87R9425 JXC-D

By:  Hefner H.B. No. 4384

A BILL TO BE ENTITLED

AN ACT

relating to the replacement of the light-duty motor vehicle purchase or lease incentive program with the gas flaring and venting reduction program.

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

SECTION 1.  Sections 2158.001(3) and (4), Government Code, are amended to read as follows:

(3)  "Light-duty motor vehicle" has the meaning assigned by Section 392.001 [~~386.151~~], Health and Safety Code.

(4)  "Motor vehicle" has the meaning assigned by Section 392.001 [~~386.151~~], Health and Safety Code.

SECTION 2.  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 gas flaring and venting reduction [~~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 clean fleet program established under Chapter 392;

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

(12)  the 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.

SECTION 3.  The heading to Subchapter D, Chapter 386, Health and Safety Code, is amended to read as follows:

SUBCHAPTER D. GAS FLARING AND VENTING REDUCTION [~~MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE~~] PROGRAM

SECTION 4.  Section 386.151, Health and Safety Code, is amended to read as follows:

Sec. 386.151.  DEFINITIONS. In this subchapter:

(1)  "Flare" means to burn a flare to consume gas that otherwise would be permitted to escape into the open air from a well producing oil or gas [~~"Light-duty motor vehicle" means a motor vehicle with a gross vehicle weight rating of less than 10,000 pounds~~].

(2)  "Vent" means to vent gas into the open air from a well producing oil or gas [~~"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~~].

SECTION 5.  Subchapter D, Chapter 386, Health and Safety Code, is amended by adding Section 386.1511 to read as follows:

Sec. 386.1511.  REBATES FOR GAS FLARING AND VENTING REDUCTION TECHNOLOGY. (a) The commission shall:

(1)  develop a grant program to encourage the purchase and use of technology that reduces the need to flare or vent gas from a well producing oil or gas;

(2)  publish a list of types of technology eligible for grants under this subchapter; and

(3)  adopt rules necessary to implement the program.

(b)  The commission shall:

(1)  award grants under this subchapter in the form of rebates;

(2)  assign a rebate amount or percentage for each type of technology eligible for a rebate; and

(3)  allow for processing rebates on an ongoing first-come, first-served basis.

(c)  The commission may administer the rebate grants or may designate another entity to administer the grants.

SECTION 6.  Section 386.252(a), Health and Safety Code, as effective September 1, 2021, is amended to read as follows:

(a)  Money in the fund and account 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 from the fund and account 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 $16 million may be used by 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 gas flaring and venting reduction [~~light-duty motor vehicle purchase or lease incentive~~] program established under Subchapter D;

(12)  not more than $216,000 may be used by 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)  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 7.  Sections 392.001(6) and (7), Health and Safety Code, are amended to read as follows:

(6)  "Light-duty motor vehicle" means a motor vehicle with a gross vehicle weight rating of less than 10,000 pounds [~~has the meaning assigned by Section 386.151~~].

(7)  "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 [~~has the meaning assigned by Section 386.151~~].

SECTION 8.  Section 394.001(7), Health and Safety Code, is amended to read as follows:

(7)  "Motor vehicle" has the meaning assigned by Section 392.001 [~~386.151~~].

SECTION 9.  The following provisions of the Health and Safety Code are repealed:

(1)  Section 386.152;

(2)  Section 386.153;

(3)  Section 386.154;

(4)  Section 386.155;

(5)  Section 386.156;

(6)  Section 386.157;

(7)  Section 386.158;

(8)  Section 386.159; and

(9)  Section 386.160.

SECTION 10.  The changes in law made by this Act do not apply to a grant issued before the effective date of this Act. A grant issued under Subchapter D, Chapter 386, Health and Safety Code, before the effective date of this Act is governed by that subchapter as it existed immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 11.  This Act takes effect September 1, 2021.