By:  Lozano H.B. No. 1746

A BILL TO BE ENTITLED

AN ACT

relating to sources of funding and administration of the Texas emissions reduction plan.

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

SECTION 1.  Section 151.0515(d), Tax Code, is amended to read as follows:

(d)  This section expires on the last day of the state fiscal biennium during which the Texas Commission on Environmental Quality publishes in the Texas Register the notice required by Section 382.037, Health and Safety Code [~~August 31, 2019~~].

SECTION 2.  Section 152.0215(c), Tax Code, is amended to read as follows:

(c)  This section expires on the last day of the state fiscal biennium during which the Texas Commission on Environmental Quality publishes in the Texas Register the notice required by Section 382.037, Health and Safety Code [~~August 31, 2019~~].

SECTION 3.  Section 501.138(b-3), Transportation Code, is amended to read as follows:

(b-3)  This subsection and Subsection (b-2) expire on the last day of the state fiscal biennium during which the Texas Commission on Environmental Quality publishes in the Texas Register the notice required by Section 382.037, Health and Safety Code [~~August 31, 2019~~].

SECTION 4.  Section 502.358(c), Transportation Code, is amended to read as follows:

(c)  This section expires on the last day of the state fiscal biennium during which the Texas Commission on Environmental Quality publishes in the Texas Register the notice required by Section 382.037, Health and Safety Code [~~August 31, 2019~~].

SECTION 5.  The heading to Section 548.5055, Transportation Code, is amended to read as follows:

Sec. 548.5055.  TEXAS EMISSIONS [~~EMISSION~~] REDUCTION PLAN FEE.

SECTION 6.  Sections 548.5055(b) and (c), Transportation Code, are amended to read as follows:

(b)  The department shall remit fees collected under this section to the comptroller at the time and in the manner prescribed by the comptroller for deposit in the Texas emissions [~~emission~~] reduction plan fund.

(c)  This section expires on the last day of the state fiscal biennium during which the conservation commission publishes in the Texas Register the notice required by Section 382.037, Health and Safety Code [~~August 31, 2019~~].

SECTION 7.  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 appropriated to the commission to be used for the programs under Section 386.051(b) shall initially be allocated as follows:

(1)  four percent may be used for the clean school bus program under Chapter 390;

(2)  three percent may be used for the new technology implementation grant program under Chapter 391, from which at least $1 million will be set aside for electricity storage projects related to renewable energy;

(3)  five percent may 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 percent may be used for the Texas natural gas vehicle grant program under Chapter 394;

(6)  not more than $6 million 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)  not more than $750,000 may be used each year to support research related to air quality as provided by Chapter 387;

(8)  not more than $200,000 may be used for a health effects study;

(9)  at least $6 million but not more than $8 million is allocated to the commission for administrative costs, including all direct and indirect costs for administering the plan, costs for conducting outreach and education activities, and costs attributable to the review or approval of applications for marketable emissions reduction credits;

(10)  six percent may be used by the commission for the seaport and rail yard areas emissions reduction program established under Subchapter D-1;

(11)  five percent may be used for the light-duty motor vehicle purchase or lease incentive program established under Subchapter D;

(12)  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; [~~and~~]

(14)  in addition to the amount allocated under Subdivision (9), not more than $1 million may be authorized by the commission for the use of contract labor to administer grant funding; and

(15)  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)  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)  If the legislature does not specify amounts or percentages from the total appropriation to the commission to be allocated under Subsection (a) or (b), the commission shall determine the amounts of the total appropriation to be 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 $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 according to the initial allocation provisions of this section.

SECTION 8.  Sections 8(a-2) and (b), Chapter 755 (S.B. 1731), Acts of the 85th Legislature, Regular Session, 2017, are repealed.

SECTION 9.  This Act takes effect August 30, 2019.