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.

(f) A heavy-duty or medium-duty motor vehicle replaced under this program must be rendered permanently inoperable by crushing the vehicle, by making a hole in the engine block and permanently destroying the frame of the vehicle, or by another method approved by the commission, or be [that] permanently removed [removes the vehicle] from operation in this state. The commission shall establish criteria for ensuring the permanent destruction or permanent removal of the engine or vehicle. The commission shall enforce the destruction and removal requirements. For purposes of this subsection, "permanent removal" means the permanent export of the vehicle or engine to a destination outside of the United States, Canada, or the United Mexican States.

(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



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

of Subsection (b)(2)(A)(i) or (B)(ii) on a finding of good cause, which may include short lapses in registration or operation due to economic conditions, seasonal work, or other circumstances. [FA2]

No equivalent provision.

SECTION \_\_. 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. [FA2]

No equivalent provision.

SECTION \_\_. 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. [FA2]

No equivalent provision.

SECTION \_\_. Sections 394.008(a) and (b), Health and Safety Code, are amended to read as follows:

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

- (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; ~~and~~
  - (3) preapproving the award of grants to applicants who propose to purchase and replace motor vehicles described by Section 394.005(b)(2)(B).
- (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 natural gas engines that are certified to the appropriate current federal emissions standards as determined by the commission[:
    - ~~[(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];~~
  - (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~~

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

~~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. [FA2]

No equivalent provision.

SECTION \_\_. Section 394.012, Health and Safety Code, is amended to read as follows:  
Sec. 394.012. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 [August 31, 2017]. [FA2]

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 motor vehicles and plug-in hybrid motor vehicles.

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Incremental cost" has the meaning assigned by Section 386.001.

(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) "Plug-in hybrid vehicle" has the meaning assigned by Section 2158.001, Government Code, and includes the commission.

(6) "Political subdivision" means a county, municipality, 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.

(7) "Program" means the governmental alternative fuel fleet grant program established under this chapter.

(8) "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 applicant described by Section 395.003 in purchasing or leasing new motor vehicles that operate primarily on an alternative fuel.

(b) The program may provide a grant to an applicant described by Section 395.003 to:

(1) purchase or lease a new motor vehicle described by Section 395.004; or

(2) 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) of this

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

subsection.

Sec. 395.003. ELIGIBLE APPLICANTS. (a) A state agency or political subdivision is eligible to apply for a grant under the 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 public entity established to provide public or school transportation services is eligible for a grant under the program.

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 motor 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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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.

(f) In providing a grant for the lease of a motor vehicle under this chapter, the commission shall establish criteria:

(1) to offset incremental costs through an up-front payment to lower the cost basis of the lease; or

(2) if determined appropriate by the commission, to provide for reimbursement of lease payments over no more than the period of availability of the contracted funds under applicable state law and regulation, which may be less than the required three-year lease term.

(g) In providing a grant for the lease of refueling infrastructure, equipment, or services, the commission shall

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

establish criteria:

(1) to offset incremental costs through an up-front payment to lower the cost basis of the lease; or

(2) if determined appropriate by the commission, to provide for reimbursement of lease payments over no more than the period of availability of the contracted funds under applicable state law and regulation, which may be less than the required three-year lease term.

(h) Notwithstanding Subsection (d), the commission is not obligated to fund the full cost of the purchase, lease, installation, or procurement of refueling infrastructure, equipment, or services if those costs cannot be incurred and reimbursed over the period of availability of the funds under applicable state law and regulation.

Sec. 395.008. AVAILABILITY OF EMISSIONS REDUCTION CREDITS. (a) A project that is funded from a grant under the program and that would generate marketable emissions reduction 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 credits, or the reductions that would otherwise be marketable credits, to the commission and, if applicable, the state implementation plan; and

(2) the credits or reductions, as applicable, are permanently retired.

(b) An emissions reduction generated by a purchase or lease under this chapter may be used to demonstrate conformity with the state implementation plan.

Sec. 395.009. USE OF GRANT MONEY BY POLITICAL SUBDIVISION. A political subdivision shall prioritize the actions listed in Section 2158.0051(b), Government Code,



**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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.

(c) The commission shall provide an online application process for the submission of all required application documents.

(d) 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.

(e) In awarding grants under the program, the commission shall prioritize projects in the following order:

(1) projects that are proposed by a state agency;

(2) projects that are in or near a nonattainment area;

(3) projects that are in an affected county, as that term is defined by Section 386.001; and

(4) projects that will produce the greatest emissions reductions.

(f) In addition to the requirements under Subsection (e), 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

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

achieved from the project;

(3) the type and number of vehicles purchased or leased;

(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.

(g) 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. 395.012. ADMINISTRATIVE COSTS. In each fiscal year, the commission may use up to 1.5 percent of the total amount of money allocated to the program in that fiscal year, but not more than \$1 million, for the administrative costs of the program.

Sec. 395.013. RULES. The commission may adopt rules as necessary to implement this chapter.

Sec. 395.014. 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;

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

- (2) the recipient of each grant awarded;
  - (3) the number of vehicles 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. 395.015. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037. [FA2]

No equivalent provision.

SECTION \_\_. Sections 394.009, 394.010, and 394.011, Health and Safety Code, are repealed. [FA2]

No equivalent provision.

SECTION \_\_. As soon as practicable after the effective date of this Act, the Texas Commission on Environmental Quality shall implement the online application process required by Section 395.010(c), Health and Safety Code, as added by this Act. Prior to the implementation of the online application process, the commission may accept applications for a grant under Chapter 395, Health and Safety Code, as added by this Act, in any manner provided by the commission. [FA2]

No equivalent provision.

SECTION \_\_. (a) 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.

(b) The changes in law made by this Act to Section 501.138,

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

Transportation Code, apply only to a fee collected on or after the effective date of this Act. A fee collected before the effective date of this Act is governed by the law in effect when the fee was collected, and the former law is continued in effect for that purpose. [FA2]

No equivalent provision.

SECTION \_\_. Section 61.0512(a), Education Code, is amended to read as follows:

(a) A new degree or certificate program may be added at an institution of higher education only with specific prior approval of the board. A degree or certificate program offered at an off-campus academic or research site is considered a new degree or certificate program if not previously offered at the off-campus academic or research site. A new degree or certificate program is considered approved if the board has not completed a review under this section and acted to approve or disapprove the proposed program before the first anniversary of the date on which an institution of higher education submits a completed application for approval to the board. The board may not summarily disapprove a program without completing the review required by this section. The board shall specify by rule the elements that constitute a completed application and shall make an administrative determination of the completeness of the application not later than the fifth business day after receiving the application. A request for additional information in support of an application that has been determined administratively complete does not toll the period within which the application is considered approved under this section. [FA4]

No equivalent provision.

SECTION \_\_. Section 61.0572(d), Education Code, is amended to read as follows:

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(d) The board may review purchases of improved real property added to an institution's educational and general buildings and facilities inventory to determine whether the property meets the standards adopted by the board for cost, efficiency, space need, and space use, but subject to Section 61.0584 the purchase of the improved real property is not contingent on board review or approval. Standards must be adopted by the board using the negotiated rulemaking procedures under Chapter 2008, Government Code. If the property does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, the governing board of the applicable institution, and the Legislative Budget Board. This subsection does not impair the board's authority to collect data relating to the improved real property that is added each year to the educational and general buildings and facilities inventory of institutions of higher education. [FA4]

No equivalent provision.

SECTION \_\_. Section 61.058(b), Education Code, is amended to read as follows:

(b) The board may review all construction, repair, or rehabilitation of buildings and facilities at institutions of higher education to determine whether the construction, rehabilitation, or repair meets the standards adopted by board rule for cost, efficiency, space need, and space use, but subject to Section 61.0584 the construction, rehabilitation, or repair is not contingent on board review or approval. Standards must be adopted by the board using the negotiated rulemaking procedures under Chapter 2008, Government Code. If the construction, rehabilitation, or repair does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, the

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

governing boards of the applicable institutions, and the Legislative Budget Board. This subsection does not impair the board's authority to collect data relating to the construction, repair, or rehabilitation of buildings and facilities occurring each year at institutions of higher education. [FA4]

No equivalent provision.

SECTION \_\_. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0584 to read as follows:

Sec. 61.0584. OFF-CAMPUS ACADEMIC OR RESEARCH SITE. (a) This section does not apply to buildings and facilities that are located on an off-campus academic or research site, that are to be used exclusively for auxiliary enterprises, and that will not require appropriations from the legislature for operation, maintenance, or repair.

(b) Based on criteria established under Subsection (d), the board shall review and shall approve or disapprove an action taken by the governing board of an institution of higher education or university system, through purchase, lease, or otherwise, to:

(1) acquire improved or unimproved real property for use at a new or existing off-campus academic or research site; or

(2) acquire or construct a building or facility for use at a site described by Subdivision (1).

(c) The board, using the negotiated rulemaking procedures under Chapter 2008, Government Code, shall develop a procedure for each institution of higher education or university system to use to identify, for purposes of the board review required by this section, the scope and character of projects that are proposed for:

(1) an off-campus academic or research site, including projects relating to:

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

- (A) a multi-institution teaching center (MITC);
- (B) a medical school;
- (C) a branch campus;
- (D) a satellite campus; and
- (E) a health science center; and
- (2) any other location that is separate from the main campus of an institution and that is to be used for academic or research purposes.
- (d) Using the negotiated rulemaking procedures under Chapter 2008, Government Code, the board shall establish criteria for reviewing and for approving or disapproving an action taken by the governing board of an institution of higher education or university system as described by Subsection (b). Criteria adopted under this subsection must prioritize the academic and research needs of institutions of higher education while preventing unnecessary duplication in program offerings, faculties, and physical plants.
- (e) Information related to the board's findings and determinations under this section is not subject to the required disclosure under Chapter 552, Government Code.
- (f) The board may conduct a closed meeting pursuant to Section 551.072, Government Code, to deliberate the approval or disapproval of any action subject to that section and taken by the governing board of an institution of higher education or university system as described by Subsection (b). As necessary and appropriate, the board may hold its closed meeting as an emergency meeting under Section 551.045, Government Code.
- (g) The board shall report its findings and determinations under this section to the governor, the lieutenant governor, the speaker of the house of representatives, the Legislative Budget Board, and the governing boards of the applicable institutions

**House Bill 2305**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

of higher education or university systems. [FA4]

No equivalent provision.

SECTION \_\_. The changes in law made by this Act in amending Chapter 61, Education Code, apply only to a proposal for acquisition or construction made on or after September 1, 2017. A proposal for acquisition or construction made before September 1, 2017, is governed by the law in effect on the date the proposal was made, and the former law is continued in effect for that purpose. [FA4]