

AN ACT

relating to emissions reductions incentives and the emissions reductions incentives account.

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

SECTION 1. Sections 382.051865(a), (c), and (d), Health and Safety Code, are amended to read as follows:

(a) The commission by rule shall [~~may~~] develop a program for the reduction of emissions of nitrogen oxides from reciprocating internal combustion engines associated with pipelines that are required by this subchapter to reduce the hourly emissions rate of nitrogen oxides, expressed in terms of grams per brake horsepower-hour, by at least 50 percent. In developing a program under this section the commission must cooperate with:

(1) local governments;

(2) agencies, departments, and political subdivisions of the state; and

(3) the United States and its agencies.

(c) The emissions reduction program shall [~~may~~] include incentives as developed by the commission for nitrogen oxides emissions reduction projects for reciprocating internal combustion engines described by Subsection (a), including a partial reimbursement for the capital cost of installing technology to reduce the emissions. The incentives may be applied only to expenses of projects to achieve those reductions of a reciprocating

1 internal combustion engine's hourly emissions rate of nitrogen
2 oxides, expressed in terms of grams per brake horsepower-hour, only
3 to the extent the reductions exceed 30 percent and do not exceed 50
4 percent of the engine's emissions rate before modification.

5 (d) Rules adopted under this section may not require more
6 stringent emissions reduction [~~must include~~] criteria than those
7 specified in this subsection for [~~the~~] determining eligibility for
8 an emissions reduction project incentive under the program. To be
9 eligible under the criteria, a facility must:

10 (1) be subject to the requirement under this
11 subchapter that it reduce its hourly emissions rate of nitrogen
12 oxides, expressed in terms of grams per brake horsepower-hour, by
13 50 percent;

14 (2) be reducing its hourly emissions rate of nitrogen
15 oxides, expressed in terms of grams per brake horsepower-hour, by
16 at least 50 percent; and

17 (3) be located in the East Texas region established by
18 this subchapter for purposes of compliance with permit requirements
19 for facilities affected by Section 382.0518(g).

20 SECTION 2. Section 78(b), Chapter 1158, Acts of the 77th
21 Legislature, Regular Session, 2001, is transferred to Subchapter C,
22 Chapter 382, Health and Safety Code, redesignated as Section
23 382.051866 of that subchapter, and amended to read as follows:

24 Sec. 382.051866. [~~(b)~~] EMISSIONS REDUCTIONS INCENTIVES
25 ACCOUNT. (a) In this section, "affiliate" means a person that
26 directly or indirectly controls, is controlled by, or is under
27 common control with another person.

1 (b) [~~(1)~~] The comptroller of public accounts shall
2 establish an account within the clean air account [~~no. 151~~] to be
3 known as the emissions reductions incentives account.

4 (c) [~~(2)~~] The emissions reductions incentives account
5 consists of money from:

6 (1) [~~(A)~~] gifts, grants, or donations to the account
7 for a designated or general use; [~~and~~]

8 (2) [~~(B)~~] money from any other source the legislature
9 designates; and

10 (3) the interest earned on money in the emissions
11 reductions incentives account.

12 (d) Money [~~(3) The commission may use the money~~] in the
13 emissions reductions incentives account may be appropriated only to
14 pay for emissions reduction project incentives under a program
15 developed under Section 382.051865[, ~~Health and Safety Code,~~] and
16 administrative expenses associated with providing the incentives
17 or the incentive program established under that section.

18 (e) A person or an affiliate of a person who pays or
19 contributes money to the emissions reductions incentives account is
20 ineligible to receive money from the account under a program
21 developed under Section 382.051865.

22 (f) [~~(4)~~] The emissions reductions incentives account is
23 exempt from the application of Section 403.095, Government Code.

24 SECTION 3. Section 382.05186, Health and Safety Code, is
25 amended by adding Subsection (j) to read as follows:

26 (j) A reciprocating internal combustion engine that is
27 subject to this section and to a mass emissions cap as established

1 by commission rule is considered permitted under this section with
2 respect to all air contaminants if the facility is:

3 (1) located in an area designated nonattainment for an
4 ozone national ambient air quality standard; and

5 (2) achieving compliance with all state and federal
6 requirements designated for that area.

7 SECTION 4. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2003.

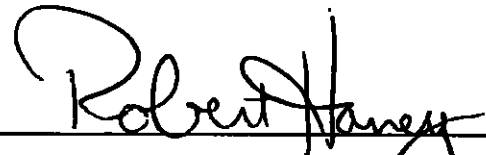


President of the Senate



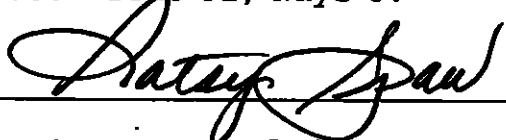
Speaker of the House

I certify that H.B. No. 638 was passed by the House on May 6, 2003, by the following vote: Yeas 143, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 638 on May 22, 2003, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 638 on June 1, 2003, by the following vote: Yeas 148, Nays 0, 2 present, not voting.



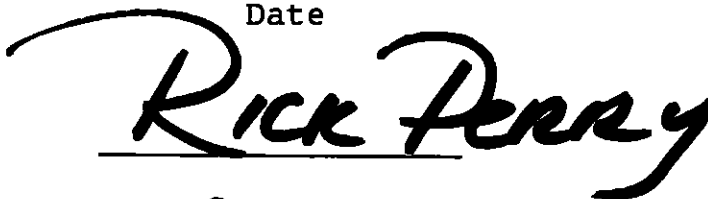
Chief Clerk of the House

I certify that H.B. No. 638 was passed by the Senate, with amendments, on May 20, 2003, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 638 on June 1, 2003, by the following vote: Yeas 31, Nays 0.


Secretary of the Senate

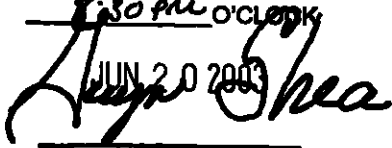
APPROVED: 20 JUN 03

Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE


JUN 20 2003
Secretary of State