

BILL ANALYSIS

Senate Research Center

S.B. 1731
By: Birdwell
Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are many boards, commissions, and/or task forces that are currently inactive and outdated. The Office of the Governor has provided recommendations for boards, commissions, and/or task forces that no longer need to be formally codified because they are inactive and they are no longer making appointments to these entities.

The purpose of this bill is to remove boards, commissions, and/or task forces that are deemed by the Office of the Governor as inactive. Below is a list of the boards, commissions, and/or task forces S.B. 1731 repeals:

- State of Texas Anniversary Remembrance Day Medal Committee;
- Texas Bioenergy Policy Council and Texas Bioenergy Research Committee;
- Border Security Council;
- College Opportunity Act Committee;
- Texas Distinguished Service Awards Committee;
- Advisory Board of Economic Development Stakeholders;
- Texas Emissions Reduction Plan Advisory Board;
- Fire Ant Research and Management Account Advisory Committee;
- Office of Patient Protection;
- Southern Regional Education Compact. (Original Author's / Sponsor's Statement of Intent)

S.B. 1731 amends current law relating to the repeal of laws governing certain state entities, including the functions of those entities, and to certain duties, responsibilities, and functions of the Texas Commission on Environmental Quality on the abolishment of certain of those entities.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Commission on Environmental Quality (TCEQ) in SECTION 8 (Sections 386.153, 386.154, 386.158, and 395.013, Health and Safety Code) of this bill.

Rulemaking authority previously granted to TCEQ is modified in SECTION 8 (Section 386.182, Health and Safety Code) of this bill.

Rulemaking authority previously granted to TCEQ is rescinded in SECTION 8 (Sections 386.116, 393.004 and 394.005, Health and Safety Code) of this bill.

Rulemaking authority previously granted to the Texas Agricultural Experiment Station is rescinded in SECTION 9 (Section 77.022, Agriculture Code) of this bill.

Rulemaking authority previously granted to the Fire Ant Research and Management Account Advisory Committee is rescinded in SECTION 9 (Section 88.215, Education Code) of this bill.

Rulemaking authority previously granted to the Agriculture Policy Board is rescinded in SECTION 11 (Section 2.004, Agriculture Code) of this bill.

Rulemaking authority previously granted to the Public Safety Commission is rescinded in SECTION 12 (Section 411.0197, Government Code) of this bill.

Rulemaking authority previously granted to the State Cogeneration Council is rescinded in SECTION 14 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. AGRICULTURE AND WILDLIFE RESEARCH AND MANAGEMENT ADVISORY COMMITTEE. (a) Abolishes the Agriculture and Wildlife Research and Management Advisory Committee (AWRMAC).

(b) Amends Section 50.001, Agriculture Code, to delete existing text requiring the Texas Agricultural Experiment Station to consult with AWRMAC in developing and administering a certain program.

(c) Repealer: Section 88.216 (Agriculture and Wildlife Research and Management Advisory Committee; Other Agencies), Education Code.

SECTION 2. STATE OF TEXAS ANNIVERSARY REMEMBRANCE DAY MEDAL COMMITTEE. (a) Abolishes the State of Texas Anniversary Remembrance Day Medal Committee.

(b) Repealer: Chapter 3103 (State of Texas Anniversary Remembrance Day Medal), Government Code.

SECTION 3. TEXAS BIOENERGY POLICY COUNCIL AND TEXAS BIOENERGY RESEARCH COMMITTEE. (a) Abolishes the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee.

(b) Repealer: Chapter 50D (Texas Bioenergy Policy Council and Texas Bioenergy Research Committee), Agriculture Code.

(c) Provides that to the extent of any conflict, this section prevails over another Act of the 85th Legislature, Regular Session, 2017, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 4. BORDER SECURITY COUNCIL. (a) Abolishes the Border Security Council.

(b) Repealer: Section 421.0025 (Border Security Council), Government Code.

SECTION 5. COLLEGE OPPORTUNITY ACT COMMITTEE. (a) Abolishes the College Opportunity Act committee.

(b) Repealer: Chapter 1233 (College Opportunity Act), Government Code.

SECTION 6. TEXAS DISTINGUISHED SERVICE AWARDS COMMITTEE. (a) Abolishes the Texas Distinguished Service Awards Committee.

(b) Repealer: Chapter 3102 (Texas Distinguished Service Medal), Government Code.

SECTION 7. ADVISORY BOARD OF ECONOMIC DEVELOPMENT STAKEHOLDERS. (a) Abolishes the advisory board of economic development stakeholders.

(b) Repealer: Section 481.169 (Advisory Board of Economic Development Stakeholders), Government Code.

SECTION 8. TEXAS EMISSIONS REDUCTION PLAN ADVISORY BOARD. (a) Abolishes the Texas Emissions Reduction Plan Advisory Board (TERPAB) on the date that the programs

described by Section 386.252(a), Health and Safety Code, and the funding for those programs are continued in effect.

(a-1) Requires the Texas Commission on Environmental Quality (TCEQ), in effectuating the abolition of TERPAB, to complete any unfinished work of the abolished advisory board, including conducting the annual review of programs required under Section 386.057(a), Health and Safety Code. Requires TCEQ, in conducting that annual review, to consider the feasibility and benefits of implementing a governmental alternative fuel fleet grant program. Authorizes TCEQ, if TCEQ determines that implementing a governmental alternative fuel fleet grant program is feasible and would contribute to emissions reductions, to adopt rules governing the program and the eligibility of entities to receive grants from the fund created under Section 386.251 (Fund), Health and Safety Code.

(a-2) Provides that, notwithstanding any other provision of law, except as provided by Subsection (b) of this section, the program described by Section 386.252(a), Health and Safety Code, and the funding for those programs are continued until the last day of the state fiscal biennium during which the United States Environmental Protection Agency (EPA) publishes in the Federal Register certification that, with respect to each national ambient air quality standard for ozone under 40 C.F.R. Section 81.344, the EPA has, for each designated area under that section, designated the area as attainment or unclassifiable or approved a redesignation substitute making a finding of attainment for the area.

(b) Provides that, to the extent of a conflict between Subsection (a-2) of this section and any change in law made by another provision of this section, the change in law made by the other provision of this section controls.

(b-1) Amends Subchapter B, Chapter 382, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, by adding Section 382.037, as follows:

Sec. 382.037. NOTICE IN TEXAS REGISTER REGARDING NATIONAL AMBIENT AIR QUALITY STANDARDS FOR OZONE. (a) Provides that this section applies only if:

(1) with respect to each active or revoked national ambient air quality standard for ozone referenced in 40 C.F.R. Section 81.344, the EPA has, for each designated area referenced in that section designated the area as attainment or unclassifiable/attainment or approved a redesignation substitute making a finding of attainment for the area; and

(2) for each designated area described by Subdivision (1), with respect to an action of the EPA described by Subdivision (1)(A) or (B):

(A) the action has been fully and finally upheld following judicial review or the limitations period to seek judicial review of the actions has expired; and

(B) the rules under which the action was approved by the EPA have been fully and finally upheld following judicial review or the limitations period to seek judicial of those rules has expired.

(b) Requires TCEQ, not later than the 30th day after the date the conditions described by Subsection (a) have been met, to publish notice in the Texas Register that, with respect to each active or revoked national ambient air quality standard for ozone referenced in 40 C.F.R. Section

81.344, the EPA has, for each designated area referenced in that section designated the area as attainment or unclassifiable/attainment or approved a redesignation substitute making a finding of attainment for the area.

(b-2) Amends Section 386.001(3), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, to redefine "commission."

(c) Amends Section 386.002, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 386.002. EXPIRATION. Provides that this chapter (Texas Emissions Reduction Plan) expires on the last day of the state fiscal biennium during which TCEQ publishes in the Texas Register the notice required by Section 382.037, rather than expires on August 31, 2019.

(c-1) Amends Section 386.051(b), Health and Safety Code, effective on the date that the TERPAB is abolished under Subsection (a) of this section, as follows:

(b) Requires TCEQ and the Texas comptroller of public accounts (comptroller), under the plan, to provide grants or other funding for:

(1) through (7) makes no changes to these subdivisions;

(8) air quality planning activities as provided by Section 386.252(d), rather than Section 386.252(a);

(9) a contract with the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station for computation of credible statewide emissions reductions as provided by Section 386.252(a), rather than Section 386.252(a)(14);

(10) and (11) makes no changes to these subdivisions;

(12) deletes existing text including the clean transportation triangle program established under Chapter 394 (Texas Natural Gas Vehicle Grant Program);

(13) makes no changes to this subdivision;

(14) makes a nonsubstantive change;

(15) the seaport and rail yard areas emissions reduction program, rather than drayage truck incentive program, established under Subchapter D-1;

(16) conducting research and other activities associated with making any necessary demonstrations to the EPA 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, which is added by this Act.

(c-2) Amends Sections 386.515(a) and (c), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(a) Redefines "agricultural product transportation" and defines "clean transportation zone."

(c) Provides that the determining factor for eligibility for participation in a program established under Chapter 392 (Texas Clean Fleet Program) or 394, rather than Chapter 392 or Chapter 394 as added by Chapter 892 (S.B. 385), Acts of the 82nd Legislature, Regular Session, 2011, for a project relating to agricultural product transportation is the overall accumulative net reduction in emissions of oxides of nitrogen in a nonattainment area, an affected county, or the clean transportation zone, rather than transportation triangle.

(d) Amends Sections 386.057(a) and (b), Health and Safety Code, effective on the date TERPAB is abolished under Subsection (a) of this section, as follows:

(a) Deletes existing text requiring TCEQ to consult with TERPAB in conducting an annual review of certain programs established under the plan.

(b) Makes a conforming change.

(d-1) Amends Section 386.103, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, by adding Subsection (c), as follows:

(c) Authorizes TCEQ, to reduce the administrative burden for TCEQ and applicants, to streamline the application process by:

(1) reducing data entry and the copying and recopying of applications; and

(2) developing, maintaining, and periodically updating a system to accept applications electronically through TCEQ's Internet website.

(d-2) Amends Section 386.104(f) and (j), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(f) Makes conforming and nonsubstantive changes.

(j) Authorizes the executive director, rather than requires the executive director, to waive any eligibility requirements established under this section on a finding of good cause, which is authorized to include a waiver for short lapses in registration or operation attributable to economic conditions, seasonal work, or other circumstances.

(e) Amends Sections 386.107, 386.114, and 386.115, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, to make conforming changes.

(e-1) Amends Sections 386.116(a), (b), and (c), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(a) Redefines "small business."

(b) Requires TCEQ to develop, rather to develop by rule, a method of providing fast and simple access to grants under this subchapter (Diesel Incentive Reduction Incentive Program) for a small business. Requires that the method create a separate small business grant program or require TCEQ to give special consideration to small businesses when implementing another program established under this subchapter.

(c) Requires TCEQ to publicize and promote the availability of grants under this subchapter for small businesses, rather than grants under this section, to encourage the use of vehicles that produce fewer emissions.

(e-2) Amends Chapter 386, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, by adding Subchapter D, as follows:

SUBCHAPTER D. MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE PROGRAM

Sec. 386.151. DEFINITIONS. Defines "light-duty motor vehicle" and "motor vehicle."

Sec. 386.152. APPLICABILITY. Provides that the provisions of this subchapter relating to a lessee do not apply to a person who rents or leases a light-duty motor vehicle for a term of 30 days or less.

Sec. 386.153. COMMISSION DUTIES REGARDING LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE PROGRAM. (a) Requires TCEQ to develop a purchase or lease incentive program for new light-duty motor vehicles and to adopt rules necessary to implement the program.

(b) Requires that the program authorize statewide incentives for the purchase or lease of new light-duty motor vehicles powered by compressed natural gas, liquefied petroleum gas, or hydrogen fuel cell or other electric drives for a purchaser or lessee who agrees to register and operate the vehicle in this state for a minimum period of time to be established by TCEQ.

(c) Provides that only one incentive will be provided for each new light-duty motor vehicle. Requires that the incentive be provided to the lessee and not to the purchaser if the motor vehicle is purchased for the purpose of leasing the vehicle to another person.

(d) Authorizes TCEQ, by rule, to revise the standards for the maximum unloaded vehicle weight rating and gross vehicle weight rating of an eligible vehicle to ensure that all of the vehicle weight configurations available under one general vehicle model are authorized to be eligible for an incentive.

Sec. 386.154. LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE REQUIREMENTS. (a) Provides that a new light-duty motor vehicle powered by compressed natural gas or liquefied petroleum gas is eligible for a \$5,000 incentive for certain vehicles.

(b) Authorizes TCEQ, by rule, if TCEQ determines that an updated version of a code or standard described by Subsection (a)(5) (relating to the eligibility of a light-duty motor vehicle for an incentive if the vehicle has certain natural gas components) is more stringent than the version of the code or standard described by Subsection (a)(5), to provide that a vehicle for which a person applies for an incentive under Subsection (a) is eligible for the incentive only if the vehicle complies with the updated version of the code or standard.

(c) Provides that the incentive under Subsection (a) is limited to 1,000 vehicles for each state fiscal biennium.

(d) Provides that a new light-duty motor vehicle powered by an electric drive is eligible for a \$2,500 incentive for certain vehicles.

(e) Provides that the incentive under Subsection (d) is limited to 2,000 vehicles for each state fiscal biennium.

Sec. 386.155. MANUFACTURER'S REPORT. (a) Requires a manufacturer of motor vehicles, an intermediate or final state vehicle manufacturer, or a

manufacturer of compressed natural gas or liquefied petroleum gas systems, at the beginning of but not later than July 1 of each year preceding the vehicle model year, to provide to TCEQ a list of the new vehicle or natural gas or liquefied petroleum gas systems models that the manufacturer intends to sell in this state during that model year that meet the incentive requirements established under Section 386.154. Authorizes the manufacturer or installer to supplement the list provided to TCEQ under this section as necessary to include additional new vehicle models the manufacturer intends to sell in this state during the model year.

(b) Authorizes TCEQ to supplement the information provided under Subsection (a) with additional information on available vehicle models, including information provided by manufacturers or installers of systems to convert new motor vehicles to operate on natural gas or liquefied petroleum gas before sale as a new vehicle or within 500 miles of operation of the vehicle following first sale.

Sec. 386.156. LIST OF ELIGIBLE MOTOR VEHICLES. (a) Requires TCEQ, on August 1 of each year, to publish a list of new motor vehicle models eligible for inclusion in an incentive under this subchapter. Requires TCEQ to publish supplements to that list as necessary to include additional new vehicle models.

(b) Requires TCEQ to publish the list of eligible motor vehicle models on TCEQ's Internet website.

Sec. 386.157. LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE. (a) Provides that a person who purchases or leases a new light-duty motor vehicle described by Section 386.154 and listed under Section 386.156(a) is eligible to apply for an incentive under this subchapter.

(b) Requires that a lease incentive for a new light-duty motor vehicle be prorated based on a three-year lease term.

(c) Requires the purchaser or lessee of a new light-duty motor vehicle who is eligible to apply for an incentive under this subchapter, to receive money under an incentive program provided by this subchapter, to apply for the incentive in the manner provided by law or by rule of TCEQ.

Sec. 386.158. COMMISSION TO ACCOUNT FOR MOTOR VEHICLE PURCHASE OR LEASE INCENTIVES. (a) Requires TCEQ, by rule, to develop a method to administer and account for the motor vehicle purchase or lease incentives authorized by this subchapter and to pay incentive money to the purchaser or lessee of a new motor vehicle, on application of the purchaser or lessee as provided by this subchapter.

(b) Requires TCEQ to develop and publish forms and instructions for the purchaser or lessee of a new motor vehicle to use in applying to TCEQ for an incentive payment under this subchapter. Requires TCEQ to make the forms available to new motor vehicle dealers and leasing agents. Requires dealers and leasing agents to make the forms available to their prospective purchasers or lessees.

(c) Authorizes TCEQ to require the submission of forms and documentation as needed to verify eligibility for an incentive under this subchapter.

Sec. 386.159. PURCHASE OR LEASE INCENTIVES INFORMATION. (a) Requires TCEQ to establish a toll-free telephone number available to a motor vehicle dealers and leasing agents for the dealers and agents to call to verify that incentives are available. Authorizes TCEQ to provide for issuing verification numbers over the telephone line.

(b) Provides that reliance by a dealer or leasing agent on information provided by TCEQ is a complete defense to an action involving or based on eligibility of a vehicle for an incentive or availability of vehicles eligible for an incentive.

Sec. 386.160. RESERVATION OF INCENTIVES. Authorizes TCEQ to provide for dealers and leasing agents to reserve for a limited time period incentives for vehicles that are not readily available and are required to be ordered, if the dealer or leasing agent has a purchase or lease order signed by an identified customer.

(f) Amends the heading to Subchapter D-1, Chapter 386, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, to read as follows:

SUBCHAPTER D-1. SEAPORT AND RAIL YARD AREAS EMISSIONS REDUCTION PROGRAM

(f-1) Amends the heading to Section 386.181, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, to read as follows:

Sec. 386.181. DEFINITIONS; RULES.

(f-2) Amends Section 386.181(a), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(a) Defines "cargo handling equipment" and "repower" and redefines "drayage truck."

(g) Amends Section 386.182, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 386.182. COMMISSION DUTIES. (a) Requires TCEQ to:

(1) develop a purchase incentive program to encourage owners to:

(A) replace older drayage trucks and cargo handling equipment with newer drayage trucks and cargo handling equipment, rather than with pre-2007 model year engines with newer drayage trucks; or

(B) repower drayage trucks and cargo handling equipment; and

(2) adopt guidelines necessary to implement the program described by Subdivision (1). Makes a nonsubstantive change.

(b) Requires TCEQ, by rule and guidelines, to establish criteria for the engines and the models of drayage trucks and cargo handling equipment that are eligible for inclusion in an incentive program under this subchapter. Deletes existing text requiring that the guidelines provide that a drayage truck owner is not eligible for an incentive for an incentive payment under this subchapter unless the truck being replaced contains a pre-2007 model year engine and the replacement truck's engine is from model year 2010 or later as determined by TCEQ and that the truck operates at a seaport or rail yard.

(g-1) Amends the heading to Section 386.183, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, to read as follows:

Sec. 386.183. DRAYAGE TRUCK AND CARGO HANDLING EQUIPMENT PURCHASE INCENTIVE.

(g-2) Amends Section 386.183, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, by amending Subsections (a), (b), (c), (d), and (e), and adding Subsection (a-1), as follows:

(a) Requires a person, to be eligible for an incentive under this subchapter, to:

(1) purchase a replacement drayage truck, piece of cargo handling equipment, or engine that under Subsection (a-1)(1)(A) (relating to a drayage truck or cargo handling equipment with a certain motor or engine) or (2)(A) (relating to requiring a certain electric motor or engine), as applicable, and the guidelines adopted by TCEQ under Section 386.182 is eligible for inclusion in the program for an incentive under this subchapter; and

(2) agree to:

(A) register the drayage truck in this state, if the replacement or repowered vehicle is an on-road drayage truck;

(B) operate the replacement or repowered drayage truck or cargo handling equipment in and within a maximum distance established by TCEQ of a seaport or rail yard in a nonattainment area of this state for not less than 50 percent of the truck's or equipment's, rather than vehicle's, annual mileage or hours of operation, as determined by TCEQ; and

(C) permanently remove the drayage truck, cargo handling equipment, or engine replaced under the program, rather than a pre-2007 drayage truck containing a pre-2007 engine owned by the person, from operation in a nonattainment area of this state by destroying the engine in accordance with guidelines established by TCEQ and, if the incentive is for a replacement drayage truck or cargo handling equipment, scrapping the truck or equipment after the purchase of the replacement truck or equipment, rather than the new truck, in accordance with guidelines established by TCEQ.

(a-1) Provides that to be eligible for purchase under this program:

(1) a drayage truck or cargo handling equipment is required to meet certain requirements; and

(2) an engine repowering a drayage truck or cargo handling equipment is required to meet certain requirements.

(b) Requires the purchaser of a drayage truck, piece of cargo handling equipment, or engine eligible for inclusion in the program, to receive money under an incentive program provided by this subchapter, to apply for the incentive in the manner provided by law, rule, or guideline of TCEQ.

(c) Provides that not more than one incentive may be provided for each drayage truck or piece of cargo handling equipment purchased or repowered.

(d) Authorizes an incentive provided under this subchapter to be used to fund not more than 80 percent of, as applicable, the purchase price of certain equipment.

(e) Requires TCEQ to establish procedures to verify that a person who receives an incentive:

(1) has operated in a seaport or rail yard and owned or leased the drayage truck or cargo handling equipment to be replaced or repowered for at least two years prior to receiving the grant; and

(2) as applicable:

(A) after purchase of the replacement drayage truck or cargo handling equipment, permanently destroys the engine and scraps the truck or equipment replaced under the program, rather than the drayage truck that contained the pre-2007 engine owned or leased by the person, in accordance with guidelines established by TCEQ; or

(B) after repowering the drayage truck or cargo handling equipment, permanently destroys the engine that was contained in the truck or equipment in accordance with guidelines established by TCEQ, rather than after the purchase of the new truck.

(h) Amends Section 386.252, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 386.252. USE OF FUND. (a) Provides that, subject to the reallocation of funds by TCEQ under Subsection (h), money appropriated to TCEQ to be used for the programs under Section 386.051(b) is required to be initially be allocated in a certain manner. Makes nonsubstantive changes.

(b) Deletes existing Subsection (b) authorizing TCEQ to allocate unexpended money designated for the clean fleet program under Chapter 392 to other programs described under Subsection (a) after TCEQ allocates money to recipients under the clean fleet program. Deletes existing Subsection (c) authorizing TCEQ to allocate unexpended money designated for the Texas alternative fueling facilities program under Chapter 393 to other programs described under Subsection (a) after TCEQ allocates money to recipients under the alternative fueling facilities program. Deletes existing Subsection (d) authorizing TCEQ to reallocate money designated for the Texas natural gas vehicle grant program under Chapter 394 to other programs described under Subsection (a) under certain conditions. Deletes existing Subsection (e) prohibiting TCEQ, under Subsection (d), from reallocating more than the minimum amount of money necessary to resolve the noncompliance. Deletes existing Subsection (e-1) prohibiting money allocated under Subsection (a) to a particular program from being used for another program under the plan as determined by TCEQ. Redesignates existing Subsection (f) as Subsection (b).

(c) Redesignates existing Subsection (g) as Subsection (c) and makes a conforming change.

(d) Provides that, to supplement funding for air quality planning activities in affected counties, \$500,000 from the Texas emissions reduction plan (fund) is to be deposited annually in the state treasury to the credit of the clean air account created under Section 382.0622 (Clean Air Act Fees).

(e) Authorizes money in the fund to be allocated for administrative costs incurred by the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station as may be appropriated by the legislature.

(f) Provides that, to the extent that money is appropriated from the fund for that purpose, not more than \$2.5 million is authorized to be used by

TCEQ to conduct research and other activities associated with making any necessary demonstrations to the EPA to account for the impact of foreign emissions or an exceptional event.

(g) Authorizes TCEQ, to the extent that money is appropriated from the fund for that purpose, to use that money to award grants under the governmental alternative fuel fleet grant program established under Chapter 395, except that TCEQ is prohibited from using for that purpose more than three percent of the balance of the fund as of September 1 of each state fiscal year of the biennium for the governmental alternative fuel fleet grant program in that fiscal year.

(h) Authorizes money allocated under this section to a particular program, subject to the limitations outlined in this section and any additional limitations placed on the use of the appropriated funds, to be used for another program under the plan as determined by TCEQ, based on demand for grants for eligible projects under particular programs after TCEQ solicits projects to which to award grants according to the initial allocation provisions of this section.

(h-1) Amends Section 390.001, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, by amending Subdivision (1) and adding Subdivision (1-a), as follows:

(1) Defines "commission."

(1-a) Creates this subdivision from existing Subdivision (1) text.

(h-2) Amends Section 390.002(b), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(b) Provides that projects that may be considered for a grant under the program include:

(1) through (3) makes no changes to these subdivisions;

(4) and (5) makes nonsubstantive changes; and

(6) replacement of a pre-2007 model year school bus.

(i) Amends Section 390.004, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, by adding Subsections (c) and (d), as follows:

(c) Requires that a school bus proposed for replacement:

(1) be of model year 2006 or earlier;

(2) have been owned and operated by the applicant for at least the two years before submission of the grant application;

(3) be in good operational condition; and

(4) be currently used on a regular, daily route to and from a school.

(d) Requires that a school bus proposed for purchase to replace a pre-2007 model year school bus be of the current model year or the year before the current model year at the time of submission of the grant application.

(i-1) Amends Section 390.005, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 390.005. RESTRICTION ON USE OF GRANT. (a) Creates this subsection from existing text and makes no further changes to this subsection.

(b) Requires that a school bus acquired to replace an existing school bus be purchased and requires the grant recipient required to agree to own and operate the school bus on a regular, daily route to and from a school for at least five years after a start date established by TCEQ, based on the date TCEQ accepts documentation of the permanent destruction or permanent removal of the school bus being replaced.

(c) Requires that a school bus replaced under this program be rendered permanently inoperable by crushing the bus, by making a hole in the engine block and permanently destroying the frame of the bus, or by another method approved by TCEQ, or be permanently removed from operation in this state. Requires TCEQ to establish criteria for ensuring the permanent destruction or permanent removal of the engine or bus. Requires TCEQ to enforce the destruction and removal requirements.

(d) Defines "permanent removal."

(i-2) Amends Section 390.006, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 390.006. EXPIRATION. Provides that this chapter (Clean School Bus Program) expires on the last day of the state fiscal biennium during which TCEQ publishes in the Texas Register the notice required by Section 382.037, rather than August 31, 2019.

(j) Amends Section 391.002(b), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(b) Provides that projects that are authorized to be considered for a grant under the program include:

(1) makes no changes to this subdivision;

(2) new technology projects that reduce emissions of regulated pollutants from stationary sources, rather than point sources;

(3) new technology projects that reduce emissions from upstream and midstream oil and gas production, completions, gathering, storage, processing, and transmission activities through:

(A) the replacement, repower, or retrofit of stationary compressor engines;

(B) the installation of systems to reduce or eliminate the loss of gas, flaring of gas, or burning of gas using other combustion control devices; or

(C) the installation of systems that reduce flaring emissions and other site emissions by capturing waste heat to generate electricity solely for on-site service; and

(4) redesignates existing Subdivision (3) as Subdivision (4).

(j-1) Amends Section 391.102(f), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(f) Authorizes TCEQ in reviewing a grant application under this chapter (New Technology Implementation for Facilities and Stationary Sources), rather than requires TCEQ in coordinating interagency application review procedures, to:

- (1) solicit review and comments from certain entities; and
- (2) makes a nonsubstantive change. Deletes existing Subdivision (3).

(j-2) Amends Section 391.104, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 391.104. REPORTING REQUIREMENTS. Requires TCEQ to include in the biennial plan report required by Section 386.057(b) information, rather than to annually prepare a report, that summarizes the applications received and grants awarded in the preceding biennium, rather than year. Authorizes the preparation of the information for the report, rather than requires it, to include the participation of any state agency involved in the review of applications under Section 391.102 (Grant Program), if TCEQ determines participation of the agency is needed. Makes nonsubstantive changes.

(k) Amends Section 391.205(a), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(a) Requires TCEQ, except as provided by Subsection (c) (relating to authorizing TCEQ to give preference only under certain conditions), in awarding grants under this chapter to give preference to certain projects.

(k-1) Amends Section 391.304, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 391.304. EXPIRATION. Provides that this chapter expires on the last day of the state fiscal biennium during which TCEQ publishes in the Texas Register the notice required by Section 382.037, rather than August 31, 2019.

(k-2) Amends Section 392.001(1), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, to redefine "alternative fuel."

(l) Amends Sections 392.002(b) and (c), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(b) Provides that an entity that places 10 or more, rather than 20 or more, qualifying vehicles in service for use entirely in this state during a calendar year is eligible to participate in the program.

(c) Provides that, notwithstanding Subsection (b), an entity that submits a grant application for 10 or more, rather than 20 or more, qualifying vehicles is eligible to participate in the program even if TCEQ denies approval for one or more of the vehicles during the application process.

(l-1) Amends Section 392.003(a), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(a) Provides that a vehicle is a qualifying vehicle that is authorized to be considered for a grant under the program if during the eligibility period established by TCEQ, rather than during the calendar year, the entity purchases a new on-road vehicle that:

(1) is certified to the appropriate current federal emissions standards as determined by TCEQ; and

(2) and (3) makes no changes to these subdivisions.

(l-2) Amends Section 392.004(d), Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

(d) Deletes existing text authorizing an applicant to be required to submit a photograph or certain other documentation only if the photograph or documentation is requested by TCEQ after TCEQ has decided to award a grant to the applicant under this chapter.

(m) Amends Section 392.005, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, by amending Subsections (c) and (i) and adding Subsection (c-1), as follows:

(c) Requires the qualifying vehicle, as a condition of receiving a grant, to be continuously owned, registered, and operated in the state by the grant recipient until the earlier of the fifth anniversary of the activity start date established by TCEQ, rather than the date of reimbursement of the grant-funded expenses, or the date the vehicle has been in operation for 400,000 miles after the activity start date established by TCEQ, rather than the date of reimbursement. Makes a nonsubstantive change.

(c-1) Requires TCEQ, for purposes of Subsection (c), to establish the activity start date based on the date TCEQ accepts verification of the disposition of the vehicle being replaced.

(i) Authorizes the executive director, rather than requires the executive director, to waive certain requirements on a finding of good cause, which is authorized to include a waiver for short lapses in registration or operation attributable to economic conditions, seasonal work, or other circumstances.

(m-1) Amends Section 392.008, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 392.008. EXPIRATION. Provides that this chapter expires on the last day of the state fiscal biennium during which TCEQ publishes in the Texas Register the notice required by Section 382.037, rather than August 31, 2017.

(m-2) Amends Section 393.001, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, by amending Subdivision (1) and adding Subdivision (1-a) to redefine "alternative fuel" and define " clean transportation zone."

(n) Amends Section 393.002, Health and Safety Code, effective on the date that TERPAB is abolished under Subsection (a) of this section, as follows:

Sec. 393.002. PROGRAM. (a) Requires TCEQ to establish and administer the Texas alternative fueling facilities program to provide fueling facilities for alternative fuel in the clean transportation zone, rather than the nonattainment areas.

(b) Provides that an entity that constructs or reconstructs, rather than constructs, reconstructs, or acquires, an alternative fueling facility is eligible to participate in the program.

(c) Requires TCEQ, to ensure that alternative fuel vehicles have access to fuel and to build the foundation for a self-sustaining market for alternative fuels in Texas,

to provide for strategically placed fueling facilities in the clean transportation zone to enable an alternative fuel vehicle to travel in those areas relying solely on the alternative fuel.

(d) Requires TCEQ to maintain a listing to be made available to the public online of all vehicle fueling facilities that have received grant funding, including location and hours of operation.

(n-1) Amends Section 393.003, Health and Safety Code, by amending Subsections (a) and (b) and adding Subsections (d) and (e), effective on the date that TERPAB is abolished, as follows:

(a) Authorizes an entity operating in this state that constructs or reconstructs a facility to dispense alternative fuels to apply for and receive a grant under the program. Deletes existing text authorizing an entity operating in this state that constructs, reconstructs, or acquires a facility to store, compress, or dispense alternative fuels to apply for and receive a grant under the program.

(b) Deletes existing text authorizing TCEQ to adopt certain guidelines.

(d) Requires that an application for a grant under the program include a certification that the applicant complies with laws, rules, guidelines, and requirements applicable to taxation of fuel provided by the applicant at each fueling facility owned or operated by the applicant. Authorizes TCEQ to terminate a grant awarded under this section without further obligation to the grant recipient if TCEQ determines that the recipient did not comply with a law, rule, guideline, or requirement described by this subsection. Provides that this subsection does not create a cause of action to contest an application or award a grant.

(e) Requires TCEQ to disburse grants under the program through a competitive application selection process to offset a portion of the eligible costs.

(n-2) Amends Section 393.004, Health and Safety Code, effective on the date that TERPAB is abolished, as follows:

Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS. (a) Requires TCEQ, in addition to the requirements of this chapter (Alternative Fueling Facilities Program), to establish additional eligibility and prioritization criteria as needed to implement the program. Deletes existing text requiring TCEQ by rule to establish criteria for prioritizing facilities eligible to receive grants under this chapter and review and revise the criteria as appropriate.

(b) Requires that the prioritization criteria established under Subsection (a) provide that, for each grant round, TCEQ is prohibited from awarding a grant to an entity that does not agree to make the alternative fueling facility accessible and available to the public at times designated by the grant contract until each eligible entity that does not agree to those terms has been awarded a grant. Deletes existing text requiring that the entity receiving the grant, to be eligible for a grant under the program, agree to make the alternative fueling facility available to persons not associated with the entity at times designated by the grant agreement.

(c) Prohibits TCEQ from awarding more than one grant for each facility.

(d) Authorizes TCEQ to give preference to or otherwise limit grant selections to fueling facilities providing specific types of alternative fuels, fueling facilities in the specified area or location, and fueling facilities meeting other specified prioritization criteria established by TCEQ.

(e) Requires TCEQ, for fueling facilities to provide natural gas, to give preference to facilities providing both liquefied natural gas and compressed natural gas at a single location, facilities located not more than one mile from an interstate highway system, facilities located in the area in and between the Houston, San Antonio, and Dallas-Fort Worth areas, and facilities located in the area in and between the Corpus Christi, Laredo, and San Antonio areas. Deletes existing text providing that a recipient of a grant under this chapter is not eligible to receive a second grant under this chapter for the same facility.

(o) Amends Section 393.005, Health and Safety Code, effective on the date TERPAB is abolished, as follows:

Sec. 393.005. RESTRICTION ON USE OF GRANT. (a) Creates this subsection from existing text. Prohibits the recipient of a grant under this chapter from using the grant to pay the recipient's administrative expenses, expenses for the purchase of land or an interest in land, or expenses for equipment or facility improvements that are not directly related to the delivery, storage, compression, or dispensing of the alternative fuel at the facility.

(b) Requires that each grant be awarded using a contract that requires the recipient to meet operational, maintenance, and reporting requirements as specified by TCEQ.

(o-1) Amends Section 393.006, Health and Safety Code, effective on the date TERPAB is abolished, as follows:

Sec. 393.006. AMOUNT OF GRANT. (a) Prohibits grants awarded under this chapter for a facility to provide alternative fuels other than natural gas from exceeding the lesser of 50 percent of the sum of the actual eligible costs incurred by the grant recipient within deadlines established by TCEQ or \$600,000. Deletes existing text requiring TCEQ, for each eligible facility for which a recipient is awarded a grant under the program, to award the grant in an amount equal to the lesser of 50 percent of the sum of the actual eligible costs incurred by the grant recipient within deadlines established by TCEQ to construct, reconstruct, or acquire the facility or \$600,000.

(b) Prohibits grants awarded under this chapter for a facility to provide natural gas from exceeding \$400,000 for a compressed natural gas facility, \$400,000 for a liquefied natural gas facility, or \$600,000 for a facility providing both liquefied and compressed natural gas.

(o-2) Amends Section 393.007, Health and Safety Code, effective on the date TERPAB is abolished, as follows:

Sec. 393.007. EXPIRATION. Provides that this chapter expires on the last day of the state fiscal biennium during which TCEQ publishes in the Texas Registrar the notice required by Section 382.037, rather than August 31, 2018.

(p) Amends Section 394.001, Health and Safety Code, by amending Subdivisions (1), (4), (5), and (8) and adding Subdivisions (1-a) and (7-a), effective on the date TERPAB is abolished, to redefine "heavy-duty motor vehicle," "incremental cost," and "natural gas vehicle" and define "certified," "clean transportation zone," and "natural gas engine," and delete existing definition of "advisory board."

(p-1) Amends Section 394.003(a), Health and Safety Code, effective on the date TERPAB is abolished, as follows:

(a) Provides that a vehicle is a qualifying vehicle that is authorized to be considered for a grant under the program if during the eligibility period established by TCEQ, rather than calendar year, the entity meets certain criteria.

(p-2) Amends Section 394.005, Health and Safety Code, by amending Subsections (a), (b), (c), (f), (g), and (i) and adding Subsection (c-1), effective on the date TERPAB is abolished, as follows:

(a) Requires TCEQ, rather than requires TCEQ by rule, to establish criteria for prioritizing qualifying vehicles eligible to receive grants under this chapter. Requires TCEQ to review and revise the criteria as appropriate, rather than after consultation TERPAB.

(b) Requires that to be eligible for a grant under the program the qualifying vehicle meet certain criteria.

(c) Requires that the qualifying vehicle, as a condition of receiving a grant, be continuously owned, leased, or otherwise commercially financed and registered and operated in the state by the grant recipient until the earlier of the fourth anniversary of the activity start date established by TCEQ, rather than the date of reimbursement of the grant-funded expenses, or the date the vehicle has been in operation for 400,000 miles after the activity start date established by TCEQ, rather than or until the date the vehicle has been in operation for 400,000 miles after the date of reimbursement. Requires that not less than 75 percent of the annual use of the qualifying vehicle, either mileage or fuel use as determined by TCEQ, occur in the clean transportation zone. Deletes existing text relating to requiring that not less than 75 percent of the annual use of the qualifying vehicle, either mileage or fuel use as determined by TCEQ, occur in the clean transportation zone in certain counties.

(c-1) Requires TCEQ, for purposes of Subsection (c), to establish the activity start date based on the date TCEQ accepts verification of the disposition of the vehicle or engine.

(f) Requires that a heavy-duty or medium-duty motor vehicle replaced under this program be rendered permanently inoperable by crushing the vehicle, by making a hole in the engine block and permanently destroying the frame of the vehicle, or by another method approved by TCEQ, or be permanently removed from operation in this state. Requires TCEQ establish criteria for ensuring the permanent destruction or permanent removal of the engine or vehicle. Requires TCEQ to enforce the destruction and removal requirements. Defines "permanent removal." Makes nonsubstantive changes.

(g) Requires TCEQ to establish baseline emission levels for emissions of nitrogen oxides for on-road heavy-duty or medium-duty motor vehicles being replaced or repowered by using the emission certification for the engine or vehicle being replaced. Deletes existing text authorizing TCEQ to consider and establish baseline emission rates for additional pollutants of concern, as determined by TCEQ after consultation with TERPAB.

(i) Authorizes the executive director, rather than requires the executive director, to waive certain requirements on a finding of good cause, which may include short lapses in registration or operation due to economic conditions, seasonal work, or other circumstances.

(q) Amends Section 394.006, Health and Safety Code, effective on the date TERPAB is abolished, as follows:

Sec. 394.006. RESTRICTION ON USE OF GRANT. Requires a recipient of a grant under this chapter to use the grant to pay the incremental costs of the

replacement or vehicle power for which the grant is made, which may include a portion of the initial cost of the natural gas vehicle or natural gas engine, including the cost of the natural gas fuel system and installation, rather than include the initial cost of the natural gas vehicle or natural gas engine and the reasonable and necessary expenses incurred for the labor needed to install emissions-reducing equipment.

(q-1) Amends Section 394.007(c), Health and Safety Code, effective on the date TERPAB is abolished, to include references to vehicle repower.

(q-2) Amends Sections 394.008(a) and (b), Health and Safety Code, effective on the date TERPAB is abolished, as follows:

(a) Requires TCEQ establish, rather than adopt, procedures for awarding grants under this chapter to reimburse eligible costs, rather than in the form of rebates; streamlining the grant application, contracting, reimbursement, and reporting process for qualifying natural gas vehicle purchases or repowers; and preapproving the awards of grants to applicants who propose to purchase and replace motor vehicles described by Section 394.005(b)(2)(B) (relating to requiring that the qualifying vehicle replace a certain heavy-duty or medium-duty motor vehicle).

(b) Requires that procedures established, rather than adopted, under this section meet certain criteria.

(r) Amends Section 394.012, Health and Safety Code, effective on the date TERPAB is abolished, as follows:

Sec. 394.012. EXPIRATION. Provides that this chapter expires on the last day of the state fiscal biennium during which TCEQ publishes in the Texas Register the notice required by Section 382.037, rather than August 31, 2017.

(r-1) Amends Subtitle C, Title 5, Health and Safety Code, by adding Chapter 395, effective on the date TERPAB is abolished, as follows:

CHAPTER 395. GOVERNMENTAL ALTERNATIVE FUEL FLEET GRANT PROGRAM

Sec. 395.001. DEFINITIONS. Defines "alternative fuel," "commission," "incremental cost," "motor vehicle," "plug-in hybrid motor vehicle," "political subdivision," "program," and "state agency."

Sec. 395.002. PROGRAM. (a) Requires TCEQ to establish and administer a governmental alternative fuel fleet grant program to assist an eligible applicant described by Section 395.003 in purchasing or leasing new motor vehicles that operate primarily on an alternative fuel.

(b) Authorizes the program to provide a grant to an applicant described by Section 395.003 to purchase or lease a new motor vehicle described by Section 395.004 or purchase, lease, or install refueling infrastructure or equipment or procure refueling services as described by Section 395.005 to store and dispense alternative fuel needed for a described motor vehicle.

Sec. 395.003. ELIGIBLE APPLICANTS. (a) Provides that a state agency or political subdivision is eligible to apply for a grant under the program if the entity operates a fleet of more than 15 motor vehicles, excluding motor vehicles that are owned and operated by a private company or other third party under a contract with the entity.

(b) Provides that a mass transit or school transportation provider or other public entity established to provide public or school transportation services is eligible for a grant under the program.

Sec. 394.004. MOTOR VEHICLE REQUIREMENTS. (a) Authorizes a grant recipient to purchase or lease with money from a grant under the program a new motor vehicle that is originally manufactured to operate using one or more alternative fuels or is converted to operate using one or more alternative fuels before the first retail sale of the vehicle, and that meets certain criteria.

(b) Prohibits a grant recipient from using money from a grant under the program to replace a motor vehicle, transit bus, or school bus that operates on an alternative fuel unless the replacement vehicle produces fewer emissions and has greater fuel efficiency than the vehicle being replaced.

Sec. 395.005. REFUELING INFRASTRUCTURE, EQUIPMENT, AND SERVICES. Authorizes a grant recipient to purchase, lease, or install refueling infrastructure or equipment or procure refueling services with money from a grant under the program if certain criteria are met.

Sec. 395.006. ELIGIBLE COSTS. (a) Requires that a motor vehicle lease agreement paid for with money from a grant under the program have a term of at least three years.

(b) Requires that refueling infrastructure or equipment purchased or installed with money from a grant under the program be used specifically to store or dispense alternative fuel, as determined by TCEQ.

(c) Requires that a lease of or service agreement for refueling infrastructure, equipment, or services paid for with money from a grant under the program have a term of at least three years.

Sec. 395.007. GRANT AMOUNTS. (a) Authorizes TCEQ to establish standardized grant amounts based on the incremental costs associated with the purchase or lease of different categories of motor vehicles, including the type of fuel used, vehicle class, and other categories TCEQ appropriate.

(b) Authorizes TCEQ, in determining the incremental costs and setting the standardized grant amounts, to consider the difference in cost between a new motor vehicle operated using conventional gasoline or diesel fuel and a new motor vehicle operated using alternative fuel.

(c) Prohibits the amount of a grant for the purchase or lease of a motor vehicle from exceeding the amount of the incremental cost of the purchase or lease.

(d) Authorizes TCEQ to establish grant amount to reimburse the full cost of the purchase, lease, installation, or procurement of refueling infrastructure, equipment, or services or to establish criteria for reimbursing a percentage of the cost.

(e) Authorizes a grant under the program to be combined with funding from other sources, including other grant programs, except that a grant is prohibited from being combined with other funding or grants from the Texas emission reduction plan. Prohibits a grant, when combined with other funding sources, from exceeding the total cost to the grant recipient.

(f) Requires TCEQ, in providing a grant for the lease of a motor vehicle under this chapter, to establish certain criteria.

(g) Requires TCEQ, in providing a grant for the lease of refueling infrastructure, equipment, or services, to establish certain criteria.

(h) Provides that, notwithstanding Subsection (d), TCEQ is not obligated to fund the full cost of the purchase, lease, installation, or procurement of refueling infrastructure, equipment, or services if those costs cannot be incurred and reimbursed over the period of availability of the funds under applicable state law and regulation.

Sec. 395.008. AVAILABILITY OF EMISSIONS REDUCTION CREDITS. (a) Provides that a project that is funded from a grant under the program and that would generate marketable emissions reduction credits under a state or federal emissions reduction credit averaging, banking, or trading program is not eligible for funding under the program unless certain criteria are met.

(b) Authorizes an emissions reduction generated by a purchase or lease under this chapter to be used to demonstrate conformity with the state implementation plan.

Sec. 395.009. USE OF GRANT MONEY. Requires a grant recipient when using money from a grant under the program to prioritize the purchase or lease of new motor vehicles, including new motor vehicles that are converted to operate on an alternative fuel, when replacing vehicles or adding vehicles to the fleet, the purchase of new motor vehicles, including new motor vehicles that are converted to operate on an alternative fuel, to replace vehicles that have the highest total mileage and do not use an alternative fuel, and to the extent feasible, obtaining, whether by purchase, purchase and conversion, or lease, motor vehicles that use compressed natural gas, liquefied natural gas, or liquefied petroleum gas.

Sec. 395.010. GRANT PROCEDURES AND CRITERIA. (a) Requires TCEQ to establish specific criteria and procedures in order to implement and administer the program, including the creation and provision of application forms and guidance on the application process.

(b) Requires TCEQ to award a grant through a contract between TCEQ and the grant recipient.

(c) Requires TCEQ to provide an online application process for the submission of all required application documents.

(d) Authorizes TCEQ to limit funding for a particular period according to priorities established by TCEQ, including limiting the availability of grants to specific entities, for certain types of vehicles and infrastructure, or to certain geographic areas to ensure equitable distribution of grant funds across the state.

(e) Requires TCEQ, in awarding grants under the program, to prioritize projects in a certain order.

(f) Requires TCEQ, in addition to the requirements under Subsection (e), in awarding grants under the program, to consider the total amount of the emissions reduction that would be achieved from the project, the type and number of vehicles purchased or leased, the location of the fleet and the refueling infrastructure or equipment, the number of vehicles served and the rate at which vehicles are served by the refueling infrastructure or equipment, the amount of any matching funds committed by the applicant, and the schedule for project completion.

(g) Prohibits TCEQ from awarding more than 10 percent of the total amount awarded under the program in any fiscal year for purchasing,

leasing, installing, or procuring refueling infrastructure, equipment, or services.

Sec. 395.011. FUNDING. Authorizes the legislature to appropriate money to TCEQ from the Texas emission reduction plan fund established under Section 386.251 to administer the program.

Sec. 395.012. ADMINISTRATIVE COSTS. Authorizes TCEQ, in each fiscal year, to use up to 1.5 percent of the total amount of money allocated to the program in that fiscal year, but not more than \$1 million, for the administrative costs of the program.

Sec. 395.013. RULES. Authorizes TCEQ to adopt rules as necessary to implement this chapter.

Sec. 395.014. REPORT REQUIRED. Requires TCEQ, on or before November 1 of each even-numbered year, to submit to the governor, lieutenant governor, and members of the legislature a report that includes the number of grants awarded under the program; the recipient of each grant awarded; the number of vehicles replaced; the number, type, and location of any refueling infrastructure, equipment, or services funded under the program; the total emissions reductions achieved under the program; and any other information TCEQ considers relevant, regarding awards made under the program during the preceding state fiscal biennium.

Sec. 395.015. EXPIRATION. Provides that this chapter expires on the last day of the state fiscal biennium during which TCEQ publishes in the Texas Register the notice required by Section 382.037.

(r-2) Repealer, effective on the date TERPAB is abolished: Section 386.001(1) (relating to the definition of "advisory board"), Health and Safety Code.

Repealer, effective on the date TERPAB is abolished: Section 386.058 (Texas Emissions Reduction Plan Advisory Board), Health and Safety Code.

Repealer, effective on the date TERPAB is abolished: Section 394.001(1) (relating to the definition of "advisory board"), Health and Safety Code.

Repealer, effective on the date TERPAB is abolished: Section 394.009 (Participating Dealers), Health and Safety Code.

Repealer, effective on the date TERPAB is abolished: Section 394.010 (Clean Transportation Triangle), Health and Safety Code.

Repealer, effective on the date TERPAB is abolished: Section 394.011 (Administration of Program), Health and Safety Code.

(s) Provides that this subsection takes effect on the date that TERPAB is abolished under Subsection (a) of this section. Requires TCEQ, as soon as practicable after the effective date of this subsection, to implement the online application process required by Section 395.010(c), Health and Safety Code, as added by this section. Authorizes TCEQ, prior to the implementation of the online application process, to accept applications for a grant under Chapter 395, Health and Safety Code, as added by this section, in any manner provided by TCEQ.

(s-1) Provides that this subsection takes effect on the date that TERPAB is abolished under Subsection (a) of this section. Provides that the changes in law made by this section apply only to the Texas emissions reduction plan grant awarded on or after the effective date of this section. Provides that a grant awarded before the effective date of this section

is governed by the law in effect on the date the award was made, and the former law is continued in effect for that purpose.

(t) Provides that this section takes effect August 30, 2017.

SECTION 9. FIRE ANT RESEARCH AND MANAGEMENT ACCOUNT ADVISORY COMMITTEE. (a) Abolishes the Fire Ant Research and Management Account Advisory Committee.

(b) Repealer: Section 77.022 (Fire Ant Basic Research Program), Agriculture Code.

Repealer: Section 88.215 (Fire Ant Research and Management Account Advisory Committee; Other Agencies), Education Code.

SECTION 10. PALLIATIVE CARE INTERDISCIPLINARY ADVISORY COUNCIL. Repealer: Section 118.003 (Application of Sunset Act), Health and Safety Code.

SECTION 11. AGRICULTURE POLICY BOARD. (a) Abolishes the Agriculture Policy Board.

(b) Repealer: Section 2.004 (Agriculture Policy Board), Agriculture Code.

SECTION 12. ADVISORY OVERSIGHT COMMUNITY OUTREACH COMMITTEE. (a) Abolishes the Advisory Oversight Community Outreach Committee.

(b) Repealer: Section 411.0197 (Advisory Oversight Community Outreach Committee), Government Code.

SECTION 13. RAIN HARVESTING AND WATER RECYCLING TASK FORCE. (a) Abolishes the task force under Section 2113.301(h), Government Code, as repealed by this section.

(b) Repealer: Section 2113.301(h) (relating to requiring the comptroller to appoint a task force to develop certain design recommendations to be used for state facilities), Government Code.

SECTION 14. STATE COGENERATION COUNCIL. (a) Abolishes the State Cogeneration Council (council). Provides that all rules adopted by the council are abolished.

(b) Amends Section 2302.024, Government Code, as follows:

Sec. 2302.024. AUTHORITY TO SELL POWER. Authorizes a cogenerating state agency, rather than authorizes a cogenerating state agency after the council has approved the application to construct or operate a cogeneration facility, to contract in the same manner as a qualifying facility for the sale to an electric utility to firm or nonfirm power produced by the state agency cogeneration facility that exceeds the agency's power requirements. Deletes existing designation of Subsection (a) and existing Subsection (b) (relating to a state agency consulting with the council). Makes a nonsubstantive change.

(c) Repealer: Section 2302.001(3) (relating to the definition of "council"), Government Code.

Repealers: Sections 2302.002 (Composition of Council), 2302.003 (Presiding Officer), 2302.004 (Compensation), 2302.005 (Council Expenses), 2302.006 (Experts), and 2302.007 (Duties of Council), Government Code.

Repealer: Section 2302.021(a) (relating to prohibiting a state agency from constructing or operating a state agency cogeneration

facility unless the council has made certain approvals), Government Code.

Repealer: Section 2302.022 (Application), Government Code.

SECTION 15. PREMARITAL EDUCATION HANDBOOK ADVISORY COMMITTEE. (a) Abolishes the advisory committee under Section 2.014(d), Family Code, as repealed by this section.

(b) Repealer: Section 2.014(d) (relating to requiring the Texas attorney general to appoint an advisory committee to assist in the development of the premarital education handbook), Family Code.

SECTION 16. INDEPENDENT REVIEW ORGANIZATION ADVISORY GROUP. (a) Abolishes the advisory group under Section 4202.011, Insurance Code, as repealed by this section.

(b) Repealer: Section 4202.011 (Advisory Group), Insurance Code.

SECTION 17. VEHICLE PROTECTION PRODUCT WARRANTOR ADVISORY BOARD. (a) Abolishes the Vehicle Protection Product Warrantor Advisory Board.

(b) Repealer: Subchapter C (Advisory Board), Chapter 2306 (Vehicle Protection Product Warrantors), Occupations Code.

SECTION 18. Effective date, except as otherwise provided by this Act: September 1, 2017.