



Legislative Update: Air Quality and Related Legislation

June 6, 2019

TERP-Related Bills

TERP Funding Bills

HB 3745 (PASSED)

Author: Bell, Cecil | Rose | Capriglione | Zerwas | Thompson, Ed

Caption: Relating to the Texas emissions reduction plan fund and account.

What the bill does: This bill would continue transfers from the State Highway Fund into the TERP account until the fiscal biennium in which the state attains compliance with federal ambient air quality standards for ground-level ozone. This bill also creates the TERP Fund as a trust fund outside the state treasury held by the comptroller and administered by TCEQ. This money could be spent without legislative appropriation, providing more flexibility in distributing funds to administer TERP programs as determined by current law.

Last Action: This bill was enrolled and has been sent to the Governor to be signed.

HB 1746

Author: Lozano

Caption: Relating to the sources of funding for the Texas emissions reduction plan.

What the bill does: This bill would have extended the TERP surcharge imposed on every retail sale, lease, or use of every on-road diesel motor vehicle that is over 14,000 pounds that is sold, leased, or used in the state. Under tax code, this surcharge is 2.5 percent of the total consideration on a vehicle that is of the model year 1996 or earlier, and the surcharge is one percent of the total consideration for a vehicle of the model year 1997 or later. This bill would have extended the deposit of these surcharges to the TERP account to the last day of the fiscal biennium in which Texas achieves the ambient air quality standards for ozone in Health and Safety Code.

Last Action: This bill passed out of House Environmental Regulation Committee but did not pass out of the House as a whole.

SB 531

Author: Birdwell

Caption: Relating to the sources of funding for the Texas emissions reduction plan.

What the bill does: This bill would have extended certain deposits to the TERP fund from:

- Surcharges imposed on the sale, lease, rental, storage, use, or other consumption or new or used off-road, heavy-duty diesel equipment;
- Surcharges imposed on the sale, lease, or use of on-road diesel motor vehicles over 14,000 pounds;
- Title application fees collected in areas that do not meet ambient air quality standards;
- Registration fees for truck-tractors or commercial vehicles; and
- Commercial motor vehicle inspection fees.

The expiration of these deposits would have been extended to August 31, 2021.

Last Action: The House amended the bill, but the Senate did not approve the amendments. This bill did not pass.

HB 1345

Author: Thompson, Ed

Caption: Relating to sources of funding for the Texas emissions reduction plan.

What the bill does: This bill would have extended the deposit of the taxes generated from the sources listed above (SB 531) until Texas reached the required ambient air quality standards for ozone in Health and Safety Code.

Last Action: This bill was referred to House Environmental Regulation Committee but did not receive a hearing.

TERP Study and Program Bills

HB 3249

Author: Kacal

Caption: Relating to the use of Texas emissions reduction plan funds for a study conducted by the Texas A&M Transportation Institute.

What the bill does: This bill would have made no more than \$250,000 of TERP funds available for a contract with the Texas A&M Transportation Institute to conduct a study to evaluate the relationship between traffic congestion and ozone precursors and to identify effective strategies in reducing nitrogen oxide emissions from transportation sources.

Last Action: This bill was passed out of House Environmental Regulation Committee but did not pass out of the House.

Note: Late in the session, this bill was added to HB 2802 as an amendment. That bill was passed by the House, but not the Senate.

HB 3802

Author: Guillen

Caption: Relating to the creation of a zero-emission vehicle program under the Texas emissions reduction plan.

What the bill does: This bill would have created a zero-emission vehicle program under which grants could be provided for projects such as retrofitting that would decrease the overall emissions in the air.

Last Action: This bill passed out of House Environmental Regulation Committee but did not pass out of the House.

HB 4378/SB 2154

Author: Thompson, Ed | Zaffrini

Caption: Relating to the administration of certain programs under the Texas emissions reduction plan.

What the bill does: This bill would have created a grant program for Texas non-road natural gas vehicles. This program would have allowed for the distribution of grants for non-road vehicles or equipment to offset the cost for repowering or replacing non-road vehicles or equipment.

Last Action: This bill was referred to House Environmental Regulation Committee but did not receive a hearing.

HB 2094

Author: Thompson, Ed

Caption: Relating to the administration of and funding for the Texas emissions reduction plan.

What the bill does: This bill would have decreased the amount from the TERP fund that could be used for the technology implementation grant program, increasing the leftover balance of the fund. The bill would also limit the eligible uses of the funding set aside for the non-road diesel subaccount. It could be used to provide grants for non-road diesels or implement and administer programs to the extent that they relate to the issuance of grants for non-road diesels. Additionally, interest accumulated by the non-diesel subaccount should be credited to that account.

Last Action: This bill was referred to House Environmental Regulation Committee but did not receive a hearing.

Air Quality Program and Study Bills

Electric and Hybrid Vehicle Study Bills

SB 604 (PASSED)

Author: Buckingham, Birdwell

Caption: Relating to the continuation and functions of the Texas Department of Motor Vehicles and to the operations of certain other entities performing functions associated with the department.

What the bill does: This is the DMV sunset bill. While there are many elements to this bill, the air quality relevance is in an amendment which was added that would authorize DMV to contract out for a study on the potential for an additional registration fee on alternative fuel vehicles. The legislature seemed to acknowledge that these vehicles will increase in coming years, so many bills (HB 2254, HB 4218, SB 1653, SB 1076, SB 1216) were introduced to look at how to collect financial contribution for roadway costs from AFV drivers.

Light-Duty Motor Vehicle Purchase or Lease Incentive Program Bills

HB 889

Author: Murphy

Caption: Relating to the repeal of the light-duty motor vehicle purchase or lease incentive program.

What the bill does: This bill would have repealed the motor vehicle purchase or lease incentive program, but the bill would have maintained other existing programs such as the clean fleet program and other programs that support congestion mitigation to reduce mobile source ozone precursor emissions.

Last Action: This bill was referred to House Environmental Regulation Committee but never received a hearing.

HB 1649

Author: Kuempel

Caption: Relating to the amount of and vehicles eligible for the light-duty motor vehicle purchase or lease incentive program.

What the bill does: The primary goal of this bill was to exclude motor-assisted scooters from eligibility in the light-duty motor vehicle purchase or lease incentive program (\$2,500 rebate).

Last action: This bill made it through hearings in House and Senate committees, but it did not make it through the Senate Calendar at the close of the session.

SB 486

Author: Watson

Caption: Relating to vehicle eligibility for the light-duty motor vehicle purchase or lease incentive program.

What the bill does: This bill would have added motorcycles powered by an electric drive to this list of vehicles eligible for the light-duty motor vehicle purchase or lease incentive program (a \$2,500 incentive).

Last Action: This bill was referred to Senate Natural Resources & Economic Development Committee and received a hearing but did not pass out of committee.

Local Initiative Program Bills

HB 2253

Author: Israel| Turner, Chris

Caption: Relating to certain programs under the Texas Clean Air Act that reduce vehicle emissions and improve air quality; authorizing a fee.

What the bill does: This bill would have expanded eligible areas under local initiative programs to include things like freeway incident management projects, local vehicle repair and replacement, regional data collection efforts for air quality and multimodal transportation data to improve efficiency, and others. Under the local vehicle repair and replacement program, it would increase the assistance amount.

Last Action: This bill was referred to House Environmental Regulation Committee but did not receive a hearing.

Low-Income Vehicle Repair, Assistance, Retrofit, and Accelerated Vehicle Retirement Program Bills

HB 2664

Author: Patterson

Caption: Relating to the repeal of the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program and the use of remaining funds.

What the bill does: This bill would have repealed the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program and made, making more funding available to be distributed back to counties voluntarily participating in the local initiative programs. Counties could contract with entities, including the local metropolitan planning organization, on related projects, including an added project area for making improvements to reduce congestion on existing roads.

Last Action: This bill was referred to House Environmental Regulation Committee but did not receive a hearing.

HB 813

Author: Huberty

Caption: Relating to money used by counties that participate in the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program.

What the bill does: This bill would have adjusted the disbursement of funds collected under the emissions-related inspections so that a county with a population of at least four million receives 90 percent of the revenue derived from fees collected in that county. Additionally, in counties of at least four million which participate in the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program, this bill would have expanded use of emissions funding for local initiative projects to include a program to enhance transportation system

improvements, including improvements meant to reduce congestion on existing roads (excluding toll projects).

Last Action: This bill was referred to House Environmental Regulation Committee but did not receive a hearing.

SB 1070/HB 2253

Author: Watson

Caption: Relating to local initiatives programs under the Texas Clean Air Act and the repeal of the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program; authorizing a fee.

What the bill does: This bill would have allowed the commissioners court of counties participating in the local initiatives program to impose an additional fee, not to exceed \$6, for vehicle inspection in the county. These funds would be set aside for use on a local initiative air quality program as laid out in the Health and Safety Code. This bill would have also added potential project areas, including projects to support freeway incident management and associated first response, the development of regional data collection efforts for air quality and multimodal transportation data to improve efficiency of transportation systems, and the establishment of publicly accessible refueling infrastructure for alternative fuel vehicles.

Last Action: This bill passed out of Senate Natural Resources & Economic Development Committee but failed to pass out of the Senate as a whole.

Exhaust Emissions Bills

HB 1212 / SB 892

Authors: Israel | Menéndez

Caption: Relating to the modification or reprogramming of the exhaust emission system of a diesel-powered motor vehicle to emit soot, smoke, or other particulate matter (House).

Caption: Relating to the exhaust emission systems of certain diesel-powered motor vehicles (Senate).

What the bill does: These bills would have prohibited the reprogramming or modification of any part of a diesel-powered vehicle in a way which the owner or operator knows or should know will increase the vehicle's capacity to emit soot, smoke, or other particulate matter.

Last Action: Both versions of the bill were eventually held up when considered for the House Local & Consent Calendar.

HB 2661

Author: Blanco

Caption: Relating to requiring school districts to adopt a policy regarding the idling of the engine of a school bus.

What the bill does: This bill would have required the board of trustees of a school district to create a policy to minimize the idling of school buses. The bill introduced some requirements like the bus needing to be engaged in forward or reverse motion when running, turning off the engine immediately upon arrival at a stopping location, and others.

Last Action: This bill was passed out of House Environmental Regulation Committee but was not passed out of the House.

Process for Senate Bills

Texas Legislature

