

BILL ANALYSIS

C.S.H.B. 3802
By: Guillen
Environmental Regulation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that it should be a priority to provide a cleaner environment for the next generation of Texans and that zero-emission vehicles will help achieve this goal. C.S.H.B. 3802 seeks to address this issue by providing for the creation of a zero-emission vehicle program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 3 of this bill.

ANALYSIS

C.S.H.B. 3802 amends the Health and Safety Code to require the Texas Commission on Environmental Quality (TCEQ) to establish and administer a zero-emission vehicle program designed to reduce the total volume of pollutants in exhaust emissions from motor vehicles in Texas. The bill requires TCEQ, under the program, to provide grants for eligible projects to offset the incremental cost of projects that lead to the creation of additional zero-emission vehicles through retrofitting or modification of existing motor vehicles. The bill defines, among other terms, "zero-emission vehicle" and "retrofit" and includes certain projects as projects that may be considered for a grant under the program.

C.S.H.B. 3802 authorizes an applicable governmental entity in Texas that operates one or more motor vehicles to apply for and receive a grant under the program. The bill authorizes TCEQ to adopt guidelines to allow a regional planning commission, council of governments, or similar applicable regional planning agency or a private nonprofit organization to also apply for and receive a grant to improve the ability of the program to achieve its goals. The bill requires an application for a grant to be made on a form provided by TCEQ and to contain the information required by TCEQ. The bill requires TCEQ by rule to establish criteria for setting priorities for projects eligible to receive grants. The bill requires TCEQ to review, and authorizes TCEQ to modify, the criteria and priorities as appropriate. The bill requires a motor vehicle proposed for retrofitting to:

- be of model year 2006 or earlier;
- be in good operational condition;
- have at least five years of useful life remaining unless the applicant agrees to remove the retrofit device at the end of the life of the vehicle and reinstall the device on another motor vehicle, where applicable;
- have been owned, or leased, and operated by the applicant for at least the two years

before submission of the grant application; and

- be currently used at least once a month by the applicant.

C.S.H.B. 3802 makes a project ineligible to receive a grant unless not less than 75 percent of vehicle miles traveled or hours of operation projected for the five years immediately following the award of a grant is projected to take place in a nonattainment area or affected county of Texas. The bill authorizes TCEQ to set the minimum percentage of vehicle miles traveled or hours of operation required to take place in a nonattainment area or affected county at a percentage and for a period that is different from such specified percentage and period.

C.S.H.B. 3802 requires a grant recipient to 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 equipment to eliminate pollutant emissions. The bill prohibits the recipient from using the grant to pay the recipient's administrative expenses.

C.S.H.B. 3802 requires TCEQ and the comptroller of public accounts to provide funding under the Texas emissions reduction plan for the zero-emission vehicle program and authorizes money in the Texas emissions reduction plan fund to be used by TCEQ for the program as may be appropriated for that purpose.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3802 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute clarifies the purpose of the zero-emission vehicle program and includes a definition of "motor vehicle."

The substitute includes provisions making a project ineligible to receive a grant unless not less than 75 percent of vehicle miles traveled or hours of operation projected for the five years immediately following the award of a grant is projected to take place in a nonattainment area or affected county of Texas and authorizing TCEQ to set the minimum percentage of vehicle miles traveled or hours of operation required to take place in a nonattainment area or affected county at a percentage and for a period that is different from such specified percentage and period.

The substitute does not include provisions that:

- require a vehicle acquired to replace an existing vehicle to be purchased and the grant recipient to agree to own and operate the vehicle no less than once a month for at least five years after a start date established by TCEQ, based on the date TCEQ accepts documentation of the permanent destruction or permanent removal of the vehicle being replaced;
- require a vehicle replaced under the program to 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 TCEQ, or be permanently removed from operation in Texas;
- require TCEQ to establish criteria for ensuring the permanent destruction or permanent removal of the engine or vehicle;
- require TCEQ to enforce the destruction and removal requirements; and

- provide a definition for "permanent removal."

The substitute includes provisions requiring TCEQ and the comptroller to provide funding under the Texas emissions reduction plan for the zero-emission vehicle program and authorizing money in the Texas emissions reduction plan fund to be used by TCEQ for the program as may be appropriated for that purpose.