

1-1 By: Lucio III, et al. (Senate Sponsor - Estes) H.B. No. 432
1-2 (In the Senate - Received from the House April 23, 2009;
1-3 May 1, 2009, read first time and referred to Committee on Natural
1-4 Resources; May 25, 2009, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 1;
1-6 May 25, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 432 By: Estes

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the acquisition by state agencies of low-emissions
1-11 vehicles and vehicles using alternative fuels.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 2158.001, Government Code, is amended to
1-14 read as follows:

1-15 Sec. 2158.001. DEFINITIONS [~~DEFINITION~~]. In this
1-16 subchapter:

1-17 (1) "Conventional [~~,"conventional]~~ gasoline" means
1-18 any gasoline that does not meet specifications set by a
1-19 certification under Section 211(k) of the federal Clean Air Act (42
1-20 U.S.C. Section 7545(k)).

1-21 (2) "Golf cart" has the meaning assigned by Section
1-22 502.001, Transportation Code.

1-23 (3) "Light-duty motor vehicle" has the meaning
1-24 assigned by Section 386.151, Health and Safety Code.

1-25 (4) "Motor vehicle" has the meaning assigned by
1-26 Section 386.151, Health and Safety Code.

1-27 (5) "Neighborhood electric vehicle" means a motor
1-28 vehicle that:

1-29 (A) is originally manufactured to meet, and does
1-30 meet, the equipment requirements and safety standards established
1-31 for "low speed vehicles" in Federal Motor Vehicle Safety Standard
1-32 500 (49 C.F.R. Section 571.500);

1-33 (B) is a slow-moving vehicle, as defined by
1-34 Section 547.001, Transportation Code, that is able to attain a
1-35 speed of more than 20 miles per hour but not more than 25 miles per
1-36 hour in one mile on a paved, level surface;

1-37 (C) is a four-wheeled motor vehicle;

1-38 (D) is powered by electricity or alternative
1-39 power sources;

1-40 (E) has a gross vehicle weight rating of less
1-41 than 3,000 pounds; and

1-42 (F) is not a golf cart.

1-43 (6) "Plug-in hybrid motor vehicle" means a vehicle
1-44 that:

1-45 (A) draws motive power from a battery with a
1-46 capacity of at least four kilowatt-hours;

1-47 (B) can be recharged from an external source of
1-48 electricity for motive power; and

1-49 (C) is a light-duty motor vehicle capable of
1-50 operating at highway speeds, excluding golf carts and neighborhood
1-51 electric vehicles.

1-52 SECTION 2. Section 2158.003(a), Government Code, is amended
1-53 to read as follows:

1-54 (a) A state agency may not purchase or lease a vehicle
1-55 designed or used primarily for the transportation of individuals,
1-56 including a station wagon, that has a wheelbase longer than 113
1-57 inches or that has more than 160 SAE net horsepower. The vehicle
1-58 may have a wheelbase of up to 116 inches or SAE net horsepower of up
1-59 to 280 if the vehicle will be converted so that it uses [~~is capable~~
1-60 ~~of using~~] compressed natural gas, liquefied natural gas, liquefied
1-61 petroleum gas, methanol or methanol/gasoline blends of 85 percent
1-62 or greater, ethanol or ethanol/gasoline blends of 85 percent or
1-63 greater, biodiesel or biodiesel/diesel blends of 20 percent or

2-1 greater, or electricity, including electricity to power a plug-in
 2-2 hybrid motor vehicle. This exception to the wheelbase and
 2-3 horsepower limitations applies to a state agency regardless of the
 2-4 size of the agency's vehicle fleet.

2-5 SECTION 3. Sections 2158.004(a), (b), (c), and (d),
 2-6 Government Code, are amended to read as follows:

2-7 (a) A state agency operating a fleet of more than 15
 2-8 vehicles, excluding law enforcement and emergency vehicles, may not
 2-9 purchase or lease a motor vehicle unless that vehicle uses [is
 2-10 capable of using] compressed natural gas, liquefied natural gas,
 2-11 liquefied petroleum gas, methanol or methanol/gasoline blends of 85
 2-12 percent or greater, ethanol or ethanol/gasoline blends of 85
 2-13 percent or greater, biodiesel or biodiesel/diesel blends of 20
 2-14 percent or greater, or electricity, including electricity to power
 2-15 a plug-in hybrid motor vehicle.

2-16 (b) A state agency may obtain equipment or refueling
 2-17 facilities necessary to operate vehicles using compressed natural
 2-18 gas, liquefied natural gas, liquefied petroleum gas, methanol or
 2-19 methanol/gasoline blends of 85 percent or greater, ethanol or
 2-20 ethanol/gasoline blends of 85 percent or greater, biodiesel or
 2-21 biodiesel/diesel blends of 20 percent or greater, or electricity,
 2-22 including electricity to power a plug-in hybrid motor vehicle:

2-23 (1) by purchase or lease as authorized by law;
 2-24 (2) by gift or loan of the equipment or facilities; or
 2-25 (3) by gift or loan of the equipment or facilities or
 2-26 by another arrangement under a service contract for the supply of
 2-27 compressed natural gas, liquefied natural gas, liquefied petroleum
 2-28 gas, methanol or methanol/gasoline blends of 85 percent or greater,
 2-29 ethanol or ethanol/gasoline blends of 85 percent or greater,
 2-30 biodiesel or biodiesel/diesel blends of 20 percent or greater, or
 2-31 electricity, including electricity to power a plug-in hybrid motor
 2-32 vehicle.

2-33 (c) If the equipment or facilities are donated, loaned, or
 2-34 provided through another arrangement with the supplier of
 2-35 compressed natural gas, liquefied natural gas, liquefied petroleum
 2-36 gas, methanol or methanol/gasoline blends of 85 percent or greater,
 2-37 ethanol or ethanol/gasoline blends of 85 percent or greater,
 2-38 biodiesel or biodiesel/diesel blends of 20 percent or greater, or
 2-39 electricity, including electricity to power a plug-in hybrid motor
 2-40 vehicle, the supplier is entitled to recoup its actual cost of
 2-41 donating, loaning, or providing the equipment or facilities through
 2-42 its fuel charges under the supply contract.

2-43 (d) The commission may waive the requirements of this
 2-44 section for a state agency on receipt of certification supported by
 2-45 evidence acceptable to the commission that:

2-46 (1) the agency's vehicles will be operating primarily
 2-47 in an area in which neither the agency nor a supplier has or can
 2-48 reasonably be expected to establish adequate refueling for
 2-49 compressed natural gas, liquefied natural gas, liquefied petroleum
 2-50 gas, methanol or methanol/gasoline blends of 85 percent or greater,
 2-51 ethanol or ethanol/gasoline blends of 85 percent or greater,
 2-52 biodiesel or biodiesel/diesel blends of 20 percent or greater, or
 2-53 electricity, including electricity to power a plug-in hybrid motor
 2-54 vehicle; or

2-55 (2) the agency is unable to obtain equipment or
 2-56 refueling facilities necessary to operate vehicles using
 2-57 compressed natural gas, liquefied natural gas, liquefied petroleum
 2-58 gas, methanol or methanol/gasoline blends of 85 percent or greater,
 2-59 ethanol or ethanol/gasoline blends of 85 percent or greater,
 2-60 biodiesel or biodiesel/diesel blends of 20 percent or greater, or
 2-61 electricity, including electricity to power a plug-in hybrid motor
 2-62 vehicle, at a projected cost that is reasonably expected to be no
 2-63 greater than the net costs of continued use of conventional
 2-64 gasoline or diesel fuels, measured over the expected useful life of
 2-65 the equipment or facilities supplied.

2-66 SECTION 4. Sections 2158.005, 2158.006, 2158.007, and
 2-67 2158.008, Government Code, are amended to read as follows:

2-68 Sec. 2158.005. PERCENTAGE REQUIREMENTS FOR VEHICLES
 2-69 [~~CAPABLE OF~~] USING ALTERNATIVE FUELS [~~, PROGRAM REVIEW~~]. (a) Not

3-1 later than September 30, 2010 [~~1, 1996~~], a state agency that
 3-2 operates a fleet of more than 15 motor vehicles, excluding law
 3-3 enforcement and emergency vehicles, shall have a fleet consisting
 3-4 of vehicles of which at least 50 percent use [~~are capable of using~~]
 3-5 compressed natural gas, liquefied natural gas, liquefied petroleum
 3-6 gas, methanol or methanol/gasoline blends of 85 percent or greater,
 3-7 ethanol or ethanol/gasoline blends of 85 percent or greater,
 3-8 biodiesel or biodiesel/diesel blends of 20 percent or greater, or
 3-9 electricity, including electricity to power a plug-in hybrid motor
 3-10 vehicle.

3-11 (b) [~~The Texas Natural Resource Conservation Commission~~
 3-12 ~~shall review the program established by this subchapter by December~~
 3-13 ~~31, 1996. If the Texas Natural Resource Conservation Commission~~
 3-14 ~~determines that the program has been effective in reducing total~~
 3-15 ~~annual emissions from motor vehicles in the area, then after August~~
 3-16 ~~31, 1998, a state agency operating a fleet of more than 15 motor~~
 3-17 ~~vehicles shall have a fleet consisting of vehicles of which at least~~
 3-18 ~~90 percent are capable of using compressed natural gas, liquefied~~
 3-19 ~~natural gas, liquefied petroleum gas, methanol or~~
 3-20 ~~methanol/gasoline blends of 85 percent or greater, ethanol or~~
 3-21 ~~ethanol/gasoline blends of 85 percent or greater, or electricity.~~

3-22 [(c)] The commission shall collect [~~support the Texas~~
 3-23 ~~Natural Resource Conservation Commission in collecting~~] reasonable
 3-24 information needed to determine the air quality benefits from use
 3-25 of compressed natural gas, liquefied natural gas, liquefied
 3-26 petroleum gas, methanol or methanol/gasoline blends of 85 percent
 3-27 or greater, ethanol or ethanol/gasoline blends of 85 percent or
 3-28 greater, biodiesel or biodiesel/diesel blends of 20 percent or
 3-29 greater, or electricity, including electricity to power a plug-in
 3-30 hybrid motor vehicle, at affected agencies.

3-31 (c) [(d)] A state agency in its annual financial report to
 3-32 the legislature shall report its progress in achieving the
 3-33 percentage requirements of this section by [~~itemizing~~]:

3-34 (1) itemizing purchases, leases, and conversions of
 3-35 motor vehicles; [~~and~~]

3-36 (2) itemizing usage of compressed natural gas,
 3-37 liquefied natural gas, liquefied petroleum gas, methanol or
 3-38 methanol/gasoline blends of 85 percent or greater, ethanol or
 3-39 ethanol/gasoline blends of 85 percent or greater, biodiesel or
 3-40 biodiesel/diesel blends of 20 percent or greater, or electricity,
 3-41 including electricity to power a plug-in hybrid motor vehicle;

3-42 (3) describing the availability of compressed natural
 3-43 gas, liquefied natural gas, liquefied petroleum gas, methanol or
 3-44 methanol/gasoline blends of 85 percent or greater, ethanol or
 3-45 ethanol/gasoline blends of 85 percent or greater, biodiesel or
 3-46 biodiesel/diesel blends of 20 percent or greater, or electricity,
 3-47 including electricity to power a plug-in hybrid motor vehicle; and

3-48 (4) providing the information reasonably needed to
 3-49 determine the air quality benefits from use of compressed natural
 3-50 gas, liquefied natural gas, liquefied petroleum gas, methanol or
 3-51 methanol/gasoline blends of 85 percent or greater, ethanol or
 3-52 ethanol/gasoline blends of 85 percent or greater, biodiesel or
 3-53 biodiesel/diesel blends of 20 percent or greater, or electricity,
 3-54 including electricity to power a plug-in hybrid motor vehicle.

3-55 (d) [(e)] A state agency may meet the percentage
 3-56 requirements of this section through purchase of new vehicles or
 3-57 the conversion of existing vehicles, in accordance with federal and
 3-58 state requirements and applicable safety laws. The Texas State
 3-59 Technical College System shall develop a program and provide
 3-60 training to a state agency converting an existing vehicle to meet
 3-61 the requirements of this section.

3-62 (e) [(f)] The comptroller [~~commission~~] may reduce a
 3-63 percentage specified by this section or waive the requirements of
 3-64 this section for a state agency on receipt of certification
 3-65 supported by evidence acceptable to the comptroller [~~commission~~]
 3-66 that:

3-67 (1) the agency's vehicles will be operating primarily
 3-68 in an area in which neither the agency nor a supplier has or can
 3-69 reasonably be expected to establish adequate refueling for

4-1 compressed natural gas, liquefied natural gas, liquefied petroleum
 4-2 gas, methanol or methanol/gasoline blends of 85 percent or greater,
 4-3 ethanol or ethanol/gasoline blends of 85 percent or greater,
 4-4 biodiesel or biodiesel/diesel blends of 20 percent or greater, or
 4-5 electricity, including electricity to power a plug-in hybrid motor
 4-6 vehicle; or

4-7 (2) the agency is unable to obtain equipment or
 4-8 refueling facilities necessary to operate vehicles using
 4-9 compressed natural gas, liquefied natural gas, liquefied petroleum
 4-10 gas, methanol or methanol/gasoline blends of 85 percent or greater,
 4-11 ethanol or ethanol/gasoline blends of 85 percent or greater,
 4-12 biodiesel or biodiesel/diesel blends of 20 percent or greater, or
 4-13 electricity, including electricity to power a plug-in hybrid motor
 4-14 vehicle, at a projected cost that is reasonably expected to be no
 4-15 greater than the net costs of continued use of conventional
 4-16 gasoline or diesel fuels, measured over the expected useful life of
 4-17 the equipment or facilities supplied.

4-18 Sec. 2158.006. DETERMINATION OF ALTERNATIVE FUELS PROGRAM
 4-19 PARAMETERS. In developing the use of compressed natural gas,
 4-20 liquefied natural gas, liquefied petroleum gas, methanol or
 4-21 methanol/gasoline blends of 85 percent or greater, ethanol or
 4-22 ethanol/gasoline blends of 85 percent or greater, biodiesel or
 4-23 biodiesel/diesel blends of 20 percent or greater, or electricity,
 4-24 including electricity to power a plug-in hybrid motor vehicle, the
 4-25 commission should work with state agency fleet operators, vehicle
 4-26 manufacturers and converters, fuel distributors, and others to
 4-27 determine the vehicles to be covered, taking into consideration:

- 4-28 (1) range;
- 4-29 (2) specialty uses;
- 4-30 (3) fuel availability;
- 4-31 (4) vehicle manufacturing and conversion capability;
- 4-32 (5) safety;
- 4-33 (6) resale values; and
- 4-34 (7) other relevant factors.

4-35 Sec. 2158.007. COMPLIANCE WITH APPLICABLE SAFETY
 4-36 STANDARDS. In purchasing, leasing, maintaining, or converting
 4-37 vehicles for use with compressed natural gas, liquefied natural
 4-38 gas, liquefied petroleum gas, methanol or methanol/gasoline blends
 4-39 of 85 percent or greater, ethanol or ethanol/gasoline blends of 85
 4-40 percent or greater, biodiesel or biodiesel/diesel blends of 20
 4-41 percent or greater, or electricity, including electricity to power
 4-42 a plug-in hybrid motor vehicle, the commission shall comply with
 4-43 all applicable safety standards adopted by the United States
 4-44 Department of Transportation and the Railroad Commission of Texas.

4-45 Sec. 2158.008. WHEN VEHICLE CONSIDERED TO BE ~~[CAPABLE OF]~~
 4-46 USING ALTERNATIVE FUELS. In this subchapter, a vehicle is
 4-47 considered to be ~~[capable of]~~ using compressed natural gas,
 4-48 liquefied natural gas, liquefied petroleum gas, methanol or
 4-49 methanol/gasoline blends of 85 percent or greater, ethanol or
 4-50 ethanol/gasoline blends of 85 percent or greater, biodiesel or
 4-51 biodiesel/diesel blends of 20 percent or greater, or electricity,
 4-52 including electricity to power a plug-in hybrid motor vehicle, if
 4-53 the vehicle uses [is capable of using] those fuels:

4-54 (1) not less than 80 percent of the time the vehicle is
 4-55 driven; and

4-56 (2) either in its original equipment engine or in an
 4-57 engine that has been converted to use those fuels.

4-58 SECTION 5. Section 2158.009, Government Code, is amended by
 4-59 amending Subsection (b) and adding Subsection (d) to read as
 4-60 follows:

4-61 (b) A state agency authorized to purchase passenger
 4-62 vehicles or other ground transportation vehicles for general use
 4-63 shall ensure that not less than 25 [10] percent of the vehicles the
 4-64 agency [its vehicle] purchases during any state fiscal biennium,
 4-65 other than vehicles the purchase of which is exempted from this
 4-66 subsection by Subsection (c) or (d), are [purchases of] vehicles
 4-67 that meet or exceed the emissions standards necessary to be rated by
 4-68 the United States Environmental Protection Agency as a Tier II, Bin
 4-69 3, emissions standard vehicle that has a greenhouse gas score of

5-1 eight under regulations of that agency as they existed September 1,
5-2 2007.

5-3 (d) Subsection (b) does not apply to a state agency's
5-4 purchase of a vehicle to be used by a peace officer, as defined by
5-5 Article 2.12, Code of Criminal Procedure, whose duties include the
5-6 apprehension of persons for violation of a criminal law of this
5-7 state.

5-8 SECTION 6. Section 113.286(b), Natural Resources Code, is
5-9 amended to read as follows:

5-10 (b) To the extent permitted by federal law or regulations,
5-11 the council may use the money in the fund only to:

5-12 (1) make loans or grants under this subchapter;

5-13 (2) finance activities supporting or encouraging the
5-14 use of compressed natural gas, liquefied natural gas, liquefied
5-15 petroleum gas, methanol or methanol/gasoline blends of 85 percent
5-16 or greater, ethanol or ethanol/gasoline blends of 85 percent or
5-17 greater, biodiesel or biodiesel/diesel blends of 20 percent or
5-18 greater, or electricity, including electricity to power a plug-in
5-19 hybrid motor vehicle; or

5-20 (3) pay the costs of administering this subchapter.

5-21 SECTION 7. Section 2158.009(a), Government Code, is
5-22 repealed.

5-23 SECTION 8. This Act takes effect September 1, 2009.

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