

1-1 By: Lozano, et al. (Senate Sponsor - Zaffirini) H.B. No. 963
 1-2 (In the Senate - Received from the House April 12, 2021;
 1-3 May 6, 2021, read first time and referred to Committee on Natural
 1-4 Resources & Economic Development; May 19, 2021, reported favorably
 1-5 by the following vote: Yeas 7, Nays 0; May 19, 2021, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8 | | | | |
| 1-9 | X | | | |
| 1-10 | | | X | |
| 1-11 | X | | | |
| 1-12 | X | | | |
| 1-13 | X | | | |
| 1-14 | | | X | |
| 1-15 | X | | | |
| 1-16 | X | | | |
| 1-17 | X | | | |

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to the Texas natural gas vehicle grant program.
 1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-22 SECTION 1. Section 394.003, Health and Safety Code, is
 1-23 amended by amending Subsection (a) and adding Subsection (c) to
 1-24 read as follows:
 1-25 (a) A vehicle is a qualifying vehicle that may be considered
 1-26 for a grant under the program if during the eligibility period
 1-27 established by the commission the entity:
 1-28 (1) purchased, leased, or otherwise commercially
 1-29 financed the vehicle as an [~~a new~~] on-road heavy-duty or
 1-30 medium-duty motor vehicle that:
 1-31 (A) is a new natural gas vehicle or, subject to
 1-32 Subsection (c), a used natural gas vehicle;
 1-33 (B) is certified to the appropriate current
 1-34 federal emissions standards as determined by the commission; and
 1-35 (C) replaces an on-road heavy-duty or
 1-36 medium-duty motor vehicle of the same weight classification and
 1-37 use; or
 1-38 (2) repowered the on-road motor vehicle to a natural
 1-39 gas vehicle powered by a natural gas engine that is certified to the
 1-40 appropriate current federal emissions standards as determined by
 1-41 the commission.
 1-42 (c) A used natural gas vehicle that is proposed to replace
 1-43 an on-road heavy-duty or medium-duty motor vehicle must be of model
 1-44 year 2017 or later, provided that the model year may not be more
 1-45 than six years older than the current model year at the time of the
 1-46 submission of the grant application.
 1-47 SECTION 2. Section 394.005(b), Health and Safety Code, is
 1-48 amended to read as follows:
 1-49 (b) To be eligible for a grant under the program:
 1-50 (1) the use of the qualifying vehicle must be
 1-51 projected to result in a reduction in emissions of nitrogen oxides
 1-52 of at least 25 percent as compared to the motor vehicle or engine
 1-53 being replaced, based on:
 1-54 (A) the baseline emission level set by the
 1-55 commission under Subsection (g); and
 1-56 (B) the certified emission rate of the qualifying
 1-57 [~~new~~] vehicle; and
 1-58 (2) the qualifying vehicle must:
 1-59 (A) replace a heavy-duty or medium-duty motor
 1-60 vehicle that:
 1-61 (i) is an on-road vehicle that has been

2-1 owned, leased, or otherwise commercially financed and registered
2-2 and operated by the applicant in Texas for at least the two years
2-3 immediately preceding the submission of a grant application;
2-4 (ii) satisfies any minimum average annual
2-5 mileage or fuel usage requirements established by the commission;
2-6 (iii) satisfies any minimum percentage of
2-7 annual usage requirements established by the commission; and
2-8 (iv) is in operating condition and has at
2-9 least two years of remaining useful life, as determined in
2-10 accordance with criteria established by the commission;
2-11 (B) replace a heavy-duty or medium-duty motor
2-12 vehicle that:
2-13 (i) is owned by the applicant;
2-14 (ii) is an on-road vehicle that has been:
2-15 (a) owned, leased, or otherwise
2-16 commercially financed and operated in Texas as a fleet vehicle for
2-17 at least the two years immediately preceding the submission of a
2-18 grant application; and
2-19 (b) registered in a county located in
2-20 the clean transportation zone for at least the two years
2-21 immediately preceding the submission of a grant application; and
2-22 (iii) otherwise satisfies the mileage,
2-23 usage, and useful life requirements established under Paragraph (A)
2-24 as determined by documentation associated with the vehicle; or
2-25 (C) be a heavy-duty or medium-duty motor vehicle
2-26 repowered with a natural gas engine that:
2-27 (i) is installed in an on-road vehicle that
2-28 has been owned, leased, or otherwise commercially financed and
2-29 registered and operated by the applicant in Texas for at least the
2-30 two years immediately preceding the submission of a grant
2-31 application;
2-32 (ii) satisfies any minimum average annual
2-33 mileage or fuel usage requirements established by the commission;
2-34 (iii) satisfies any minimum percentage of
2-35 annual usage requirements established by the commission; and
2-36 (iv) is installed in an on-road vehicle
2-37 that, at the time of the vehicle's repowering, was in operating
2-38 condition and had at least two years of remaining useful life, as
2-39 determined in accordance with criteria established by the
2-40 commission.

2-41 SECTION 3. This Act takes effect September 1, 2021.

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