

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

1 AN ACT

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

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

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

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

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

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

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

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

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

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

22 (7) a health effects study as provided by Section  
23 386.252(a);

24 (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 zero-emission vehicle program established  
4 under Subchapter G.

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

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

10 SECTION 3. Chapter [386](#), Health and Safety Code, is amended  
11 by adding Subchapter G to read as follows:

12 SUBCHAPTER G. ZERO-EMISSION VEHICLE PROGRAM

13 Sec. 386.301. DEFINITIONS. In this subchapter:

14 (1) "Governmental entity" has the meaning assigned by  
15 Section [2252.001](#), Government Code.

16 (2) "Motor vehicle" means a self-propelled device  
17 designed for transporting persons or property on a public highway  
18 that is required to be registered under Chapter [502](#), Transportation  
19 Code.

20 (3) "Program" means the zero-emission vehicle program  
21 established under Section [386.302](#).

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

26 (5) "Zero-emission vehicle" means a motor vehicle from  
27 which the exhaust emissions contain not more than two percent of the

1 following pollutants, as determined by the commission:

- 2 (A) carbon dioxide;
- 3 (B) carbon monoxide;
- 4 (C) nitrogen dioxide; and
- 5 (D) sulfur dioxide.

6 Sec. 386.302. PROGRAM. (a) The commission shall establish  
7 and administer a zero-emission vehicle program designed to reduce  
8 the total volume of pollutants in exhaust emissions from motor  
9 vehicles in this state. Under the program, the commission shall  
10 provide grants for eligible projects to offset the incremental cost  
11 of projects that lead to the creation of additional zero-emission  
12 vehicles through retrofitting or modification of existing motor  
13 vehicles.

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

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

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

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

25 Sec. 386.303. APPLICATION FOR GRANT. (a) A governmental  
26 entity in this state that operates one or more motor vehicles may  
27 apply for and receive a grant under the program.

1       (b) The commission may adopt guidelines to allow a regional  
2 planning commission, council of governments, or similar regional  
3 planning agency created under Chapter 391, Local Government Code,  
4 or a private nonprofit organization to also apply for and receive a  
5 grant to improve the ability of the program to achieve its goals.

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

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

14       (b) A motor vehicle proposed for retrofitting must:  
15               (1) be of model year 2006 or earlier;  
16               (2) be in good operational condition;  
17               (3) have at least five years of useful life remaining  
18 unless the applicant agrees to remove the retrofit device at the end  
19 of the life of the vehicle and reinstall the device on another motor  
20 vehicle, where applicable;  
21               (4) have been owned, or leased, and operated by the  
22 applicant for at least the two years before submission of the grant  
23 application; and  
24               (5) be currently used at least once a month by the  
25 applicant.

26       (c) Except as otherwise provided by this subsection, a  
27 project is not eligible to receive a grant under this subchapter

1 unless not less than 75 percent of vehicle miles traveled or hours  
2 of operation projected for the five years immediately following the  
3 award of a grant is projected to take place in a nonattainment area  
4 or affected county of this state. The commission may set the  
5 minimum percentage of vehicle miles traveled or hours of operation  
6 required to take place in a nonattainment area or affected county at  
7 a percentage and for a period that is different from the percentage  
8 and period specified by this subsection.

9 Sec. 386.305. RESTRICTION ON USE OF GRANT. A recipient of a  
10 grant under this subchapter shall use the grant to pay the  
11 incremental costs of the project for which the grant is made, which  
12 may include the reasonable and necessary expenses incurred for the  
13 labor needed to install equipment to eliminate pollutant emissions.  
14 The recipient may not use the grant to pay the recipient's  
15 administrative expenses.

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