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By:  Reynolds H.B. No. 2581

A BILL TO BE ENTITLED

AN ACT

relating to the administration of and funding for the Texas emissions reduction plan; reducing a surcharge.

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

SECTION 1.  Section 386.051(b), Health and Safety Code, is amended to read as follows:

(b)  Under the plan, the commission and the comptroller shall provide grants or other funding for:

(1)  the diesel emissions reduction incentive program established under Subchapter C, including for infrastructure projects established under that subchapter;

(2)  the motor vehicle purchase or lease incentive program established under Subchapter D;

(3)  the air quality research support program established under Chapter 387;

(4)  the clean school bus program established under Chapter 390;

(5)  the new technology implementation grant program established under Chapter 391;

(6)  the regional air monitoring program established under Section 386.252(a);

(7)  a health effects study as provided by Section 386.252(a);

(8)  air quality planning activities as provided by Section 386.252(d);

(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);

(10)  the Texas clean fleet program established under Chapter 392;

(11)  the Texas alternative fueling facilities program established under Chapter 393;

(12)  the Texas natural gas vehicle grant program established under Chapter 394;

(13)  other programs the commission may develop that lead to reduced emissions of nitrogen oxides, particulate matter, or volatile organic compounds in a nonattainment area or affected county;

(14)  other programs the commission may develop that support congestion mitigation to reduce mobile source ozone precursor emissions;

(15)  the seaport and rail yard areas emissions reduction program established under Subchapter D-1;

(16)  conducting 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;

(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; and

(19)  the energy efficiency loan guarantee program established under Section 388.013.

SECTION 2.  Section 386.252(a), Health and Safety Code, is amended to read as follows:

(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 Texas 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)  at least $1 million and not more than $5 million shall be allocated for the energy efficiency loan guarantee program established under Section 388.013; 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.

SECTION 3.  Section 388.005(c), Health and Safety Code, is amended to read as follows:

(c)  Each political subdivision, institution of higher education, or state agency shall establish a goal to reduce the electric consumption by the entity by at least five percent each state fiscal year for seven [~~10~~] years, beginning September 1, 2019 [~~2011~~].

SECTION 4.  Chapter 388, Health and Safety Code, is amended by adding Section 388.013 to read as follows:

Sec. 388.013.  ENERGY EFFICIENCY LOAN GUARANTEE PROGRAM. (a) The comptroller and the State Energy Conservation Office by rule shall establish and administer a program that issues or guarantees loans to be used for improvements that increase the energy efficiency of residences that are not newly constructed.

(b)  Rules adopted under this section must establish eligibility requirements for receipt of a loan issued or guaranteed under this section, including emissions reduction cost-effectiveness criteria.

(c)  The State Energy Conservation Office annually shall submit to the commission and the laboratory a report that:

(1)  evaluates the effectiveness of the program established under this section; and

(2)  quantifies energy savings and emissions reductions as a result of this program for consideration in the state implementation plan for emissions reduction credit.

SECTION 5.  Section 389.002, Health and Safety Code, is amended to read as follows:

Sec. 389.002.  USE OF CERTAIN INFORMATION FOR FEDERAL RECOGNITION OF EMISSIONS REDUCTIONS. The commission, using information derived from the reports to the commission under Sections 386.205, 388.003(e), [~~and~~] 388.006, and 388.013, shall take all appropriate and necessary actions so that emissions reductions achieved by means of activities under Chapters 386 and 388 are credited by the United States Environmental Protection Agency to the appropriate emissions reduction objectives in the state implementation plan.

SECTION 6.  Sections 151.0515(b) and (d), Tax Code, are amended to read as follows:

(b)  In each county in this state, a surcharge is imposed on the retail sale, lease, or rental of new or used equipment in an amount equal to one [~~1.5~~] percent of the sale price or the lease or rental amount.

(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 7.  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 8.  Sections 501.138(b-1), (b-2), and (b-3), Transportation Code, are amended to read as follows:

(b-1)  Fees collected under Subsection (b) to be sent to the comptroller shall be deposited to the credit of the Texas Mobility Fund[~~, except that $5 of each fee imposed under Subsection (a)(1) and deposited on or after September 1, 2008, and before September 1, 2015, shall be deposited to the credit of the Texas emissions reduction plan fund~~].

(b-2)  The comptroller shall establish a record of the amount of the fees deposited to the credit of the Texas Mobility Fund under Subsection (b-1) that are attributable to applicants described by Subsection (b)(3)(A).  On or before the fifth workday of each month, the Texas Department of Transportation shall remit to the comptroller for deposit to the credit of the Texas emissions reduction plan fund an amount of money equal to the amount of those [~~the~~] fees deposited [~~by the comptroller to the credit of the Texas Mobility Fund under Subsection (b-1)~~] in the preceding month.  The Texas Department of Transportation shall use for remittance to the comptroller as required by this subsection money in the state highway fund that is not required to be used for a purpose specified by Section 7-a, Article VIII, Texas Constitution, and may not use for that remittance money received by this state under the congestion mitigation and air quality improvement program established under 23 U.S.C. Section 149.

(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 9.  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 10.  The heading to Section 548.5055, Transportation Code, is amended to read as follows:

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

SECTION 11.  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 12.  Sections 8(a-2) and (b), Chapter 755 (S.B. 1731), Acts of the 85th Legislature, Regular Session, 2017, are repealed.

SECTION 13.  The Texas Department of Transportation is not required to comply with Section 501.138(b-2), Transportation Code, as amended by this Act, until October 1, 2019. Before October 1, 2019, the Texas Department of Transportation shall comply with Section 501.138(b-2), Transportation Code, as it existed on the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 14.  This Act takes effect August 30, 2019.