

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

1 Section 386.252(d);

2 (9) a contract with the Energy Systems Laboratory at
3 the Texas A&M Engineering Experiment Station for computation of
4 creditable statewide emissions reductions as provided by Section
5 386.252(a);

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

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

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

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

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

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

21 (16) conducting research and other activities
22 associated with making any necessary demonstrations to the United
23 States Environmental Protection Agency to account for the impact of
24 foreign emissions or an exceptional event;

25 (17) studies of or pilot programs for incentives for
26 port authorities located in nonattainment areas or affected
27 counties as provided by Section 386.252(a); ~~and~~

1 (18) the governmental alternative fuel fleet grant
2 program established under Chapter 395; and

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

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

7 (a) Money in the fund may be used only to implement and
8 administer programs established under the plan. Subject to the
9 reallocation of funds by the commission under Subsection (h), money
10 appropriated to the commission to be used for the programs under
11 Section 386.051(b) shall initially be allocated as follows:

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

14 (2) three percent may be used for the new technology
15 implementation grant program under Chapter 391, from which at least
16 \$1 million will be set aside for electricity storage projects
17 related to renewable energy;

18 (3) five percent may be used for the Texas clean fleet
19 program under Chapter 392;

20 (4) not more than \$3 million may be used by the
21 commission to fund a regional air monitoring program in commission
22 Regions 3 and 4 to be implemented under the commission's oversight,
23 including direction regarding the type, number, location, and
24 operation of, and data validation practices for, monitors funded by
25 the program through a regional nonprofit entity located in North
26 Texas having representation from counties, municipalities, higher
27 education institutions, and private sector interests across the

1 area;

2 (5) 10 percent may be used for the Texas natural gas
3 vehicle grant program under Chapter 394;

4 (6) not more than \$6 million may be used for the Texas
5 alternative fueling facilities program under Chapter 393, of which
6 a specified amount may be used for fueling stations to provide
7 natural gas fuel, except that money may not be allocated for the
8 Texas alternative fueling facilities program for the state fiscal
9 year ending August 31, 2019;

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

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

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

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

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

26 (12) not more than \$216,000 is allocated to the
27 commission to contract with the Energy Systems Laboratory at the

1 Texas A&M Engineering Experiment Station annually for the
2 development and annual computation of creditable statewide
3 emissions reductions obtained through wind and other renewable
4 energy resources for the state implementation plan;

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

10 (14) at least \$1 million and not more than \$5 million
11 shall be allocated for the energy efficiency loan guarantee program
12 established under Section 388.013; and

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

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

18 (c) Each political subdivision, institution of higher
19 education, or state agency shall establish a goal to reduce the
20 electric consumption by the entity by at least five percent each
21 state fiscal year for seven ~~[10]~~ years, beginning September 1, 2019
22 ~~[2011]~~.

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

25 Sec. 388.013. ENERGY EFFICIENCY LOAN GUARANTEE PROGRAM.

26 (a) The comptroller and the State Energy Conservation Office by
27 rule shall establish and administer a program that issues or

1 guarantees loans to be used for improvements that increase the
2 energy efficiency of residences that are not newly constructed.

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

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

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

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

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

16 Sec. 389.002. USE OF CERTAIN INFORMATION FOR FEDERAL
17 RECOGNITION OF EMISSIONS REDUCTIONS. The commission, using
18 information derived from the reports to the commission under
19 Sections 386.205, 388.003(e), ~~and~~ 388.006, and 388.013, shall
20 take all appropriate and necessary actions so that emissions
21 reductions achieved by means of activities under Chapters 386 and
22 388 are credited by the United States Environmental Protection
23 Agency to the appropriate emissions reduction objectives in the
24 state implementation plan.

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

27 (b) In each county in this state, a surcharge is imposed on

1 the retail sale, lease, or rental of new or used equipment in an
2 amount equal to one [~~1.5~~] percent of the sale price or the lease or
3 rental amount.

4 (d) This section expires on the last day of the state fiscal
5 biennium during which the Texas Commission on Environmental Quality
6 publishes in the Texas Register the notice required by Section
7 382.037, Health and Safety Code [~~August 31, 2019~~].

8 SECTION 7. Section 152.0215(c), Tax Code, is amended to
9 read as follows:

10 (c) This section expires on the last day of the state fiscal
11 biennium during which the Texas Commission on Environmental Quality
12 publishes in the Texas Register the notice required by Section
13 382.037, Health and Safety Code [~~August 31, 2019~~].

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

16 (b-1) Fees collected under Subsection (b) to be sent to the
17 comptroller shall be deposited to the credit of the Texas Mobility
18 Fund[, ~~except that \$5 of each fee imposed under Subsection (a)(1)~~
19 ~~and deposited on or after September 1, 2008, and before September 1,~~
20 ~~2015, shall be deposited to the credit of the Texas emissions~~
21 ~~reduction plan fund~~].

22 (b-2) The comptroller shall establish a record of the amount
23 of the fees deposited to the credit of the Texas Mobility Fund under
24 Subsection (b-1) that are attributable to applicants described by
25 Subsection (b)(3)(A). On or before the fifth workday of each
26 month, the Texas Department of Transportation shall remit to the
27 comptroller for deposit to the credit of the Texas emissions

1 reduction plan fund an amount of money equal to the amount of those
2 ~~[the]~~ fees deposited ~~[by the comptroller to the credit of the Texas~~
3 ~~Mobility Fund under Subsection (b-1)]~~ in the preceding month. The
4 Texas Department of Transportation shall use for remittance to the
5 comptroller as required by this subsection money in the state
6 highway fund that is not required to be used for a purpose specified
7 by Section 7-a, Article VIII, Texas Constitution, and may not use
8 for that remittance money received by this state under the
9 congestion mitigation and air quality improvement program
10 established under 23 U.S.C. Section 149.

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

16 SECTION 9. Section 502.358(c), Transportation Code, is
17 amended to read as follows:

18 (c) This section expires on the last day of the state fiscal
19 biennium during which the Texas Commission on Environmental Quality
20 publishes in the Texas Register the notice required by Section
21 382.037, Health and Safety Code ~~[August 31, 2019]~~.

22 SECTION 10. The heading to Section 548.5055, Transportation
23 Code, is amended to read as follows:

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

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

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

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

9 SECTION 12. Sections 8(a-2) and (b), Chapter 755 (S.B.
10 1731), Acts of the 85th Legislature, Regular Session, 2017, are
11 repealed.

12 SECTION 13. The Texas Department of Transportation is not
13 required to comply with Section 501.138(b-2), Transportation Code,
14 as amended by this Act, until October 1, 2019. Before October 1,
15 2019, the Texas Department of Transportation shall comply with
16 Section 501.138(b-2), Transportation Code, as it existed on the
17 effective date of this Act, and the former law is continued in
18 effect for that purpose.

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