

AN ACT

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.

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

SECTION 1. AGRICULTURE AND WILDLIFE RESEARCH AND MANAGEMENT ADVISORY COMMITTEE. (a) The Agriculture and Wildlife Research and Management Advisory Committee is abolished.

(b) Section 50.001, Agriculture Code, is amended to read as follows:

Sec. 50.001. PROGRAM. The Texas Agricultural Experiment Station~~[, in consultation with the Agriculture and Wildlife Research and Management Advisory Committee established under Section 88.216, Education Code,~~] shall develop and administer a program to finance agriculture and wildlife research that the Texas Agricultural Experiment Station determines to be of the highest scientific merit and to offer significant promise in providing new directions for long-term solutions to continued agriculture production, water availability, and wildlife habitat availability.

(c) Section 88.216, Education Code, is repealed.

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

1 Medal Committee is abolished.

2 (b) Chapter 3103, Government Code, is repealed.

3 SECTION 3. TEXAS BIOENERGY POLICY COUNCIL AND TEXAS  
4 BIOENERGY RESEARCH COMMITTEE. (a) The Texas Bioenergy Policy  
5 Council and the Texas Bioenergy Research Committee are abolished.

6 (b) Chapter 50D, Agriculture Code, is repealed.

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

11 SECTION 4. BORDER SECURITY COUNCIL. (a) The Border  
12 Security Council is abolished.

13 (b) Section 421.0025, Government Code, is repealed.

14 SECTION 5. COLLEGE OPPORTUNITY ACT COMMITTEE. (a) The  
15 College Opportunity Act committee is abolished.

16 (b) Chapter 1233, Government Code, is repealed.

17 SECTION 6. TEXAS DISTINGUISHED SERVICE AWARDS COMMITTEE.

18 (a) The Texas Distinguished Service Awards Committee is  
19 abolished.

20 (b) Chapter 3102, Government Code, is repealed.

21 SECTION 7. ADVISORY BOARD OF ECONOMIC DEVELOPMENT  
22 STAKEHOLDERS. (a) The advisory board of economic development  
23 stakeholders is abolished.

24 (b) Section 481.169, Government Code, is repealed.

25 SECTION 8. TEXAS EMISSIONS REDUCTION PLAN ADVISORY BOARD.

26 (a) The Texas Emissions Reduction Plan Advisory Board is abolished  
27 on the date that the programs described by Section 386.252(a),

1 Health and Safety Code, and the funding for those programs are  
2 continued in effect.

3 (a-1) In effectuating the abolition of the Texas Emissions  
4 Reduction Plan Advisory Board, the Texas Commission on  
5 Environmental Quality shall complete any unfinished work of the  
6 abolished advisory board, including conducting the annual review of  
7 programs required under Section 386.057(a), Health and Safety Code.  
8 In conducting that annual review, the commission shall consider the  
9 feasibility and benefits of implementing a governmental  
10 alternative fuel fleet grant program. If the commission determines  
11 that implementing a governmental alternative fuel fleet grant  
12 program is feasible and would contribute to emissions reductions,  
13 the commission may adopt rules governing the program and the  
14 eligibility of entities to receive grants from the fund created  
15 under Section 386.251, Health and Safety Code.

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

27 (b) To the extent of a conflict between Subsection (a-2) of

1 this section and any change in law made by another provision of this  
2 section, the change in law made by the other provision of this  
3 section controls.

4 (b-1) Effective on the date that the Texas Emissions  
5 Reduction Plan Advisory Board is abolished under Subsection (a) of  
6 this section, Subchapter B, Chapter 382, Health and Safety Code, is  
7 amended by adding Section 382.037 to read as follows:

8 Sec. 382.037. NOTICE IN TEXAS REGISTER REGARDING NATIONAL  
9 AMBIENT AIR QUALITY STANDARDS FOR OZONE. (a) This section applies  
10 only if:

11 (1) with respect to each active or revoked national  
12 ambient air quality standard for ozone referenced in 40 C.F.R.  
13 Section 81.344, the United States Environmental Protection Agency  
14 has, for each designated area referenced in that section:

15 (A) designated the area as attainment or  
16 unclassifiable/attainment; or

17 (B) approved a redesignation substitute making a  
18 finding of attainment for the area; and

19 (2) for each designated area described by Subdivision  
20 (1), with respect to an action of the United States Environmental  
21 Protection Agency described by Subdivision (1)(A) or (B):

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

25 (B) the rules under which the action was approved  
26 by the agency have been fully and finally upheld following judicial  
27 review or the limitations period to seek judicial review of those

1 rules has expired.

2 (b) Not later than the 30th day after the date the  
3 conditions described by Subsection (a) have been met, the  
4 commission shall publish notice in the Texas Register that, with  
5 respect to each active or revoked national ambient air quality  
6 standard for ozone referenced in 40 C.F.R. Section 81.344, the  
7 United States Environmental Protection Agency has, for each  
8 designated area referenced in that section:

9 (1) designated the area as attainment or  
10 unclassifiable/attainment; or

11 (2) approved a redesignation substitute making a  
12 finding of attainment for the area.

13 (b-2) Effective on the date that the Texas Emissions  
14 Reduction Plan Advisory Board is abolished under Subsection (a) of  
15 this section, Section 386.001(3), Health and Safety Code, is  
16 amended to read as follows:

17 (3) "Commission" means the Texas [~~Natural Resource~~  
18 ~~Conservation~~] Commission on Environmental Quality.

19 (c) Effective on the date that the Texas Emissions Reduction  
20 Plan Advisory Board is abolished under Subsection (a) of this  
21 section, Section 386.002, Health and Safety Code, is amended to  
22 read as follows:

23 Sec. 386.002. EXPIRATION. This chapter expires on the last  
24 day of the state fiscal biennium during which the commission  
25 publishes in the Texas Register the notice required by Section  
26 382.037 [August 31, 2019].

27 (c-1) Effective on the date that the Texas Emissions

1 Reduction Plan Advisory Board is abolished under Subsection (a) of  
2 this section, Section 386.051(b), Health and Safety Code, is  
3 amended to read as follows:

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

6 (1) the diesel emissions reduction incentive program  
7 established under Subchapter C, including for infrastructure  
8 projects established under that subchapter;

9 (2) the motor vehicle purchase or lease incentive  
10 program established under Subchapter D;

11 (3) the air quality research support program  
12 established under Chapter 387;

13 (4) the clean school bus program established under  
14 Chapter 390;

15 (5) the new technology implementation grant program  
16 established under Chapter 391;

17 (6) the regional air monitoring program established  
18 under Section 386.252(a);

19 (7) a health effects study as provided by Section  
20 386.252(a);

21 (8) air quality planning activities as provided by  
22 Section 386.252(d) [~~386.252(a)~~];

23 (9) a contract with the Energy Systems Laboratory at  
24 the Texas A&M Engineering Experiment Station for computation of  
25 creditable statewide emissions reductions as provided by Section  
26 386.252(a) [~~386.252(a)(14)~~];

27 (10) the clean fleet program established under Chapter

1 392;

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

4 (12) the natural gas vehicle grant program [~~and clean~~  
5 ~~transportation triangle program~~] established under Chapter 394;

6 (13) other programs the commission may develop that  
7 lead to reduced emissions of nitrogen oxides, particulate matter,  
8 or volatile organic compounds in a nonattainment area or affected  
9 county;

10 (14) other programs the commission may develop that  
11 support congestion mitigation to reduce mobile source ozone  
12 precursor emissions; [~~and~~]

13 (15) the seaport and rail yard areas emissions  
14 reduction [~~drayage truck incentive~~] program established under  
15 Subchapter D-1;

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

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

23 (18) the governmental alternative fuel fleet grant  
24 program established under Chapter 395.

25 (c-2) Effective on the date that the Texas Emissions  
26 Reduction Plan Advisory Board is abolished under Subsection (a) of  
27 this section, Sections 386.0515(a) and (c), Health and Safety Code,

1 are amended to read as follows:

2 (a) In this section:

3 (1) "Agricultural~~[, "agricultural]~~ product  
4 transportation" means the transportation of a raw agricultural  
5 product from the place of production using a heavy-duty truck to:

6 (A) ~~[(1)]~~ a nonattainment area;

7 (B) ~~[(2)]~~ an affected county;

8 (C) ~~[(3)]~~ a destination inside the clean  
9 transportation zone ~~[triangle]~~; or

10 (D) ~~[(4)]~~ a county adjacent to a county described  
11 by Paragraph (B) ~~[Subdivision (2)]~~ or that contains an area  
12 described by Paragraph (A) or (C) ~~[Subdivision (1) or (3)]~~.

13 (2) "Clean transportation zone" has the meaning  
14 assigned by Section 393.001.

15 (c) The determining factor for eligibility for  
16 participation in a program established under Chapter 392 or  
17 ~~[Chapter] 394[, as added by Chapter 892 (Senate Bill No. 385), Acts~~  
18 ~~of the 82nd Legislature, Regular Session, 2011,]~~ for a project  
19 relating to agricultural product transportation is the overall  
20 accumulative net reduction in emissions of oxides of nitrogen in a  
21 nonattainment area, an affected county, or the clean transportation  
22 zone ~~[triangle]~~.

23 (d) Effective on the date that the Texas Emissions Reduction  
24 Plan Advisory Board is abolished under Subsection (a) of this  
25 section, Sections 386.057(a) and (b), Health and Safety Code, are  
26 amended to read as follows:

27 (a) The commission~~[, in consultation with the advisory~~



1 ~~board,~~] annually shall review programs established under the plan,  
2 including each project funded under the plan, the amount granted  
3 for the project, the emissions reductions attributable to the  
4 project, and the cost-effectiveness of the project.

5 (b) Not later than December 1, 2002, and not later than  
6 December 1 of each subsequent second year, the commission[~~, in~~  
7 ~~consultation with the advisory board,~~] shall publish and submit to  
8 the legislature a biennial plan report. The report must include:

9 (1) the information included in the annual reviews  
10 conducted under Subsection (a);

11 (2) specific information for individual projects as  
12 required by Subsection (c);

13 (3) information contained in reports received under  
14 Sections 386.205, 388.003(e), 388.006, and 391.104; and

15 (4) a summary of the commission's activities under  
16 Section 386.052.

17 (d-1) Effective on the date that the Texas Emissions  
18 Reduction Plan Advisory Board is abolished under Subsection (a) of  
19 this section, Section 386.103, Health and Safety Code, is amended  
20 by adding Subsection (c) to read as follows:

21 (c) To reduce the administrative burden for the commission  
22 and applicants, the commission may streamline the application  
23 process by:

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

26 (2) developing, maintaining, and periodically  
27 updating a system to accept applications electronically through the

1 commission's Internet website.

2 (d-2) Effective on the date that the Texas Emissions  
3 Reduction Plan Advisory Board is abolished under Subsection (a) of  
4 this section, Sections 386.104(f) and (j), Health and Safety Code,  
5 are amended to read as follows:

6 (f) A proposed retrofit, repower, replacement, or add-on  
7 equipment project must document, in a manner acceptable to the  
8 commission, a reduction in emissions of oxides of nitrogen of at  
9 least 30 percent compared with the baseline emissions adopted by  
10 the commission for the relevant engine year and application. After  
11 study of available emissions reduction technologies and~~[~~ after  
12 public notice and comment, ~~[and after consultation with the~~  
13 ~~advisory board,~~] the commission may revise the minimum percentage  
14 reduction in emissions of oxides of nitrogen required by this  
15 subsection to improve the ability of the program to achieve its  
16 goals.

17 (j) The executive director may ~~[shall]~~ waive any  
18 eligibility requirements established under this section on a  
19 finding of good cause, which may include a waiver for short lapses  
20 in registration or operation attributable to economic conditions,  
21 seasonal work, or other circumstances.

22 (e) Effective on the date that the Texas Emissions Reduction  
23 Plan Advisory Board is abolished under Subsection (a) of this  
24 section, Sections 386.107, 386.114, and 386.115, Health and Safety  
25 Code, are amended to read as follows:

26 Sec. 386.107. ADJUSTMENT TO MAXIMUM COST-EFFECTIVENESS  
27 AMOUNT AND AWARD AMOUNT. After study of available emissions

1 reduction technologies and costs and after public notice and  
2 comment, the commission[~~, in consultation with the advisory board,~~]  
3 may change the values of the maximum grant award criteria  
4 established in Section 386.106 to account for inflation or to  
5 improve the ability of the program to achieve its goals.

6       Sec. 386.114. MODIFICATION OF INCENTIVE EMISSIONS  
7 STANDARDS. After evaluating new technologies and after public  
8 notice and comment, the commission[~~, in consultation with the  
9 advisory board,~~] may change the incentive emissions standards  
10 established by Section 386.113 to improve the ability of the  
11 program to achieve its goals.

12       Sec. 386.115. MODIFICATION OF VEHICLE ELIGIBILITY. After  
13 evaluating the availability of vehicles meeting the emissions  
14 standards and after public notice and comment, the commission[~~, in  
15 consultation with the advisory board,~~] may expand the program to  
16 include other on-road vehicles, regardless of fuel type used, that  
17 meet the emissions standards, have a gross vehicle weight rating of  
18 greater than 8,500 pounds, and are purchased or leased in lieu of a  
19 new on-road diesel.

20       (e-1) Effective on the date that the Texas Emissions  
21 Reduction Plan Advisory Board is abolished under Subsection (a) of  
22 this section, Sections 386.116(a), (b), and (c), Health and Safety  
23 Code, are amended to read as follows:

24       (a) In this section, "small business" means a business owned  
25 by a person who:

26               (1) owns and operates not more than five [~~two~~]  
27 vehicles, one of which is:

1 (A) an on-road diesel [~~with a pre-1994 engine~~  
2 ~~model~~]; or

3 (B) a non-road diesel [~~with an engine with~~  
4 ~~uncontrolled emissions~~]; and

5 (2) has owned the vehicle described by Subdivision  
6 (1)(A) or (B) for more than two years [~~one year~~].

7 (b) The commission [~~by rule~~] shall develop a method of  
8 providing fast and simple access to grants under this subchapter  
9 for a small business. The method must:

10 (1) create a separate small business grant program; or

11 (2) require the commission to give special  
12 consideration to small businesses when implementing another  
13 program established under this subchapter.

14 (c) The commission shall publicize and promote the  
15 availability of grants under this subchapter for small businesses  
16 [~~section~~] to encourage the use of vehicles that produce fewer  
17 emissions.

18 (e-2) Effective on the date that the Texas Emissions  
19 Reduction Plan Advisory Board is abolished under Subsection (a) of  
20 this section, Chapter 386, Health and Safety Code, is amended by  
21 adding Subchapter D to read as follows:

22 SUBCHAPTER D. MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE PROGRAM

23 Sec. 386.151. DEFINITIONS. In this subchapter:

24 (1) "Light-duty motor vehicle" means a motor vehicle  
25 with a gross vehicle weight rating of less than 10,000 pounds.

26 (2) "Motor vehicle" means a self-propelled device  
27 designed for transporting persons or property on a public highway

1 that is required to be registered under Chapter 502, Transportation  
2 Code.

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

6 Sec. 386.153. COMMISSION DUTIES REGARDING LIGHT-DUTY MOTOR  
7 VEHICLE PURCHASE OR LEASE INCENTIVE PROGRAM. (a) The commission  
8 shall develop a purchase or lease incentive program for new  
9 light-duty motor vehicles and shall adopt rules necessary to  
10 implement the program.

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

17 (c) Only one incentive will be provided for each new  
18 light-duty motor vehicle. The incentive shall be provided to the  
19 lessee and not to the purchaser if the motor vehicle is purchased  
20 for the purpose of leasing the vehicle to another person.

21 (d) The commission by rule may revise the standards for the  
22 maximum unloaded vehicle weight rating and gross vehicle weight  
23 rating of an eligible vehicle to ensure that all of the vehicle  
24 weight configurations available under one general vehicle model may  
25 be eligible for an incentive.

26 Sec. 386.154. LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE  
27 INCENTIVE REQUIREMENTS. (a) A new light-duty motor vehicle

1 powered by compressed natural gas or liquefied petroleum gas is  
2 eligible for a \$5,000 incentive if the vehicle:

3 (1) has four wheels;

4 (2) was originally manufactured to comply with and has  
5 been certified by an original equipment manufacturer or  
6 intermediate or final state vehicle manufacturer as complying with,  
7 or has been altered to comply with, federal motor vehicle safety  
8 standards, state emissions regulations, and any additional federal  
9 or state regulations applicable to vehicles powered by compressed  
10 natural gas or liquefied petroleum gas;

11 (3) was manufactured for use primarily on public  
12 streets, roads, and highways;

13 (4) has a dedicated or bi-fuel compressed natural gas  
14 or liquefied petroleum gas fuel system:

15 (A) installed prior to first sale or within 500  
16 miles of operation of the vehicle following first sale; and

17 (B) with a range of at least 125 miles as  
18 estimated, published, and updated by the United States  
19 Environmental Protection Agency;

20 (5) has, as applicable, a:

21 (A) compressed natural gas fuel system that  
22 complies with the:

23 (i) 2013 NFPA 52 Vehicular Gaseous Fuel  
24 Systems Code; and

25 (ii) American National Standard for Basic  
26 Requirements for Compressed Natural Gas Vehicle (NGV) Fuel  
27 Containers, commonly cited as "ANSI/CSA NGV2"; or

1                   (B) liquefied petroleum gas fuel system that  
2 complies with:

3                   (i) the 2011 NFPA 58 Liquefied Petroleum  
4 Gas Code; and

5                   (ii) Section VII of the 2013 ASME Boiler and  
6 Pressure Vessel Code; and

7                   (6) was acquired on or after September 1, 2013, or a  
8 later date established by the commission, by the person applying  
9 for the incentive under this subsection and for use or lease by that  
10 person and not for resale.

11                  (b) If the commission determines that an updated version of  
12 a code or standard described by Subsection (a)(5) is more stringent  
13 than the version of the code or standard described by Subsection  
14 (a)(5), the commission by rule may provide that a vehicle for which  
15 a person applies for an incentive under Subsection (a) is eligible  
16 for the incentive only if the vehicle complies with the updated  
17 version of the code or standard.

18                  (c) The incentive under Subsection (a) is limited to 1,000  
19 vehicles for each state fiscal biennium.

20                  (d) A new light-duty motor vehicle powered by an electric  
21 drive is eligible for a \$2,500 incentive if the vehicle:

22                   (1) has four wheels;

23                   (2) was manufactured for use primarily on public  
24 streets, roads, and highways;

25                   (3) has not been modified from the original  
26 manufacturer's specifications;

27                   (4) has a maximum speed capability of at least 55 miles

1 per hour;

2 (5) is propelled to a significant extent by an  
3 electric motor that draws electricity from a hydrogen fuel cell or  
4 from a battery that:

5 (A) has a capacity of not less than four kilowatt  
6 hours; and

7 (B) is capable of being recharged from an  
8 external source of electricity; and

9 (6) was acquired on or after September 1, 2013, or a  
10 later date as established by the commission, by the person applying  
11 for the incentive under this subsection and for use or lease by that  
12 person and not for resale.

13 (e) The incentive under Subsection (d) is limited to 2,000  
14 vehicles for each state fiscal biennium.

15 Sec. 386.155. MANUFACTURER'S REPORT. (a) At the beginning  
16 of but not later than July 1 of each year preceding the vehicle  
17 model year, a manufacturer of motor vehicles, an intermediate or  
18 final state vehicle manufacturer, or a manufacturer of compressed  
19 natural gas or liquefied petroleum gas systems shall provide to the  
20 commission a list of the new vehicle or natural gas or liquefied  
21 petroleum gas systems models that the manufacturer intends to sell  
22 in this state during that model year that meet the incentive  
23 requirements established under Section 386.154. The manufacturer  
24 or installer may supplement the list provided to the commission  
25 under this section as necessary to include additional new vehicle  
26 models the manufacturer intends to sell in this state during the  
27 model year.



1       (b) The commission may supplement the information provided  
2 under Subsection (a) with additional information on available  
3 vehicle models, including information provided by manufacturers or  
4 installers of systems to convert new motor vehicles to operate on  
5 natural gas or liquefied petroleum gas before sale as a new vehicle  
6 or within 500 miles of operation of the vehicle following first  
7 sale.

8       Sec. 386.156. LIST OF ELIGIBLE MOTOR VEHICLES. (a) On  
9 August 1 of each year the commission shall publish a list of new  
10 motor vehicle models eligible for inclusion in an incentive under  
11 this subchapter. The commission shall publish supplements to that  
12 list as necessary to include additional new vehicle models.

13       (b) The commission shall publish the list of eligible motor  
14 vehicle models on the commission's Internet website.

15       Sec. 386.157. LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE  
16 INCENTIVE. (a) A person who purchases or leases a new light-duty  
17 motor vehicle described by Section 386.154 and listed under Section  
18 386.156(a) is eligible to apply for an incentive under this  
19 subchapter.

20       (b) A lease incentive for a new light-duty motor vehicle  
21 shall be prorated based on a three-year lease term.

22       (c) To receive money under an incentive program provided by  
23 this subchapter, the purchaser or lessee of a new light-duty motor  
24 vehicle who is eligible to apply for an incentive under this  
25 subchapter shall apply for the incentive in the manner provided by  
26 law or by rule of the commission.

27       Sec. 386.158. COMMISSION TO ACCOUNT FOR MOTOR VEHICLE

1 PURCHASE OR LEASE INCENTIVES. (a) The commission by rule shall  
2 develop a method to administer and account for the motor vehicle  
3 purchase or lease incentives authorized by this subchapter and to  
4 pay incentive money to the purchaser or lessee of a new motor  
5 vehicle, on application of the purchaser or lessee as provided by  
6 this subchapter.

7 (b) The commission shall develop and publish forms and  
8 instructions for the purchaser or lessee of a new motor vehicle to  
9 use in applying to the commission for an incentive payment under  
10 this subchapter. The commission shall make the forms available to  
11 new motor vehicle dealers and leasing agents. Dealers and leasing  
12 agents shall make the forms available to their prospective  
13 purchasers or lessees.

14 (c) The commission may require the submission of forms and  
15 documentation as needed to verify eligibility for an incentive  
16 under this subchapter.

17 Sec. 386.159. PURCHASE OR LEASE INCENTIVES INFORMATION.

18 (a) The commission shall establish a toll-free telephone number  
19 available to motor vehicle dealers and leasing agents for the  
20 dealers and agents to call to verify that incentives are available.  
21 The commission may provide for issuing verification numbers over  
22 the telephone line.

23 (b) Reliance by a dealer or leasing agent on information  
24 provided by the commission is a complete defense to an action  
25 involving or based on eligibility of a vehicle for an incentive or  
26 availability of vehicles eligible for an incentive.

27 Sec. 386.160. RESERVATION OF INCENTIVES. The commission

1 may provide for dealers and leasing agents to reserve for a limited  
2 time period incentives for vehicles that are not readily available  
3 and must be ordered, if the dealer or leasing agent has a purchase  
4 or lease order signed by an identified customer.

5 (f) Effective on the date that the Texas Emissions Reduction  
6 Plan Advisory Board is abolished under Subsection (a) of this  
7 section, the heading to Subchapter D-1, Chapter 386, Health and  
8 Safety Code, is amended to read as follows:

9 SUBCHAPTER D-1. SEAPORT AND RAIL YARD AREAS EMISSIONS REDUCTION  
10 [DRAYAGE TRUCK INCENTIVE] PROGRAM

11 (f-1) Effective on the date that the Texas Emissions  
12 Reduction Plan Advisory Board is abolished under Subsection (a) of  
13 this section, the heading to Section 386.181, Health and Safety  
14 Code, is amended to read as follows:

15 Sec. 386.181. DEFINITIONS ~~[DEFINITION]~~; RULES.

16 (f-2) Effective on the date that the Texas Emissions  
17 Reduction Plan Advisory Board is abolished under Subsection (a) of  
18 this section, Section 386.181(a), Health and Safety Code, is  
19 amended to read as follows:

20 (a) In this subchapter:

21 (1) "Cargo handling equipment" means any heavy-duty  
22 non-road, self-propelled vehicle or land-based equipment used at a  
23 seaport or rail yard to lift or move cargo, such as containerized,  
24 bulk, or break-bulk goods.

25 (2) "Drayage[~~,"~~ "drayage] truck" means a heavy-duty  
26 on-road or non-road vehicle that is used for drayage activities and  
27 that operates in or transgresses through ~~[truck that transports a~~

1 ~~load to or from]~~ a seaport or rail yard for the purpose of loading,  
2 unloading, or transporting cargo, including transporting empty  
3 containers and chassis.

4 (3) "Repower" means to replace an old engine powering  
5 a vehicle with a new engine, a used engine, a remanufactured engine,  
6 or electric motors, drives, or fuel cells.

7 (g) Effective on the date that the Texas Emissions Reduction  
8 Plan Advisory Board is abolished under Subsection (a) of this  
9 section, Section 386.182, Health and Safety Code, is amended to  
10 read as follows:

11 Sec. 386.182. COMMISSION DUTIES. (a) The commission  
12 shall:

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

15 (A) replace older drayage trucks and cargo  
16 handling equipment [with pre-2007 model year engines] with newer  
17 drayage trucks and cargo handling equipment; or

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

20 (2) [shall] adopt guidelines necessary to implement  
21 the program described by Subdivision (1).

22 (b) The commission by rule and guideline shall establish  
23 criteria for the engines and the models of drayage trucks and cargo  
24 handling equipment that are eligible for inclusion in an incentive  
25 program under this subchapter. ~~[The guidelines must provide that a~~  
26 ~~drayage truck owner is not eligible for an incentive payment under~~  
27 ~~this subchapter unless the truck being replaced contains a pre-2007~~

1 ~~model year engine and the replacement truck's engine is from model~~  
2 ~~year 2010 or later as determined by the commission and that the~~  
3 ~~truck operates at a seaport or rail yard.]~~

4 (g-1) Effective on the date that the Texas Emissions  
5 Reduction Plan Advisory Board is abolished under Subsection (a) of  
6 this section, the heading to Section 386.183, Health and Safety  
7 Code, is amended to read as follows:

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

10 (g-2) Effective on the date that the Texas Emissions  
11 Reduction Plan Advisory Board is abolished under Subsection (a) of  
12 this section, Section 386.183, Health and Safety Code, is amended  
13 by amending Subsections (a), (b), (c), (d), and (e) and adding  
14 Subsection (a-1) to read as follows:

15 (a) To be eligible for an incentive under this subchapter, a  
16 person must:

17 (1) purchase a replacement drayage truck, piece of  
18 cargo handling equipment, or engine that under Subsection  
19 (a-1)(1)(A) or (2)(A), as applicable, and the guidelines adopted by  
20 the commission under Section 386.182 is eligible for inclusion in  
21 the program for an incentive under this subchapter; and

22 (2) agree to:

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

25 (B) operate the replacement or repowered drayage  
26 truck or cargo handling equipment in and within a maximum distance  
27 established by the commission of a seaport or rail yard in a

1 nonattainment area of this state for not less than 50 percent of the  
2 truck's or equipment's [~~vehicle's~~] annual mileage or hours of  
3 operation, as determined by the commission; and

4 (C) permanently remove the [~~a pre-2007~~] drayage  
5 truck, cargo handling equipment, or engine replaced under the  
6 program [~~containing a pre-2007 engine owned by the person~~] from  
7 operation in a nonattainment area of this state by destroying the  
8 engine in accordance with guidelines established by the commission  
9 and, if the incentive is for a replacement drayage truck or cargo  
10 handling equipment, scrapping the truck or equipment after the  
11 purchase of the replacement [~~new~~] truck or equipment in accordance  
12 with guidelines established by the commission.

13 (a-1) To be eligible for purchase under this program:

14 (1) a drayage truck or cargo handling equipment must:

15 (A) be powered by an electric motor or contain an  
16 engine certified to the current federal emissions standards  
17 applicable to that type of engine, as determined by the commission;  
18 and

19 (B) emit oxides of nitrogen at a rate that is at  
20 least 25 percent less than the rate at which the truck or equipment  
21 being replaced under the program emits such pollutants; and

22 (2) an engine repowering a drayage truck or cargo  
23 handling equipment must:

24 (A) be an electric motor or an engine certified  
25 to the current federal emissions standards applicable to that type  
26 of engine, as determined by the commission; and

27 (B) emit oxides of nitrogen at a rate that is at

1 least 25 percent less than the rate at which the former engine in  
2 the truck or equipment being repowered under the program emits such  
3 pollutants.

4 (b) To receive money under an incentive program provided by  
5 this subchapter, the purchaser of a drayage truck, piece of cargo  
6 handling equipment, or engine eligible for inclusion in the program  
7 must apply for the incentive in the manner provided by law, rule, or  
8 guideline of the commission.

9 (c) Not more than one incentive may be provided for each  
10 drayage truck or piece of cargo handling equipment purchased or  
11 repowered.

12 (d) An incentive provided under this subchapter may be used  
13 to fund not more than 80 percent of, as applicable, the purchase  
14 price of:

- 15 (1) the drayage truck or cargo handling equipment; or  
16 (2) the engine and any other eligible costs associated  
17 with repowering the drayage truck or cargo handling equipment, as  
18 determined by the commission.

19 (e) The commission shall establish procedures to verify  
20 that a person who receives an incentive:

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

25 (2) as applicable:

26 (A) after purchase of the replacement drayage  
27 truck or cargo handling equipment, permanently destroys the engine

1 and scraps the [~~drayage~~] truck or equipment replaced under the  
2 program [~~that contained the pre-2007 engine owned or leased by the~~  
3 ~~person,~~] in accordance with guidelines established by the  
4 commission; or

5 (B) after repowering the drayage truck or cargo  
6 handling equipment, permanently destroys the engine that was  
7 contained in the truck or equipment in accordance with guidelines  
8 established by the commission [~~, after the purchase of the new~~  
9 ~~truck~~].

10 (h) Effective on the date that the Texas Emissions Reduction  
11 Plan Advisory Board is abolished under Subsection (a) of this  
12 section, Section 386.252, Health and Safety Code, is amended to  
13 read as follows:

14 Sec. 386.252. USE OF FUND. (a) Money in the fund may be  
15 used only to implement and administer programs established under  
16 the plan. Subject to the reallocation of funds by the commission  
17 under Subsection (h), money [~~Money~~] appropriated to the commission  
18 to be used for the programs under Section 386.051(b) shall  
19 initially be allocated as follows:

20 (1) [~~not more than~~] four percent may be used for the  
21 clean school bus program under Chapter 390;

22 (2) [~~not more than~~] three percent may be used for the  
23 new technology implementation grant program under Chapter 391, from  
24 which at least \$1 million will be set aside for electricity storage  
25 projects related to renewable energy;

26 (3) five percent may [~~shall~~] be used for the clean  
27 fleet program under Chapter 392;



1 (4) not more than \$3 million may be used by the  
2 commission to fund a regional air monitoring program in commission  
3 Regions 3 and 4 to be implemented under the commission's oversight,  
4 including direction regarding the type, number, location, and  
5 operation of, and data validation practices for, monitors funded by  
6 the program through a regional nonprofit entity located in North  
7 Texas having representation from counties, municipalities, higher  
8 education institutions, and private sector interests across the  
9 area;

10 (5) 10 [~~not less than 16~~] percent may [~~shall~~] be used  
11 for the Texas natural gas vehicle grant program under Chapter 394;

12 (6) not more than \$6 million [~~five percent~~] may be used  
13 [~~to provide grants for natural gas fueling stations under the clean~~  
14 ~~transportation triangle program under Section 394.010,~~

15 [~~(7) not more than five percent may be used~~] for the  
16 Texas alternative fueling facilities program under Chapter 393, of  
17 which a specified amount may be used for fueling stations to provide  
18 natural gas fuel, except that money may not be allocated for the  
19 Texas alternative fueling facilities program for the state fiscal  
20 year ending August 31, 2019;

21 (7) [~~(8)~~] not more than \$750,000 [~~a specified amount~~]  
22 may be used each year to support research related to air quality as  
23 provided by Chapter 387;

24 (8) [~~(9)~~] not more than \$200,000 may be used for a  
25 health effects study[+]

26 [~~(10) \$500,000 is to be deposited in the state~~  
27 ~~treasury to the credit of the clean air account created under~~

1 ~~Section 382.0622 to supplement funding for air quality planning~~  
2 ~~activities in affected counties];~~

3 (9) [(11)] at least \$6 [\$4] million but not more than  
4 \$8 [and up to four percent to a maximum of \$7] million[, whichever  
5 is greater,] is allocated to the commission for administrative  
6 costs, including all direct and indirect costs for administering  
7 the plan, costs for conducting outreach and education activities,  
8 and costs attributable to the review or approval of applications  
9 for marketable emissions reduction credits;

10 (10) six [(12) at least two] percent may [and up to  
11 five percent of the fund is to] be used by the commission for the  
12 seaport and rail yard areas emissions reduction [drayage truck  
13 incentive] program established under Subchapter D-1;

14 (11) [(13) not more than] five percent may be used for  
15 the light-duty motor vehicle purchase or lease incentive program  
16 established under Subchapter D;

17 (12) [(14)] not more than \$216,000 is allocated to the  
18 commission to contract with the Energy Systems Laboratory at the  
19 Texas A&M Engineering Experiment Station annually for the  
20 development and annual computation of creditable statewide  
21 emissions reductions obtained through wind and other renewable  
22 energy resources for the state implementation plan;

23 (13) not more than \$500,000 may be used for studies of  
24 or pilot programs for incentives for port authorities located in  
25 nonattainment areas or affected counties to encourage cargo  
26 movement that reduces emissions of nitrogen oxides and particulate  
27 matter [(15) 1.5 percent of the money in the fund is allocated for

1 ~~administrative costs incurred by the laboratory~~]; and

2           (14) [~~16~~] the balance is to be used by the  
3 commission for the diesel emissions reduction incentive program  
4 under Subchapter C as determined by the commission.

5           (b) ~~[The commission may allocate unexpended money~~  
6 ~~designated for the clean fleet program under Chapter 392 to other~~  
7 ~~programs described under Subsection (a) after the commission~~  
8 ~~allocates money to recipients under the clean fleet program.~~

9           ~~[(c) The commission may allocate unexpended money~~  
10 ~~designated for the Texas alternative fueling facilities program~~  
11 ~~under Chapter 393 to other programs described under Subsection (a)~~  
12 ~~after the commission allocates money to recipients under the~~  
13 ~~alternative fueling facilities program.~~

14           ~~[(d) The commission may reallocate money designated for the~~  
15 ~~Texas natural gas vehicle grant program under Chapter 394 to other~~  
16 ~~programs described under Subsection (a) if:~~

17                 ~~[(1) the commission, in consultation with the governor~~  
18 ~~and the advisory board, determines that the use of the money in the~~  
19 ~~fund for that program will cause the state to be in noncompliance~~  
20 ~~with the state implementation plan to the extent that federal~~  
21 ~~action is likely; and~~

22                 ~~[(2) the commission finds that the reallocation of~~  
23 ~~some or all of the funding for the program would resolve the~~  
24 ~~noncompliance.~~

25           ~~[(e) Under Subsection (d), the commission may not~~  
26 ~~reallocate more than the minimum amount of money necessary to~~  
27 ~~resolve the noncompliance.~~

1       ~~[(c-1) Money allocated under Subsection (a) to a particular~~  
2 ~~program may be used for another program under the plan as determined~~  
3 ~~by the commission.~~

4       ~~[(f)]~~ Money in the fund may be used by the commission for  
5 programs under Sections 386.051(b)(13), (b)(14), and (b-1) as may  
6 be appropriated for those programs.

7       (c) ~~[(g)]~~ If the legislature does not specify amounts or  
8 percentages from the total appropriation to the commission to be  
9 allocated under Subsection (a) or (b) ~~[(f)]~~, the commission shall  
10 determine the amounts of the total appropriation to be allocated  
11 under each of those subsections, such that the total appropriation  
12 is expended while maximizing emissions reductions.

13       (d) To supplement funding for air quality planning  
14 activities in affected counties, \$500,000 from the fund is to be  
15 deposited annually in the state treasury to the credit of the clean  
16 air account created under Section 382.0622.

17       (e) Money in the fund may be allocated for administrative  
18 costs incurred by the Energy Systems Laboratory at the Texas A&M  
19 Engineering Experiment Station as may be appropriated by the  
20 legislature.

21       (f) To the extent that money is appropriated from the fund  
22 for that purpose, not more than \$2.5 million may be used by the  
23 commission to conduct research and other activities associated with  
24 making any necessary demonstrations to the United States  
25 Environmental Protection Agency to account for the impact of  
26 foreign emissions or an exceptional event.

27       (g) To the extent that money is appropriated from the fund

1 for that purpose, the commission may use that money to award grants  
2 under the governmental alternative fuel fleet grant program  
3 established under Chapter 395, except that the commission may not  
4 use for that purpose more than three percent of the balance of the  
5 fund as of September 1 of each state fiscal year of the biennium for  
6 the governmental alternative fuel fleet grant program in that  
7 fiscal year.

8 (h) Subject to the limitations outlined in this section and  
9 any additional limitations placed on the use of the appropriated  
10 funds, money allocated under this section to a particular program  
11 may be used for another program under the plan as determined by the  
12 commission, based on demand for grants for eligible projects under  
13 particular programs after the commission solicits projects to which  
14 to award grants according to the initial allocation provisions of  
15 this section.

16 (h-1) Effective on the date that the Texas Emissions  
17 Reduction Plan Advisory Board is abolished under Subsection (a) of  
18 this section, Section 390.001, Health and Safety Code, is amended  
19 by amending Subdivision (1) and adding Subdivision (1-a) to read as  
20 follows:

21 (1) "Commission" means the Texas Commission on  
22 Environmental Quality.

23 (1-a) "Diesel exhaust" means one or more of the air  
24 pollutants emitted from an engine by the combustion of diesel fuel,  
25 including particulate matter, nitrogen oxides, volatile organic  
26 compounds, air toxics, and carbon monoxide.

27 (h-2) Effective on the date that the Texas Emissions

1 Reduction Plan Advisory Board is abolished under Subsection (a) of  
2 this section, Section 390.002(b), Health and Safety Code, is  
3 amended to read as follows:

4 (b) Projects that may be considered for a grant under the  
5 program include:

6 (1) diesel oxidation catalysts for school buses built  
7 before 1994;

8 (2) diesel particulate filters for school buses built  
9 from 1994 to 1998;

10 (3) the purchase and use of emission-reducing add-on  
11 equipment for school buses, including devices that reduce crankcase  
12 emissions;

13 (4) the use of qualifying fuel; ~~and~~

14 (5) other technologies that the commission finds will  
15 bring about significant emissions reductions; and

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

17 (i) Effective on the date that the Texas Emissions Reduction  
18 Plan Advisory Board is abolished under Subsection (a) of this  
19 section, Section 390.004, Health and Safety Code, is amended by  
20 adding Subsections (c) and (d) to read as follows:

21 (c) A school bus proposed for replacement must:

22 (1) be of model year 2006 or earlier;

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

25 (3) be in good operational condition; and

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

1        (d) A school bus proposed for purchase to replace a pre-2007  
2 model year school bus must be of the current model year or the year  
3 before the current model year at the time of submission of the grant  
4 application.

5        (i-1) Effective on the date that the Texas Emissions  
6 Reduction Plan Advisory Board is abolished under Subsection (a) of  
7 this section, Section 390.005, Health and Safety Code, is amended  
8 to read as follows:

9        Sec. 390.005. RESTRICTION ON USE OF GRANT.        (a) A  
10 recipient of a grant under this chapter shall use the grant to pay  
11 the incremental costs of the project for which the grant is made,  
12 which may include the reasonable and necessary expenses incurred  
13 for the labor needed to install emissions-reducing equipment. The  
14 recipient may not use the grant to pay the recipient's  
15 administrative expenses.

16        (b) A school bus acquired to replace an existing school bus  
17 must be purchased and the grant recipient must agree to own and  
18 operate the school bus on a regular, daily route to and from a  
19 school for at least five years after a start date established by the  
20 commission, based on the date the commission accepts documentation  
21 of the permanent destruction or permanent removal of the school bus  
22 being replaced.

23        (c) A school bus replaced under this program must be  
24 rendered permanently inoperable by crushing the bus, by making a  
25 hole in the engine block and permanently destroying the frame of the  
26 bus, or by another method approved by the commission, or be  
27 permanently removed from operation in this state. The commission

1 shall establish criteria for ensuring the permanent destruction or  
2 permanent removal of the engine or bus. The commission shall  
3 enforce the destruction and removal requirements.

4 (d) In this section, "permanent removal" means the  
5 permanent export of a school bus or the engine of a school bus to a  
6 destination outside of the United States, Canada, or the United  
7 Mexican States.

8 (i-2) Effective on the date that the Texas Emissions  
9 Reduction Plan Advisory Board is abolished under Subsection (a) of  
10 this section, Section 390.006, Health and Safety Code, is amended  
11 to read as follows:

12 Sec. 390.006. EXPIRATION. This chapter expires on the last  
13 day of the state fiscal biennium during which the commission  
14 publishes in the Texas Register the notice required by Section  
15 382.037 [August 31, 2019].

16 (j) Effective on the date that the Texas Emissions Reduction  
17 Plan Advisory Board is abolished under Subsection (a) of this  
18 section, Section 391.002(b), Health and Safety Code, is amended to  
19 read as follows:

20 (b) Projects that may be considered for a grant under the  
21 program include:

22 (1) advanced clean energy projects, as defined by  
23 Section 382.003;

24 (2) new technology projects that reduce emissions of  
25 regulated pollutants from stationary [~~point~~] sources;

26 (3) new technology projects that reduce emissions from  
27 upstream and midstream oil and gas production, completions,



1 gathering, storage, processing, and transmission activities  
2 through:

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

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

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

11 (4) [~~3~~] electricity storage projects related to  
12 renewable energy, including projects to store electricity produced  
13 from wind and solar generation that provide efficient means of  
14 making the stored energy available during periods of peak energy  
15 use.

16 (j-1) Effective on the date that the Texas Emissions  
17 Reduction Plan Advisory Board is abolished under Subsection (a) of  
18 this section, Section 391.102(f), Health and Safety Code, is  
19 amended to read as follows:

20 (f) In reviewing a grant application under this chapter  
21 [~~coordinating interagency application review procedures~~], the  
22 commission may [~~shall~~]:

- 23 (1) solicit review and comments from:
- 24 (A) the comptroller to assess:
- 25 (i) the financial stability of the  
26 applicant;
- 27 (ii) the economic benefits and job creation

1 potential associated with the project; and

2 (iii) any other information related to the  
3 duties of that office;

4 (B) the Public Utility Commission of Texas to  
5 assess:

6 (i) the reliability of the proposed  
7 technology;

8 (ii) the feasibility and  
9 cost-effectiveness of electric transmission associated with the  
10 project; and

11 (iii) any other information related to the  
12 duties of that agency; and

13 (C) the Railroad Commission of Texas to assess:

14 (i) the availability and cost of the fuel  
15 involved with the project; and

16 (ii) any other information related to the  
17 duties of that agency; and

18 (2) consider the comments received under Subdivision  
19 (1) in the commission's grant award decision process~~[, and~~

20 ~~[(3) as part of the report required by Section~~  
21 ~~391.104, justify awards made to projects that have been negatively~~  
22 ~~reviewed by agencies under Subdivision (1)].~~

23 (j-2) Effective on the date that the Texas Emissions  
24 Reduction Plan Advisory Board is abolished under Subsection (a) of  
25 this section, Section 391.104, Health and Safety Code, is amended  
26 to read as follows:

27 Sec. 391.104. REPORTING REQUIREMENTS. The commission

1 ~~[annually]~~ shall include in the biennial plan report required by  
2 Section 386.057(b) information ~~[prepare a report]~~ that summarizes  
3 the applications received and grants awarded in the preceding  
4 biennium ~~[year]~~. Preparation of the information for the report may  
5 ~~[must]~~ include the participation of any ~~[the]~~ state agency  
6 ~~[agencies]~~ involved in the review of applications under Section  
7 391.102, if the commission determines participation of the agency  
8 is needed.

9 (k) Effective on the date that the Texas Emissions Reduction  
10 Plan Advisory Board is abolished under Subsection (a) of this  
11 section, Section 391.205(a), Health and Safety Code, is amended to  
12 read as follows:

13 (a) Except as provided by Subsection (c), in awarding grants  
14 under this chapter the commission shall give preference to projects  
15 that:

16 (1) involve the transport, use, recovery for use, or  
17 prevention of the loss of natural resources originating or produced  
18 in this state;

19 (2) contain an energy efficiency component; ~~[or]~~

20 (3) include the use of solar, wind, or other renewable  
21 energy sources; or

22 (4) recover waste heat from the combustion of natural  
23 resources and use the heat to generate electricity.

24 (k-1) Effective on the date that the Texas Emissions  
25 Reduction Plan Advisory Board is abolished under Subsection (a) of  
26 this section, Section 391.304, Health and Safety Code, is amended  
27 to read as follows:

1           Sec. 391.304. EXPIRATION. This chapter expires on the last  
2 day of the state fiscal biennium during which the commission  
3 publishes in the Texas Register the notice required by Section  
4 382.037 [August 31, 2019].

5           (k-2) Effective on the date that the Texas Emissions  
6 Reduction Plan Advisory Board is abolished under Subsection (a) of  
7 this section, Section 392.001(1), Health and Safety Code, is  
8 amended to read as follows:

9           (1) "Alternative fuel" means a fuel other than  
10 gasoline or diesel fuel, including electricity, compressed natural  
11 gas, liquefied [~~liquified~~] natural gas, hydrogen, propane, or a  
12 mixture of fuels containing at least 85 percent methanol by volume.

13           (1) Effective on the date that the Texas Emissions Reduction  
14 Plan Advisory Board is abolished under Subsection (a) of this  
15 section, Sections 392.002(b) and (c), Health and Safety Code, are  
16 amended to read as follows:

17           (b) An entity that places 10 [~~20~~] or more qualifying  
18 vehicles in service for use entirely in this state during a calendar  
19 year is eligible to participate in the program.

20           (c) Notwithstanding Subsection (b), an entity that submits  
21 a grant application for 10 [~~20~~] or more qualifying vehicles is  
22 eligible to participate in the program even if the commission  
23 denies approval for one or more of the vehicles during the  
24 application process.

25           (1-1) Effective on the date that the Texas Emissions  
26 Reduction Plan Advisory Board is abolished under Subsection (a) of  
27 this section, Section 392.003(a), Health and Safety Code, is

1 amended to read as follows:

2 (a) A vehicle is a qualifying vehicle that may be considered  
3 for a grant under the program if during the eligibility period  
4 established by the commission [~~calendar year~~] the entity purchases  
5 a new on-road vehicle that:

6 (1) is certified to the appropriate current federal  
7 emissions standards as determined by the commission;

8 (2) replaces a diesel-powered on-road vehicle of the  
9 same weight classification and use; and

10 (3) is a hybrid vehicle or fueled by an alternative  
11 fuel.

12 (1-2) Effective on the date that the Texas Emissions  
13 Reduction Plan Advisory Board is abolished under Subsection (a) of  
14 this section, Section 392.004(d), Health and Safety Code, is  
15 amended to read as follows:

16 (d) The commission shall minimize, to the maximum extent  
17 possible, the amount of paperwork required for an application. [~~An  
18 applicant may be required to submit a photograph or other  
19 documentation of a vehicle identification number, registration  
20 information, inspection information, tire condition, or engine  
21 block identification only if the photograph or documentation is  
22 requested by the commission after the commission has decided to  
23 award a grant to the applicant under this chapter.~~]

24 (m) Effective on the date that the Texas Emissions Reduction  
25 Plan Advisory Board is abolished under Subsection (a) of this  
26 section, Section 392.005, Health and Safety Code, is amended by  
27 amending Subsections (c) and (i) and adding Subsection (c-1) to

1 read as follows:

2 (c) As a condition of receiving a grant, the qualifying  
3 vehicle must be continuously owned, registered, and operated in the  
4 state by the grant recipient until the earlier of the fifth  
5 anniversary of the activity start date established by the  
6 commission [~~the date of reimbursement of the grant-funded expenses~~]  
7 or [~~until~~] the date the vehicle has been in operation for 400,000  
8 miles after the activity start date established by the commission  
9 [~~of reimbursement~~]. Not less than 75 percent of the annual use of  
10 the qualifying vehicle, either mileage or fuel use as determined by  
11 the commission, must occur in the state.

12 (c-1) For purposes of Subsection (c), the commission shall  
13 establish the activity start date based on the date the commission  
14 accepts verification of the disposition of the vehicle being  
15 replaced.

16 (i) The executive director may [~~shall~~] waive the  
17 requirements of Subsection (b)(2)(A) on a finding of good cause,  
18 which may include a waiver for short lapses in registration or  
19 operation attributable to economic conditions, seasonal work, or  
20 other circumstances.

21 (m-1) Effective on the date that the Texas Emissions  
22 Reduction Plan Advisory Board is abolished under Subsection (a) of  
23 this section, Section 392.008, Health and Safety Code, is amended  
24 to read as follows:

25 Sec. 392.008. EXPIRATION. This chapter expires on the last  
26 day of the state fiscal biennium during which the commission  
27 publishes in the Texas Register the notice required by Section

1 382.037 [~~August 31, 2017~~].

2 (m-2) Effective on the date that the Texas Emissions  
3 Reduction Plan Advisory Board is abolished under Subsection (a) of  
4 this section, Section 393.001, Health and Safety Code, is amended  
5 by amending Subdivision (1) and adding Subdivision (1-a) to read as  
6 follows:

7 (1) "Alternative fuel" means a fuel other than  
8 gasoline or diesel fuel, other than biodiesel fuel, including  
9 electricity, compressed natural gas, liquefied [~~liquified~~] natural  
10 gas, hydrogen, propane, or a mixture of fuels containing at least 85  
11 percent methanol by volume.

12 (1-a) "Clean transportation zone" means:

13 (A) counties containing or intersected by a  
14 portion of an interstate highway connecting the cities of Houston,  
15 San Antonio, Dallas, and Fort Worth;

16 (B) counties located within the area bounded by  
17 the interstate highways described by Paragraph (A);

18 (C) counties containing or intersected by a  
19 portion of:

20 (i) an interstate highway connecting San  
21 Antonio to Corpus Christi or Laredo;

22 (ii) the most direct route using highways  
23 in the state highway system connecting Corpus Christi and Laredo;

24 or

25 (iii) a highway corridor connecting Corpus  
26 Christi and Houston;

27 (D) counties located within the area bounded by

1 the highways described by Paragraph (C);

2 (E) counties in this state all or part of which  
3 are included in a nonattainment area designated under Section  
4 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407); and

5 (F) counties designated as affected counties  
6 under Section 386.001.

7 (n) Effective on the date that the Texas Emissions Reduction  
8 Plan Advisory Board is abolished under Subsection (a) of this  
9 section, Section 393.002, Health and Safety Code, is amended to  
10 read as follows:

11 Sec. 393.002. PROGRAM. (a) The commission shall establish  
12 and administer the Texas alternative fueling facilities program to  
13 provide fueling facilities for alternative fuel in the clean  
14 transportation zone [~~nonattainment areas~~]. Under the program, the  
15 commission shall provide a grant for each eligible facility to  
16 offset the cost of those facilities.

17 (b) An entity that constructs or[~~7~~] reconstructs[~~7~~ ~~or~~  
18 ~~acquires~~] an alternative fueling facility is eligible to  
19 participate in the program.

20 (c) To ensure that alternative fuel vehicles have access to  
21 fuel and to build the foundation for a self-sustaining market for  
22 alternative fuels in Texas, the commission shall provide for  
23 strategically placed fueling facilities in the clean  
24 transportation zone to enable an alternative fuel vehicle to travel  
25 in those areas relying solely on the alternative fuel.

26 (d) The commission shall maintain a listing to be made  
27 available to the public online of all vehicle fueling facilities



1 that have received grant funding, including location and hours of  
2 operation.

3 (n-1) Effective on the date that the Texas Emissions  
4 Reduction Plan Advisory Board is abolished under Subsection (a) of  
5 this section, Section 393.003, Health and Safety Code, is amended  
6 by amending Subsections (a) and (b) and adding Subsections (d) and  
7 (e) to read as follows:

8 (a) An entity operating in this state that constructs or~~[7]~~  
9 ~~reconstructs[, or acquires]~~ a facility to ~~[store, compress, or]~~  
10 dispense alternative fuels may apply for and receive a grant under  
11 the program.

12 (b) The commission may ~~[adopt guidelines to]~~ allow a  
13 regional planning commission, council of governments, or similar  
14 regional planning agency created under Chapter 391, Local  
15 Government Code, or a private nonprofit organization to apply for  
16 and receive a grant to improve the ability of the program to achieve  
17 its goals.

18 (d) An application for a grant under the program must  
19 include a certification that the applicant complies with laws,  
20 rules, guidelines, and requirements applicable to taxation of fuel  
21 provided by the applicant at each fueling facility owned or  
22 operated by the applicant. The commission may terminate a grant  
23 awarded under this section without further obligation to the grant  
24 recipient if the commission determines that the recipient did not  
25 comply with a law, rule, guideline, or requirement described by  
26 this subsection. This subsection does not create a cause of action  
27 to contest an application or award of a grant.

1       (e) The commission shall disburse grants under the program  
2 through a competitive application selection process to offset a  
3 portion of the eligible costs.

4       (n-2) Effective on the date that the Texas Emissions  
5 Reduction Plan Advisory Board is abolished under Subsection (a) of  
6 this section, Section 393.004, Health and Safety Code, is amended  
7 to read as follows:

8       Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS.

9       (a) In addition to the requirements of this chapter, the  
10 commission shall establish additional eligibility and  
11 prioritization criteria as needed to implement the program [~~The~~  
12 ~~commission by rule shall establish criteria for prioritizing~~  
13 ~~facilities eligible to receive grants under this chapter. The~~  
14 ~~commission shall review and revise the criteria as appropriate~~].

15       (b) The prioritization criteria established under  
16 Subsection (a) must provide that, for each grant round, the  
17 commission may not award a grant to an entity that does not [~~To be~~  
18 ~~eligible for a grant under the program, the entity receiving the~~  
19 ~~grant must~~] agree to make the alternative fueling facility  
20 accessible and available to the public [~~persons not associated with~~  
21 ~~the entity~~] at times designated by the grant contract until each  
22 eligible entity that does agree to those terms has been awarded a  
23 grant [~~agreement~~].

24       (c) The commission may not award more than one grant for  
25 each facility.

26       (d) The commission may give preference to or otherwise limit  
27 grant selections to:

1           (1) fueling facilities providing specific types of  
2 alternative fuels;

3           (2) fueling facilities in a specified area or  
4 location; and

5           (3) fueling facilities meeting other specified  
6 prioritization criteria established by the commission.

7           (e) For fueling facilities to provide natural gas, the  
8 commission shall give preference to:

9           (1) facilities providing both liquefied natural gas  
10 and compressed natural gas at a single location;

11           (2) facilities located not more than one mile from an  
12 interstate highway system;

13           (3) facilities located in the area in and between the  
14 Houston, San Antonio, and Dallas-Fort Worth areas; and

15           (4) facilities located in the area in and between the  
16 Corpus Christi, Laredo, and San Antonio areas [~~A recipient of a~~  
17 ~~grant under this chapter is not eligible to receive a second grant~~  
18 ~~under this chapter for the same facility)].~~

19           (o) Effective on the date that the Texas Emissions Reduction  
20 Plan Advisory Board is abolished under Subsection (a) of this  
21 section, Section 393.005, Health and Safety Code, is amended to  
22 read as follows:

23           Sec. 393.005. RESTRICTION ON USE OF GRANT.     (a) A  
24 recipient of a grant under this chapter shall use the grant only to  
25 pay the costs of the facility for which the grant is made. The  
26 recipient may not use the grant to pay the recipient's:

27           (1) administrative expenses;

1           (2) expenses for the purchase of land or an interest in  
2 land; or

3           (3) expenses for equipment or facility improvements  
4 that are not directly related to the delivery, storage,  
5 compression, or dispensing of the alternative fuel at the facility.

6           (b) Each grant must be awarded using a contract that  
7 requires the recipient to meet operational, maintenance, and  
8 reporting requirements as specified by the commission.

9           (o-1) Effective on the date that the Texas Emissions  
10 Reduction Plan Advisory Board is abolished under Subsection (a) of  
11 this section, Section 393.006, Health and Safety Code, is amended  
12 to read as follows:

13           Sec. 393.006. AMOUNT OF GRANT. (a) Grants awarded under  
14 this chapter for a facility to provide alternative fuels other than  
15 natural gas may not exceed [~~For each eligible facility for which a~~  
16 ~~recipient is awarded a grant under the program, the commission~~  
17 ~~shall award the grant in an amount equal to]~~ the lesser of:

18           (1) 50 percent of the sum of the actual eligible costs  
19 incurred by the grant recipient within deadlines established by the  
20 commission [~~to construct, reconstruct, or acquire the facility~~]; or

21           (2) \$600,000.

22           (b) Grants awarded under this chapter for a facility to  
23 provide natural gas may not exceed:

24           (1) \$400,000 for a compressed natural gas facility;

25           (2) \$400,000 for a liquefied natural gas facility; or

26           (3) \$600,000 for a facility providing both liquefied  
27 and compressed natural gas.

1 (o-2) Effective on the date that the Texas Emissions  
2 Reduction Plan Advisory Board is abolished under Subsection (a) of  
3 this section, Section 393.007, Health and Safety Code, is amended  
4 to read as follows:

5 Sec. 393.007. EXPIRATION. This chapter expires on the last  
6 day of the state fiscal biennium during which the commission  
7 publishes in the Texas Register the notice required by Section  
8 382.037 [~~August 31, 2018~~].

9 (p) Effective on the date that the Texas Emissions Reduction  
10 Plan Advisory Board is abolished under Subsection (a) of this  
11 section, Section 394.001, Health and Safety Code, is amended by  
12 amending Subdivisions (1), (4), (5), and (8) and adding  
13 Subdivisions (1-a) and (7-a) to read as follows:

14 (1) "Certified" includes:

15 (A) new vehicle or new engine certification by  
16 the United States Environmental Protection Agency; or

17 (B) certification or approval by the United  
18 States Environmental Protection Agency of a system to convert a  
19 vehicle or engine to operate on an alternative fuel and a  
20 demonstration by the emissions data used to certify or approve the  
21 vehicle or engine, if the commission determines the testing used to  
22 obtain the emissions data is consistent with the testing required  
23 for approval of an alternative fuel conversion system for new and  
24 relatively new vehicles or engines under 40 C.F.R. Part 85  
25 [~~"Advisory board" means the Texas Emissions Reduction Plan Advisory~~  
26 ~~Board~~].

27 (1-a) "Clean transportation zone" has the meaning

1 assigned by Section 393.001.

2 (4) "Heavy-duty motor vehicle" means a motor vehicle  
3 that [~~with~~]:

4 (A) has a gross vehicle weight rating of more  
5 than 8,500 pounds; and

6 (B) is certified to or has an engine certified to  
7 the United States Environmental Protection Agency's emissions  
8 standards for heavy-duty vehicles or engines.

9 (5) "Incremental cost" has the meaning assigned by  
10 Section 386.001 [~~means the difference between the manufacturer's~~  
11 ~~suggested retail price of a baseline vehicle, the documented dealer~~  
12 ~~price of a baseline vehicle, cost to lease or otherwise~~  
13 ~~commercially finance a baseline vehicle, cost to repower with a~~  
14 ~~baseline engine, or other appropriate baseline cost established by~~  
15 ~~the commission, and the actual cost of the natural gas vehicle~~  
16 ~~purchase, lease, or other commercial financing, or repower~~].

17 (7-a) "Natural gas engine" means an engine that  
18 operates:

19 (A) solely on natural gas, including compressed  
20 natural gas, liquefied natural gas, or liquefied petroleum gas; or

21 (B) on a combination of diesel fuel and natural  
22 gas, including compressed natural gas, liquefied natural gas, or  
23 liquefied petroleum gas, and is capable of achieving at least 60  
24 percent displacement of diesel fuel with natural gas.

25 (8) "Natural gas vehicle" means a motor vehicle that  
26 is powered by a natural gas engine [~~receives not less than 75~~  
27 ~~percent of its power from compressed or liquefied natural gas~~].

1 (p-1) Effective on the date that the Texas Emissions  
2 Reduction Plan Advisory Board is abolished under Subsection (a) of  
3 this section, Section 394.003(a), Health and Safety Code, is  
4 amended to read as follows:

5 (a) A vehicle is a qualifying vehicle that may be considered  
6 for a grant under the program if during the eligibility period  
7 established by the commission [~~calendar year~~] the entity:

8 (1) purchased, leased, or otherwise commercially  
9 financed the vehicle as a new on-road heavy-duty or medium-duty  
10 motor vehicle that:

11 (A) is a natural gas vehicle;

12 (B) is certified to the appropriate current  
13 federal emissions standards as determined by the commission; and

14 (C) replaces an on-road heavy-duty or  
15 medium-duty motor vehicle of the same weight classification and  
16 use; [~~and~~

17 [~~(D) is powered by an engine certified to:~~

18 [~~(i) emit not more than 0.2 grams of~~  
19 ~~nitrogen oxides per brake horsepower hour, or~~

20 [~~(ii) meet or exceed the United States~~  
21 ~~Environmental Protection Agency's Bin 5 standard for light-duty~~  
22 ~~engines when powering the vehicle,] or~~

23 (2) repowered the on-road motor vehicle to a natural  
24 gas vehicle powered by a natural gas engine that [+

25 [(A)] is certified to the appropriate current  
26 federal emissions standards as determined by the commission [~~, and~~

27 [(B) is:

1                   ~~[(i) a heavy-duty engine that is certified~~  
2 ~~to emit not more than 0.2 grams of nitrogen oxides per brake~~  
3 ~~horsepower hour; or~~

4                   ~~[(ii) certified to meet or exceed the~~  
5 ~~United States Environmental Protection Agency's Bin 5 standard for~~  
6 ~~light-duty engines when powering the vehicle].~~

7           (p-2) Effective on the date that the Texas Emissions  
8 Reduction Plan Advisory Board is abolished under Subsection (a) of  
9 this section, Section 394.005, Health and Safety Code, is amended  
10 by amending Subsections (a), (b), (c), (f), (g), and (i) and adding  
11 Subsection (c-1) to read as follows:

12           (a) The commission ~~[by rule]~~ shall establish criteria for  
13 prioritizing qualifying vehicles eligible to receive grants under  
14 this chapter. The commission shall review and revise the criteria  
15 as appropriate ~~[after consultation with the advisory board].~~

16           (b) To be eligible for a grant under the program:

17                   (1) the use of the qualifying vehicle must be  
18 projected to result in a reduction in emissions of nitrogen oxides  
19 of at least 25 percent as compared to the motor vehicle or engine  
20 being replaced, based on:

21                           (A) the baseline emission level set by the  
22 commission under Subsection (g); and

23                           (B) the certified emission rate of the new  
24 vehicle; and

25                   (2) the qualifying vehicle must:

26                           (A) replace a heavy-duty or medium-duty motor  
27 vehicle that:



1 (i) is an on-road vehicle that has been  
2 owned, leased, or otherwise commercially financed and registered  
3 and operated by the applicant in Texas for at least the two years  
4 immediately preceding the submission of a grant application;

5 (ii) satisfies any minimum average annual  
6 mileage or fuel usage requirements established by the commission;

7 (iii) satisfies any minimum percentage of  
8 annual usage requirements established by the commission; and

9 (iv) is in operating condition and has at  
10 least two years of remaining useful life, as determined in  
11 accordance with criteria established by the commission; ~~or~~

12 (B) replace a heavy-duty or medium-duty motor  
13 vehicle that:

14 (i) is owned by the applicant;

15 (ii) is an on-road vehicle that has been:

16 (a) owned, leased, or otherwise  
17 commercially financed and operated in Texas as a fleet vehicle for  
18 at least the two years immediately preceding the submission of a  
19 grant application; and

20 (b) registered in a county located in  
21 the clean transportation zone for at least the two years  
22 immediately preceding the submission of a grant application; and

23 (iii) otherwise satisfies the mileage,  
24 usage, and useful life requirements established under Paragraph (A)  
25 as determined by documentation associated with the vehicle; or

26 (C) be a heavy-duty or medium-duty motor vehicle  
27 repowered with a natural gas engine that:

1 (i) is installed in an on-road vehicle that  
2 has been owned, leased, or otherwise commercially financed and  
3 registered and operated by the applicant in Texas for at least the  
4 two years immediately preceding the submission of a grant  
5 application;

6 (ii) satisfies any minimum average annual  
7 mileage or fuel usage requirements established by the commission;

8 (iii) satisfies any minimum percentage of  
9 annual usage requirements established by the commission; and

10 (iv) is installed in an on-road vehicle  
11 that, at the time of the vehicle's repowering, was in operating  
12 condition and had at least two years of remaining useful life, as  
13 determined in accordance with criteria established by the  
14 commission.

15 (c) As a condition of receiving a grant, the qualifying  
16 vehicle must be continuously owned, leased, or otherwise  
17 commercially financed and registered and operated in the state by  
18 the grant recipient until the earlier of the fourth anniversary of  
19 the activity start date established by the commission [~~the date of~~  
20 ~~reimbursement of the grant-funded expenses~~] or [~~until~~] the date the  
21 vehicle has been in operation for 400,000 miles after the activity  
22 start date established by the commission [~~of reimbursement~~]. Not  
23 less than 75 percent of the annual use of the qualifying vehicle,  
24 either mileage or fuel use as determined by the commission, must  
25 occur in the clean transportation zone [+

26 [~~(1) the counties any part of which are included in the~~  
27 ~~area described by Section 394.010(a), or~~

1           ~~[(2) counties designated as nonattainment areas~~  
2 ~~within the meaning of Section 107(d) of the federal Clean Air Act~~  
3 ~~(42 U.S.C. Section 7407)].~~

4           (c-1) For purposes of Subsection (c), the commission shall  
5 establish the activity start date based on the date the commission  
6 accepts verification of the disposition of the vehicle or engine.

7           (f) A heavy-duty or medium-duty motor vehicle replaced  
8 under this program must be rendered permanently inoperable by  
9 crushing the vehicle, by making a hole in the engine block and  
10 permanently destroying the frame of the vehicle, or by another  
11 method approved by the commission, or be [that] permanently removed  
12 [removes the vehicle] from operation in this state. The commission  
13 shall establish criteria for ensuring the permanent destruction or  
14 permanent removal of the engine or vehicle. The commission shall  
15 enforce the destruction and removal requirements. For purposes of  
16 this subsection, "permanent removal" means the permanent export of  
17 the vehicle or engine to a destination outside of the United States,  
18 Canada, or the United Mexican States.

19           (g) The commission shall establish baseline emission levels  
20 for emissions of nitrogen oxides for on-road heavy-duty or  
21 medium-duty motor vehicles being replaced or repowered by using the  
22 emission certification for the engine or vehicle being replaced.  
23 The commission may consider deterioration of the emission  
24 performance of the engine of the vehicle being replaced in  
25 establishing the baseline emission level. The commission may  
26 consider and establish baseline emission rates for additional  
27 pollutants of concern~~[, as determined by the commission after~~

1 ~~consultation with the advisory board~~].

2 (i) The executive director may ~~[shall]~~ waive the  
3 requirements of Subsection (b)(2)(A)(i) or (B)(ii) on a finding of  
4 good cause, which may include short lapses in registration or  
5 operation due to economic conditions, seasonal work, or other  
6 circumstances.

7 (q) Effective on the date that the Texas Emissions Reduction  
8 Plan Advisory Board is abolished under Subsection (a) of this  
9 section, Section 394.006, Health and Safety Code, is amended to  
10 read as follows:

11 Sec. 394.006. RESTRICTION ON USE OF GRANT. A recipient of a  
12 grant under this chapter shall use the grant to pay the incremental  
13 costs of the replacement or vehicle repower for which the grant is  
14 made, which may include a portion of the initial cost of the natural  
15 gas vehicle or natural gas engine, including the cost of the natural  
16 gas fuel system and installation ~~[and the reasonable and necessary~~  
17 ~~expenses incurred for the labor needed to install~~  
18 ~~emissions-reducing equipment]~~. The recipient may not use the  
19 grant to pay the recipient's administrative expenses.

20 (q-1) Effective on the date that the Texas Emissions  
21 Reduction Plan Advisory Board is abolished under Subsection (a) of  
22 this section, Section 394.007(c), Health and Safety Code, is  
23 amended to read as follows:

24 (c) A person may not receive a grant under this chapter  
25 that, when combined with any other grant, tax credit, or other  
26 governmental incentive, exceeds the incremental cost of the vehicle  
27 or vehicle repower for which the grant is awarded. A person shall

1 return to the commission the amount of a grant awarded under this  
2 chapter that, when combined with any other grant, tax credit, or  
3 other governmental incentive, exceeds the incremental cost of the  
4 vehicle or vehicle repower for which the grant is awarded.

5 (q-2) Effective on the date that the Texas Emissions  
6 Reduction Plan Advisory Board is abolished under Subsection (a) of  
7 this section, Sections 394.008(a) and (b), Health and Safety Code,  
8 are amended to read as follows:

9 (a) The commission shall establish [~~adopt~~] procedures for:

10 (1) awarding grants under this chapter to reimburse  
11 eligible costs; [~~in the form of rebates, and~~]

12 (2) streamlining the grant application, contracting,  
13 reimbursement, and reporting process for qualifying natural gas  
14 vehicle purchases or repowers; and

15 (3) preapproving the award of grants to applicants who  
16 propose to purchase and replace motor vehicles described by Section  
17 394.005(b)(2)(B).

18 (b) Procedures established [~~adopted~~] under this section  
19 must:

20 (1) provide for the commission to compile and  
21 regularly update a listing of potentially eligible [~~preapproved~~]  
22 natural gas vehicles and natural gas engines that are certified to  
23 the appropriate current federal emissions standards as determined  
24 by the commission [+

25 [~~(A) powered by natural gas engines certified to~~  
26 ~~emit not more than 0.2 grams of nitrogen oxides per brake horsepower~~  
27 ~~hour, or~~

1                   ~~[(B) certified to the United States~~  
2 ~~Environmental Protection Agency's light-duty Bin 5 standard or~~  
3 ~~better];~~

4                   (2) ~~[if a federal standard for the calculation of~~  
5 ~~emissions reductions exists,~~] provide a method to calculate the  
6 reduction in emissions of nitrogen oxides, volatile organic  
7 compounds, carbon monoxide, particulate matter, and sulfur  
8 compounds for each replacement or repowering;

9                   (3) assign a standardized grant ~~[rebate]~~ amount for  
10 each qualifying vehicle or engine repower under Section 394.007;

11                   (4) allow for processing applications ~~[rebates]~~ on an  
12 ongoing first-come, first-served basis;

13                   (5) ~~[provide for contracts between the commission and~~  
14 ~~participating dealers under Section 394.009,~~

15                   ~~[(6) allow grant recipients to assign their grant~~  
16 ~~funds to participating dealers to offset the purchase or lease~~  
17 ~~price,~~

18                   ~~[(7)]~~ require grant applicants to identify natural gas  
19 fueling stations that are available to fuel the qualifying vehicle  
20 in the area of its use;

21                   (6) ~~[(8)]~~ provide for payment not later than the 30th  
22 day after the date the request for reimbursement for an approved  
23 grant is received;

24                   (7) ~~[(9)]~~ provide for application submission and  
25 application status checks using procedures established by the  
26 commission, which may include application submission and status  
27 checks to be made over the Internet; and

1           (8) [~~(10)~~] consolidate, simplify, and reduce the  
2 administrative work for applicants and the commission associated  
3 with grant application, contracting, reimbursement, and reporting  
4 requirements.

5           (r) Effective on the date that the Texas Emissions Reduction  
6 Plan Advisory Board is abolished under Subsection (a) of this  
7 section, Section 394.012, Health and Safety Code, is amended to  
8 read as follows:

9           Sec. 394.012. EXPIRATION. This chapter expires on the last  
10 day of the state fiscal biennium during which the commission  
11 publishes in the Texas Register the notice required by Section  
12 382.037 [~~August 31, 2017~~].

13           (r-1) Effective on the date that the Texas Emissions  
14 Reduction Plan Advisory Board is abolished under Subsection (a) of  
15 this section, Subtitle C, Title 5, Health and Safety Code, is  
16 amended by adding Chapter 395 to read as follows:

17           CHAPTER 395. GOVERNMENTAL ALTERNATIVE FUEL FLEET GRANT PROGRAM

18           Sec. 395.001. DEFINITIONS. In this chapter:

19                   (1) "Alternative fuel" means compressed natural gas,  
20 liquefied natural gas, liquefied petroleum gas, hydrogen fuel  
21 cells, or electricity, including electricity to power fully  
22 electric motor vehicles and plug-in hybrid motor vehicles.

23                   (2) "Commission" means the Texas Commission on  
24 Environmental Quality.

25                   (3) "Incremental cost" has the meaning assigned by  
26 Section 386.001.

27                   (4) "Motor vehicle" means a self-propelled device

1 designed for transporting persons or property on a public highway  
2 that is required to be registered under Chapter 502, Transportation  
3 Code.

4 (5) "Plug-in hybrid motor vehicle" has the meaning  
5 assigned by Section 2158.001, Government Code.

6 (6) "Political subdivision" means a county,  
7 municipality, school district, junior college district, river  
8 authority, water district or other special district, or other  
9 political subdivision created under the constitution or a statute  
10 of this state.

11 (7) "Program" means the governmental alternative fuel  
12 fleet grant program established under this chapter.

13 (8) "State agency" has the meaning assigned by Section  
14 2151.002, Government Code, and includes the commission.

15 Sec. 395.002. PROGRAM. (a) The commission shall establish  
16 and administer a governmental alternative fuel fleet grant program  
17 to assist an eligible applicant described by Section 395.003 in  
18 purchasing or leasing new motor vehicles that operate primarily on  
19 an alternative fuel.

20 (b) The program may provide a grant to an applicant  
21 described by Section 395.003 to:

22 (1) purchase or lease a new motor vehicle described by  
23 Section 395.004; or

24 (2) purchase, lease, or install refueling  
25 infrastructure or equipment or procure refueling services as  
26 described by Section 395.005 to store and dispense alternative fuel  
27 needed for a motor vehicle described by Subdivision (1) of this



1 subsection.

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

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

11 Sec. 395.004. MOTOR VEHICLE REQUIREMENTS. (a) A grant  
12 recipient may purchase or lease with money from a grant under the  
13 program a new motor vehicle that is originally manufactured to  
14 operate using one or more alternative fuels or is converted to  
15 operate using one or more alternative fuels before the first retail  
16 sale of the vehicle, and that:

17 (1) has a dedicated system, dual-fuel system, or  
18 bi-fuel system; and

19 (2) if the motor vehicle is a fully electric motor  
20 vehicle or plug-in hybrid motor vehicle, has a United States  
21 Environmental Protection Agency rating of at least 75 miles per  
22 gallon equivalent or a 75-mile combined city and highway range.

23 (b) A grant recipient may not use money from a grant under  
24 the program to replace a motor vehicle, transit bus, or school bus  
25 that operates on an alternative fuel unless the replacement vehicle  
26 produces fewer emissions and has greater fuel efficiency than the  
27 vehicle being replaced.

1       Sec. 395.005. REFUELING INFRASTRUCTURE, EQUIPMENT, AND  
2 SERVICES. A grant recipient may purchase, lease, or install  
3 refueling infrastructure or equipment or procure refueling  
4 services with money from a grant under the program if:

5           (1) the purchase, lease, installation, or procurement  
6 is made in conjunction with the purchase or lease of a motor vehicle  
7 as described by Section 395.004 or the conversion of a motor vehicle  
8 to operate primarily on an alternative fuel;

9           (2) the grant recipient demonstrates that a refueling  
10 station that meets the needs of the recipient is not available  
11 within five miles of the location at which the recipient's vehicles  
12 are stored or primarily used; and

13           (3) for the purchase or installation of refueling  
14 infrastructure or equipment, the infrastructure or equipment will  
15 be owned and operated by the grant recipient, and for the lease of  
16 refueling infrastructure or equipment or the procurement of  
17 refueling services, a third-party service provider engaged by the  
18 grant recipient will provide the infrastructure, equipment, or  
19 services.

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

23           (b) Refueling infrastructure or equipment purchased or  
24 installed with money from a grant under the program must be used  
25 specifically to store or dispense alternative fuel, as determined  
26 by the commission.

27       (c) A lease of or service agreement for refueling

1 infrastructure, equipment, or services paid for with money from a  
2 grant under the program must have a term of at least three years.

3 Sec. 395.007. GRANT AMOUNTS. (a) The commission may  
4 establish standardized grant amounts based on the incremental costs  
5 associated with the purchase or lease of different categories of  
6 motor vehicles, including the type of fuel used, vehicle class, and  
7 other categories the commission considers appropriate.

8 (b) In determining the incremental costs and setting the  
9 standardized grant amounts, the commission may consider the  
10 difference in cost between a new motor vehicle operated using  
11 conventional gasoline or diesel fuel and a new motor vehicle  
12 operated using alternative fuel.

13 (c) The amount of a grant for the purchase or lease of a  
14 motor vehicle may not exceed the amount of the incremental cost of  
15 the purchase or lease.

16 (d) The commission may establish grant amounts to reimburse  
17 the full cost of the purchase, lease, installation, or procurement  
18 of refueling infrastructure, equipment, or services or may  
19 establish criteria for reimbursing a percentage of the cost.

20 (e) A grant under the program may be combined with funding  
21 from other sources, including other grant programs, except that a  
22 grant may not be combined with other funding or grants from the  
23 Texas emissions reduction plan. When combined with other funding  
24 sources, a grant may not exceed the total cost to the grant  
25 recipient.

26 (f) In providing a grant for the lease of a motor vehicle  
27 under this chapter, the commission shall establish criteria:

1           (1) to offset incremental costs through an up-front  
2 payment to lower the cost basis of the lease; or

3           (2) if determined appropriate by the commission, to  
4 provide for reimbursement of lease payments over no more than the  
5 period of availability of the contracted funds under applicable  
6 state law and regulation, which may be less than the required  
7 three-year lease term.

8           (g) In providing a grant for the lease of refueling  
9 infrastructure, equipment, or services, the commission shall  
10 establish criteria:

11           (1) to offset incremental costs through an up-front  
12 payment to lower the cost basis of the lease; or

13           (2) if determined appropriate by the commission, to  
14 provide for reimbursement of lease payments over no more than the  
15 period of availability of the contracted funds under applicable  
16 state law and regulation, which may be less than the required  
17 three-year lease term.

18           (h) Notwithstanding Subsection (d), the commission is not  
19 obligated to fund the full cost of the purchase, lease,  
20 installation, or procurement of refueling infrastructure,  
21 equipment, or services if those costs cannot be incurred and  
22 reimbursed over the period of availability of the funds under  
23 applicable state law and regulation.

24           Sec. 395.008. AVAILABILITY OF EMISSIONS REDUCTION CREDITS.

25           (a) A project that is funded from a grant under the program and  
26 that would generate marketable emissions reduction credits under a  
27 state or federal emissions reduction credit averaging, banking, or

1 trading program is not eligible for funding under the program  
2 unless:

3 (1) the project includes the transfer of the credits,  
4 or the reductions that would otherwise be marketable credits, to  
5 the commission and, if applicable, the state implementation plan;  
6 and

7 (2) the credits or reductions, as applicable, are  
8 permanently retired.

9 (b) An emissions reduction generated by a purchase or lease  
10 under this chapter may be used to demonstrate conformity with the  
11 state implementation plan.

12 Sec. 395.009. USE OF GRANT MONEY. A grant recipient when  
13 using money from a grant under the program shall prioritize:

14 (1) the purchase or lease of new motor vehicles,  
15 including new motor vehicles that are converted to operate on an  
16 alternative fuel, when replacing vehicles or adding vehicles to the  
17 fleet;

18 (2) the purchase of new motor vehicles, including new  
19 motor vehicles that are converted to operate on an alternative  
20 fuel, to replace vehicles that have the highest total mileage and do  
21 not use an alternative fuel; and

22 (3) to the extent feasible, obtaining, whether by  
23 purchase, purchase and conversion, or lease, motor vehicles that  
24 use compressed natural gas, liquefied natural gas, or liquefied  
25 petroleum gas.

26 Sec. 395.010. GRANT PROCEDURES AND CRITERIA. (a) The  
27 commission shall establish specific criteria and procedures in

1 order to implement and administer the program, including the  
2 creation and provision of application forms and guidance on the  
3 application process.

4 (b) The commission shall award a grant through a contract  
5 between the commission and the grant recipient.

6 (c) The commission shall provide an online application  
7 process for the submission of all required application documents.

8 (d) The commission may limit funding for a particular period  
9 according to priorities established by the commission, including  
10 limiting the availability of grants to specific entities, for  
11 certain types of vehicles and infrastructure, or to certain  
12 geographic areas to ensure equitable distribution of grant funds  
13 across the state.

14 (e) In awarding grants under the program, the commission  
15 shall prioritize projects in the following order:

- 16 (1) projects that are proposed by a state agency;  
17 (2) projects that are in or near a nonattainment area;  
18 (3) projects that are in an affected county, as that  
19 term is defined by Section 386.001; and

20 (4) projects that will produce the greatest emissions  
21 reductions.

22 (f) In addition to the requirements under Subsection (e), in  
23 awarding grants under the program, the commission shall consider:

- 24 (1) the total amount of the emissions reduction that  
25 would be achieved from the project;  
26 (2) the type and number of vehicles purchased or  
27 leased;

1           (3) the location of the fleet and the refueling  
2 infrastructure or equipment;

3           (4) the number of vehicles served and the rate at which  
4 vehicles are served by the refueling infrastructure or equipment;

5           (5) the amount of any matching funds committed by the  
6 applicant; and

7           (6) the schedule for project completion.

8           (g) The commission may not award more than 10 percent of the  
9 total amount awarded under the program in any fiscal year for  
10 purchasing, leasing, installing, or procuring refueling  
11 infrastructure, equipment, or services.

12           Sec. 395.011. FUNDING. The legislature may appropriate  
13 money to the commission from the Texas emissions reduction plan  
14 fund established under Section 386.251 to administer the program.

15           Sec. 395.012. ADMINISTRATIVE COSTS. In each fiscal year,  
16 the commission may use up to 1.5 percent of the total amount of  
17 money allocated to the program in that fiscal year, but not more  
18 than \$1 million, for the administrative costs of the program.

19           Sec. 395.013. RULES. The commission may adopt rules as  
20 necessary to implement this chapter.

21           Sec. 395.014. REPORT REQUIRED. On or before November 1 of  
22 each even-numbered year, the commission shall submit to the  
23 governor, lieutenant governor, and members of the legislature a  
24 report that includes the following information regarding awards  
25 made under the program during the preceding state fiscal biennium:

26           (1) the number of grants awarded under the program;

27           (2) the recipient of each grant awarded;

1           (3) the number of vehicles replaced;

2           (4) the number, type, and location of any refueling  
3 infrastructure, equipment, or services funded under the program;

4           (5) the total emissions reductions achieved under the  
5 program; and

6           (6) any other information the commission considers  
7 relevant.

8           Sec. 395.015. EXPIRATION. This chapter expires on the last  
9 day of the state fiscal biennium during which the commission  
10 publishes in the Texas Register the notice required by Section  
11 382.037.

12           (r-2) Effective on the date that the Texas Emissions  
13 Reduction Plan Advisory Board is abolished under Subsection (a) of  
14 this section, the following provisions of the Health and Safety  
15 Code are repealed:

16           (1) Section 386.001(1);

17           (2) Section 386.058;

18           (3) Section 394.001(1);

19           (4) Section 394.009;

20           (5) Section 394.010; and

21           (6) Section 394.011.

22           (s) This subsection takes effect on the date that the Texas  
23 Emissions Reduction Plan Advisory Board is abolished under  
24 Subsection (a) of this section. As soon as practicable after the  
25 effective date of this subsection, the Texas Commission on  
26 Environmental Quality shall implement the online application  
27 process required by Section 395.010(c), Health and Safety Code, as



1 added by this section. Prior to the implementation of the online  
2 application process, the commission may accept applications for a  
3 grant under Chapter 395, Health and Safety Code, as added by this  
4 section, in any manner provided by the commission.

5 (s-1) This subsection takes effect on the date that the  
6 Texas Emissions Reduction Plan Advisory Board is abolished under  
7 Subsection (a) of this section. The changes in law made by this  
8 section apply only to a Texas emissions reduction plan grant  
9 awarded on or after the effective date of this section. A grant  
10 awarded before the effective date of this section is governed by the  
11 law in effect on the date the award was made, and the former law is  
12 continued in effect for that purpose.

13 (t) This section takes effect August 30, 2017.

14 SECTION 9. FIRE ANT RESEARCH AND MANAGEMENT ACCOUNT  
15 ADVISORY COMMITTEE. (a) The Fire Ant Research and Management  
16 Account Advisory Committee is abolished.

17 (b) The following provisions are repealed:

18 (1) Section [77.022](#), Agriculture Code; and

19 (2) Section [88.215](#), Education Code.

20 SECTION 10. PALLIATIVE CARE INTERDISCIPLINARY ADVISORY  
21 COUNCIL. Section [118.003](#), Health and Safety Code, is repealed.

22 SECTION 11. AGRICULTURE POLICY BOARD. (a) The Agriculture  
23 Policy Board is abolished.

24 (b) Section [2.004](#), Agriculture Code, is repealed.

25 SECTION 12. ADVISORY OVERSIGHT COMMUNITY OUTREACH  
26 COMMITTEE. (a) The Advisory Oversight Community Outreach  
27 Committee is abolished.

1 (b) Section 411.0197, Government Code, is repealed.

2 SECTION 13. RAIN HARVESTING AND WATER RECYCLING TASK FORCE.

3 (a) The task force under Section 2113.301(h), Government Code, as  
4 repealed by this section, is abolished.

5 (b) Section 2113.301(h), Government Code, is repealed.

6 SECTION 14. STATE COGENERATION COUNCIL. (a) The State  
7 Cogeneration Council is abolished. All rules adopted by the State  
8 Cogeneration Council are abolished.

9 (b) Section 2302.024, Government Code, is amended to read as  
10 follows:

11 Sec. 2302.024. AUTHORITY TO SELL POWER. A [~~(a) After the~~  
12 ~~council has approved the application to construct or operate a~~  
13 ~~cogeneration facility, a]~~ cogenerating state agency may contract in  
14 the same manner as a qualifying facility for the sale to an electric  
15 utility of firm or nonfirm power produced by the state agency  
16 cogeneration facility that exceeds the agency's power  
17 requirements.

18 [~~(b) A cogenerating state agency may consult with the~~  
19 ~~council about the price or other terms of a contract entered under~~  
20 ~~this section.]~~

21 (c) The following provisions of the Government Code are  
22 repealed:

23 (1) Section 2302.001(3);

24 (2) Sections 2302.002, 2302.003, 2302.004, 2302.005,  
25 2302.006, and 2302.007;

26 (3) Section 2302.021(a); and

27 (4) Section 2302.022.

1 SECTION 15. PREMARITAL EDUCATION HANDBOOK ADVISORY  
2 COMMITTEE. (a) The advisory committee under Section 2.014(d),  
3 Family Code, as repealed by this section, is abolished.

4 (b) Section 2.014(d), Family Code, is repealed.

5 SECTION 16. INDEPENDENT REVIEW ORGANIZATION ADVISORY  
6 GROUP. (a) The advisory group under Section 4202.011, Insurance  
7 Code, as repealed by this section, is abolished.

8 (b) Section 4202.011, Insurance Code, is repealed.

9 SECTION 17. VEHICLE PROTECTION PRODUCT WARRANTOR ADVISORY  
10 BOARD. (a) The Vehicle Protection Product Warrantor Advisory  
11 Board is abolished.

12 (b) Subchapter C, Chapter 2306, Occupations Code, is  
13 repealed.

14 SECTION 18. Except as otherwise provided by this Act, this  
15 Act takes effect September 1, 2017.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1731 passed the Senate on April 27, 2017, by the following vote: Yeas 31, Nays 0; May 26, 2017, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 27, 2017, House granted request of the Senate; May 28, 2017, Senate adopted Conference Committee Report by the following vote: Yeas 28, Nays 3.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1731 passed the House, with amendments, on May 24, 2017, by the following vote: Yeas 145, Nays 0, one present not voting; May 27, 2017, House granted request of the Senate for appointment of Conference Committee; May 28, 2017, House adopted Conference Committee Report by the following vote: Yeas 146, Nays 0, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor