

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

1 amended to read as follows:

2 (c) This section expires on the last day of the state fiscal
3 biennium during which the Texas Commission on Environmental Quality
4 publishes in the Texas Register the notice required by Section
5 382.037, Health and Safety Code [~~August 31, 2019~~].

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

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

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

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

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

20 SECTION 7. Section 386.252, Health and Safety Code, is
21 amended to read as follows:

22 Sec. 386.252. USE OF FUND. (a) Money in the fund may be
23 used only to implement and administer programs established under
24 the plan. Subject to the reallocation of funds by the commission
25 under Subsection (h), money appropriated to the commission to be
26 used for the programs under Section 386.051(b) shall initially be
27 allocated as follows:

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

3 (2) three percent may be used for the new technology
4 implementation grant program under Chapter [391](#), from which at least
5 \$1 million will be set aside for electricity storage projects
6 related to renewable energy;

7 (3) five percent may be used for the clean fleet
8 program under Chapter [392](#);

9 (4) not more than \$3 million may be used by the
10 commission to fund a regional air monitoring program in commission
11 Regions 3 and 4 to be implemented under the commission's oversight,
12 including direction regarding the type, number, location, and
13 operation of, and data validation practices for, monitors funded by
14 the program through a regional nonprofit entity located in North
15 Texas having representation from counties, municipalities, higher
16 education institutions, and private sector interests across the
17 area;

18 (5) 10 percent may be used for the Texas natural gas
19 vehicle grant program under Chapter [394](#);

20 (6) not more than \$6 million may be used for the Texas
21 alternative fueling facilities program under Chapter [393](#), of which
22 a specified amount may be used for fueling stations to provide
23 natural gas fuel, except that money may not be allocated for the
24 Texas alternative fueling facilities program for the state fiscal
25 year ending August 31, 2019;

26 (7) not more than \$750,000 may be used each year to
27 support research related to air quality as provided by Chapter [387](#);

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

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

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

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

15 (12) not more than \$216,000 is allocated to the
16 commission to contract with the Energy Systems Laboratory at the
17 Texas A&M Engineering Experiment Station annually for the
18 development and annual computation of creditable statewide
19 emissions reductions obtained through wind and other renewable
20 energy resources for the state implementation plan;

21 (13) not more than \$500,000 may be used for studies of
22 or pilot programs for incentives for port authorities located in
23 nonattainment areas or affected counties to encourage cargo
24 movement that reduces emissions of nitrogen oxides and particulate
25 matter; ~~and~~

26 (14) in addition to the amount allocated under
27 Subdivision (9), not more than \$1 million may be authorized by the

1 commission for the use of contract labor to administer grant
2 funding; and

3 (15) the balance is to be used by the commission for
4 the diesel emissions reduction incentive program under Subchapter C
5 as determined by the commission.

6 (b) Money in the fund may be used by the commission for
7 programs under Sections 386.051(b)(13), (b)(14), and (b-1) as may
8 be appropriated for those programs.

9 (c) If the legislature does not specify amounts or
10 percentages from the total appropriation to the commission to be
11 allocated under Subsection (a) or (b), the commission shall
12 determine the amounts of the total appropriation to be allocated
13 under each of those subsections, such that the total appropriation
14 is expended while maximizing emissions reductions.

15 (d) To supplement funding for air quality planning
16 activities in affected counties, \$500,000 from the fund is to be
17 deposited annually in the state treasury to the credit of the clean
18 air account created under Section 382.0622.

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

23 (f) To the extent that money is appropriated from the fund
24 for that purpose, not more than \$2.5 \$5 million may be used by the
25 commission to conduct research and other activities associated with
26 making any necessary demonstrations to the United States
27 Environmental Protection Agency to account for the impact of

1 foreign emissions or an exceptional event.

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

10 (h) Subject to the limitations outlined in this section and
11 any additional limitations placed on the use of the appropriated
12 funds, money allocated under this section to a particular program
13 may be used for another program under the plan as determined by the
14 commission, based on demand for grants for eligible projects under
15 particular programs after the commission solicits projects to which
16 to award grants according to the initial allocation provisions of
17 this section.

18 SECTION 8. Sections 8(a-2) and (b), Chapter 755 (S.B.
19 1731), Acts of the 85th Legislature, Regular Session, 2017, are
20 repealed.

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