

BILL ANALYSIS

C.S.H.B. 2321
By: Turner
Environmental Regulation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that low income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs and local initiative projects are effective initiatives that help lower ozone emissions in Texas. The parties contend that statutory changes are needed to help modernize and improve these initiatives for greater efficiency. C.S.H.B. 2321 seeks to provide for such changes.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2321 amends the Health and Safety Code to authorize the Texas Commission on Environmental Quality (TCEQ) to provide funding to participating counties for local initiative projects under the Texas Clean Air Act using available funds derived from fees collected through vehicle emissions inspection and maintenance programs. The bill requires a participating county that implements a local initiative project to use at least 50 percent of the money made available to the county from vehicle emissions inspection and maintenance program fees for the county's low income vehicle repair assistance, retrofit, and accelerated vehicle retirement program. The bill authorizes a participating county to use money that has been allocated by TCEQ to the county for a local initiative project program and that has not been spent by the last day of the fiscal year in which the money was allocated for the replacement and retirement of local government fleet vehicles. The bill requires the money available for such use to be spent not later than the second anniversary of the last day of the fiscal year in which TCEQ allocated the funds. The bill removes provisions that cap the vehicle emissions inspection and maintenance program fees that may be used for local initiative projects at \$7 million per fiscal year, that dedicate \$2 million of that money to certain projects to reduce the use of counterfeit registration insignia and vehicle inspection reports, and that require the fees to be made available to participating counties on a matching basis.

C.S.H.B. 2321 replaces as a condition of eligibility for participation in a low income vehicle repair assistance, retrofit, and accelerated vehicle retirement program the condition that the vehicle's registration reflects that the vehicle has been registered in the county implementing the program for at least 12 of the 15 months preceding the application for participation in the program with the condition that the vehicle's registration reflects that the vehicle is registered in a county implementing the program. The bill revises the minimum guidelines TCEQ is required to adopt by rule to assist a participating county in implementing a low income vehicle repair assistance, retrofit, and accelerated vehicle retirement program with regard to eligible amounts of

money for repair assistance and for the purchase of a replacement vehicle and the eligible model years and odometer reading of a replacement vehicle. The bill authorizes a county that is a party to an early action compact to implement a local initiative project. The bill defines "purchase" for purposes of Texas Clean Air Act provisions relating to vehicle emissions as a transaction in which a person buys a vehicle or leases a vehicle for a period of at least three years under an agreement that allows the vehicle to be driven at least 12,000 miles a year without a penalty.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2321 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 382.201, Health and Safety Code, is amended.

SECTION 1. Same as introduced version.

SECTION 2. Section 382.202(g), Health and Safety Code, is amended.

SECTION 2. Same as introduced version.

SECTION 3. Sections 382.209(b) and (e), Health and Safety Code, are amended to read as follows:

SECTION 3. Sections 382.209(b) and (e), Health and Safety Code, are amended to read as follows:

(b) The commission shall provide funding for local low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs as provided by Section 382.220 [~~with available funds collected under Section 382.202, 382.302, or other designated and available funds~~]. The programs shall be administered in accordance with Chapter 783, Government Code. Program costs may include call center management, application oversight, invoice analysis, education, outreach, and advertising. Not more than 10 percent of the money provided to a local low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program [~~under this section~~] may be used for the administration of the program [~~programs~~], including program costs.

(b) The commission shall provide funding for local low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs as provided by Section 382.220 [~~with available funds collected under Section 382.202, 382.302, or other designated and available funds~~]. The programs shall be administered in accordance with Chapter 783, Government Code. Program costs may include call center management, application oversight, invoice analysis, education, outreach, and advertising. Not more than 10 percent of the money provided to a local low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program [~~under this section~~] may be used for the administration of the program [~~programs~~], including program costs.

(e) A vehicle is not eligible to participate in a low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program established under this section unless:

(e) A vehicle is not eligible to participate in a low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program established under this section unless:

- (1) the vehicle is capable of being operated;
- (2) the registration of the vehicle:

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- (2) the registration of the vehicle:

- (A) is current; ~~and~~
- (B) ~~was issued by the county implementing the program; and~~
- (C) ~~reflects that the vehicle has been registered in the county implementing the program for at least 12 of the 15 months preceding the application for participation in the program;~~
- (3) the commissioners court of the county administering the program determines that the vehicle meets the eligibility criteria adopted by the commission, the Texas Department of Motor Vehicles, and the Public Safety Commission;
- (4) if the vehicle is to be repaired, the repair is done by a repair facility recognized by the Department of Public Safety, which may be an independent or private entity licensed by the state; and
- (5) if the vehicle is to be retired under this subsection and Section 382.213, the replacement vehicle is a qualifying motor vehicle.

SECTION 4. Sections 382.210(a), (b), and (f), Health and Safety Code, are amended.

SECTION 5. Section 382.220, Health and Safety Code, is amended to read as follows:
 Sec. 382.220. COUNTY USE OF MONEY FROM VEHICLE EMISSIONS INSPECTION FEES; ~~[FUNDING FOR]~~ LOCAL INITIATIVE PROJECTS. (a) The commission:

(1) shall provide funding to participating counties for local low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs under Section 382.209 using:

(A) available funds derived from fees collected through vehicle emissions inspection and maintenance programs under Sections 382.202 and 382.302; and

(B) other designated and available funds; and

(2) may provide funding to participating counties for local initiative projects under Subsection (b) using available funds derived from fees collected through vehicle emissions inspection and maintenance programs under Sections 382.202 and 382.302.

(a-1) A participating county that implements a local initiative project under

- (A) is current; and
- (B) ~~reflects that the vehicle is ~~has been~~ registered in a ~~the~~ county implementing the program ~~[for at least 12 of the 15 months preceding the application for participation in the program];~~~~
- (3) the commissioners court of the county administering the program determines that the vehicle meets the eligibility criteria adopted by the commission, the Texas Department of Motor Vehicles, and the Public Safety Commission;
- (4) if the vehicle is to be repaired, the repair is done by a repair facility recognized by the Department of Public Safety, which may be an independent or private entity licensed by the state; and
- (5) if the vehicle is to be retired under this subsection and Section 382.213, the replacement vehicle is a qualifying motor vehicle.

SECTION 4. Same as introduced version.

SECTION 5. Section 382.220, Health and Safety Code, is amended to read as follows:
 Sec. 382.220. COUNTY USE OF MONEY FROM VEHICLE EMISSIONS INSPECTION FEES; ~~[FUNDING FOR]~~ LOCAL INITIATIVE PROJECTS. (a) The commission:

(1) shall provide funding to participating counties for local low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs under Section 382.209 using:

(A) available funds derived from fees collected through vehicle emissions inspection and maintenance programs under Sections 382.202 and 382.302; and

(B) other designated and available funds; and

(2) may provide funding to participating counties for local initiative projects under Subsection (b) using available funds derived from fees collected through vehicle emissions inspection and maintenance programs under Sections 382.202 and 382.302.

(a-1) A participating county that implements a local initiative project under

Subsection (b) must use at least 50 percent of the money made available to the county under Section 382.202(g) or 382.302 for the county's low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program.

(a-2) Money that is made available to participating counties under Section 382.202(g) or 382.302 may be appropriated only for programs administered in accordance with Chapter 783, Government Code, to improve air quality.

(a-3) A participating county may agree to contract with any appropriate entity, including a metropolitan planning organization or a council of governments, to implement a program under Section 382.202 or~~;~~ 382.209~~;~~ or a project under Subsection (b) ~~[this section].~~

(b) A participating county may implement a local initiative project to improve air quality if approved by the commissioners court of the county. A local initiative project ~~[program under this section must be implemented in consultation with the commission and]~~ may include a program to:

- (1) expand and enhance the AirCheck Texas Repair and Replacement Assistance Program;
- (2) develop and implement programs or systems that remotely determine vehicle emissions and notify the vehicle's operator;
- (3) develop and implement projects to implement the commission's smoking vehicle program;
- (4) develop and implement projects in consultation with the director of the Department of Public Safety for coordinating with local law enforcement officials to reduce the use of counterfeit registration insignia and vehicle inspection reports by providing local law enforcement officials with funds to identify vehicles with counterfeit registration insignia and vehicle inspection reports and to carry out appropriate actions;
- (5) develop and implement programs to enhance transportation system improvements; or
- (6) develop and implement new air control strategies designed to assist local areas in complying with state and federal air quality rules and regulations.

Subsection (b) must use at least 50 percent of the money made available to the county under Section 382.202(g) or 382.302 for the county's low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program.

(a-2) Money that is made available to participating counties under Section 382.202(g) or 382.302 may be appropriated only for programs administered in accordance with Chapter 783, Government Code, to improve air quality.

(a-3) A participating county may agree to contract with any appropriate entity, including a metropolitan planning organization or a council of governments, to implement a program under Section 382.202 or~~;~~ 382.209~~;~~ or a project under Subsection (b) ~~[this section].~~

(b) A participating county may implement a local initiative project, which ~~[program under this section]~~ must be implemented in consultation with the commission and may include a program to:

- (1) expand and enhance the AirCheck Texas Repair and Replacement Assistance Program;
- (2) develop and implement programs or systems that remotely determine vehicle emissions and notify the vehicle's operator;
- (3) develop and implement projects to implement the commission's smoking vehicle program;
- (4) develop and implement projects in consultation with the director of the Department of Public Safety for coordinating with local law enforcement officials to reduce the use of counterfeit registration insignia and vehicle inspection reports by providing local law enforcement officials with funds to identify vehicles with counterfeit registration insignia and vehicle inspection reports and to carry out appropriate actions;
- (5) develop and implement programs to enhance transportation system improvements; ~~[or]~~
- (6) develop and implement new air control strategies designed to assist local areas in complying with state and federal air quality rules and regulations; or
- (7) improve air quality through the replacement and retirement of fleet vehicles as authorized by Subsection (d).

(c) Money that is made available for the implementation of a local initiative project [program] under Subsection (b) may not be expended for local government fleet or vehicle acquisition or replacement, call center management, application oversight, invoice analysis, education, outreach, or advertising purposes.

~~[(d) Fees collected under Sections 382.202 and 382.302 may be used in an amount not to exceed \$7 million per fiscal year for projects described by Subsection (b), of which \$2 million may be used only for projects described by Subsection (b)(4). The remaining \$5 million may be used for any project described by Subsection (b). The fees shall be made available only to counties participating in the low income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs created under Section 382.209 and only on a matching basis, whereby the commission provides money to a county in the same amount that the county dedicates to a project authorized by Subsection (b). The commission may reduce the match requirement for a county that proposes to develop and implement independent test facility fraud detection programs, including the use of remote sensing technology for coordinating with law enforcement officials to detect, prevent, and prosecute the use of counterfeit registration insignia and vehicle inspection reports.]~~

SECTION 6. Section 382.302(e), Health and Safety Code, is amended.

SECTION 7. This Act takes effect September 1, 2017.

(c) Except as provided by Subsection (d), money [Money] that is made available for the implementation of a program under Subsection (b) may not be expended for local government fleet or vehicle acquisition or replacement, call center management, application oversight, invoice analysis, education, outreach, or advertising purposes.

(d) A participating county may use money that has been allocated by the commission to the county for a program under Subsection (b) and that has not been spent by the last day of the fiscal year in which the money was allocated for the replacement and retirement of local government fleet vehicles. Money available for use under this subsection must be spent not later than the second anniversary of the last day of the fiscal year in which the commission allocated the funds

~~[Fees collected under Sections 382.202 and 382.302 may be used in an amount not to exceed \$7 million per fiscal year for projects described by Subsection (b), of which \$2 million may be used only for projects described by Subsection (b)(4). The remaining \$5 million may be used for any project described by Subsection (b). The fees shall be made available only to counties participating in the low income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs created under Section 382.209 and only on a matching basis, whereby the commission provides money to a county in the same amount that the county dedicates to a project authorized by Subsection (b). The commission may reduce the match requirement for a county that proposes to develop and implement independent test facility fraud detection programs, including the use of remote sensing technology for coordinating with law enforcement officials to detect, prevent, and prosecute the use of counterfeit registration insignia and vehicle inspection reports].~~

SECTION 6. Same as introduced version.

SECTION 7. Same as introduced version.