

By: Hefner

H.B. No. 4384

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

12 SECTION 2. Section [386.051](#)(b), Health and Safety Code, is
13 amended to read as follows:

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

16 (1) the diesel emissions reduction incentive program
17 established under Subchapter C, including for infrastructure
18 projects established under that subchapter;

19 (2) the gas flaring and venting reduction [~~motor
20 vehicle purchase or lease incentive~~] program established under
21 Subchapter D;

22 (3) the air quality research support program
23 established under Chapter [387](#);

24 (4) the clean school bus program established under

1 Chapter 390;

2 (5) the new technology implementation grant program
3 established under Chapter 391;

4 (6) the regional air monitoring program established
5 under Section 386.252(a);

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

8 (8) air quality planning activities as provided by
9 Section 386.252(d);

10 (9) a contract with the Energy Systems Laboratory at
11 the Texas A&M Engineering Experiment Station for computation of
12 creditable statewide emissions reductions as provided by Section
13 386.252(a);

14 (10) the clean fleet program established under Chapter
15 392;

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

18 (12) the natural gas vehicle grant program established
19 under Chapter 394;

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

24 (14) other programs the commission may develop that
25 support congestion mitigation to reduce mobile source ozone
26 precursor emissions;

27 (15) the seaport and rail yard areas emissions

1 reduction program established under Subchapter D-1;

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

6 (17) studies of or pilot programs for incentives for
7 port authorities located in nonattainment areas or affected
8 counties as provided by Section 386.252(a); and

9 (18) the governmental alternative fuel fleet grant
10 program established under Chapter 395.

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

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

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

17 Sec. 386.151. DEFINITIONS. In this subchapter:

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

23 (2) "Vent" means to vent gas into the open air from a
24 well producing oil or gas [~~"Motor vehicle" means a self-propelled~~
25 ~~device designed for transporting persons or property on a public~~
26 ~~highway that is required to be registered under Chapter 502,~~
27 ~~Transportation Code~~].

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

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

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

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

10 (3) adopt rules necessary to implement the program.

11 (b) The commission shall:

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

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

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

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

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

22 (a) Money in the fund and account may be used only to
23 implement and administer programs established under the plan.
24 Subject to the reallocation of funds by the commission under
25 Subsection (h), money from the fund and account to be used for the
26 programs under Section 386.051(b) shall initially be allocated as
27 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 Texas 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 \$16 million
4 may be used by the commission for administrative costs, including
5 all 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 gas flaring and
13 venting reduction [~~light-duty motor vehicle purchase or lease~~
14 ~~incentive~~] program established under Subchapter D;

15 (12) not more than \$216,000 may be used by 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) the balance is to be used by the commission for
27 the diesel emissions reduction incentive program under Subchapter C

1 as determined by the commission.

2 SECTION 7. Sections 392.001(6) and (7), Health and Safety
3 Code, are amended to read as follows:

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

7 (7) "Motor vehicle" means a self-propelled device
8 designed for transporting persons or property on a public highway
9 that is required to be registered under Chapter 502, Transportation
10 Code [~~has the meaning assigned by Section 386.151~~].

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

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

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

17 (1) Section 386.152;

18 (2) Section 386.153;

19 (3) Section 386.154;

20 (4) Section 386.155;

21 (5) Section 386.156;

22 (6) Section 386.157;

23 (7) Section 386.158;

24 (8) Section 386.159; and

25 (9) Section 386.160.

26 SECTION 10. The changes in law made by this Act do not apply
27 to a grant issued before the effective date of this Act. A grant

1 issued under Subchapter D, Chapter 386, Health and Safety Code,
2 before the effective date of this Act is governed by that subchapter
3 as it existed immediately before the effective date of this Act, and
4 the former law is continued in effect for that purpose.

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