86R26364 JRR-F

By:  Guillen H.B. No. 3802

Substitute the following for H.B. No. 3802:

By:  Lozano C.S.H.B. No. 3802

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a zero-emission vehicle program under the Texas emissions reduction plan.

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 zero-emission vehicle program established under Subchapter G.

SECTION 2.  Section 386.252, Health and Safety Code, is amended by adding Subsection (b-1) to read as follows:

(b-1)  Money in the fund may be used by the commission for the zero-emission vehicle program established under Subchapter G as may be appropriated for that purpose.

SECTION 3.  Chapter 386, Health and Safety Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. ZERO-EMISSION VEHICLE PROGRAM

Sec. 386.301.  DEFINITIONS. In this subchapter:

(1)  "Governmental entity" has the meaning assigned by Section 2252.001, Government Code.

(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.

(3)  "Program" means the zero-emission vehicle program established under Section 386.302.

(4)  "Retrofit" means to equip a motor vehicle exhaust system with new emissions-reducing parts or technology verified by the United States Environmental Protection Agency after manufacture of the original engine and fuel system.

(5)  "Zero-emission vehicle" means a motor vehicle from which the exhaust emissions contain not more than two percent of the following pollutants, as determined by the commission:

(A)  carbon dioxide;

(B)  carbon monoxide;

(C)  nitrogen dioxide; and

(D)  sulfur dioxide.

Sec. 386.302.  PROGRAM. (a) The commission shall establish and administer a zero-emission vehicle program designed to reduce the total volume of pollutants in exhaust emissions from motor vehicles in this state. Under the program, the commission shall 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.

(b)  Projects that may be considered for a grant under the program include:

(1)  the purchase and use of emissions-reducing add-on equipment for motor vehicles, including devices that reduce pollutants in exhaust emissions;

(2)  the cost of retrofitting motor vehicles operated by the state or a county or municipality with equipment to convert those vehicles to zero-emission vehicles; and

(3)  other technologies that the commission finds will facilitate the conversion of motor vehicles into zero-emission vehicles.

Sec. 386.303.  APPLICATION FOR GRANT. (a) A governmental entity in this state that operates one or more motor vehicles 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 also apply for and receive a grant to improve the ability of the program to achieve its goals.

(c)  An application for a grant under this subchapter must be made on a form provided by the commission and must contain the information required by the commission.

Sec. 386.304.  ELIGIBILITY OF PROJECTS FOR GRANTS. (a) The commission by rule shall establish criteria for setting priorities for projects eligible to receive grants under this subchapter. The commission shall review and may modify the criteria and priorities as appropriate.

(b)  A motor vehicle proposed for retrofitting must:

(1)  be of model year 2006 or earlier;

(2)  be in good operational condition;

(3)  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;

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

(5)  be currently used at least once a month by the applicant.

(c)  Except as otherwise provided by this subsection, a project is not eligible to receive a grant under this subchapter 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 this state. The commission may 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 the percentage and period specified by this subsection.

Sec. 386.305.  RESTRICTION ON USE OF GRANT. A recipient of a grant under this subchapter 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 equipment to eliminate pollutant emissions. The recipient may not use the grant to pay the recipient's administrative expenses.

SECTION 4.  This Act takes effect September 1, 2019.