CONFERENCE COMMITTEE REPORT FORM

Austin, Texas
MAY 31, 2003

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 1365 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

[Signatures]

Chris Harris, Chair
Dennis Bonnen, Chair
Kip Averitt
Jaime Capelo
Kenneth Armbrister
Warren Chisum
Mike Jackson
Brian McCall

On the part of the Senate
Steve Ogden
On the part of the House
Ron Wilson

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.
A BILL TO BE ENTITLED

AN ACT

relating to the Texas emissions reduction plan.

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

SECTION 1. Section 386.001(2), Health and Safety Code, is amended to read as follows:

(2) "Affected county" includes:

(A) Bastrop County;
(B) Bexar County;
(C) Caldwell County;
(D) Comal County;
(E) Ellis County;
(F) Gregg County;
(G) Guadalupe County;
(H) Harrison County;
(I) Hays County;
(J) Henderson County;
(K) Hood County;
(L) Hunt County;
(M) Johnson County;
(N) Kaufman County;
(O) Nueces County;
(P) Parker County;
(Q) Rockwall County;
(R) Rusk County;
(S) San Patricio County;
(T) Smith County;
(U) Travis County;
(V) Upshur County;
(W) Victoria County;
(X) Williamson County; [and]
(Y) Wilson County; and
(Z) any other county designated as an affected county by commission rule because of deteriorating air quality.

SECTION 2. Section 386.053(d), Health and Safety Code, is amended to read as follows:

(d) The commission may propose revisions to the guidelines and criteria adopted under this section as necessary to improve the ability of the plan to achieve its goals. Revisions may include, among other changes, adding additional pollutants, adding stationary engines or engines used in stationary applications, adding vehicles and equipment that use fuels other than diesel, or adjusting eligible program categories, as appropriate, to ensure that incentives established under this chapter achieve the maximum possible emissions reductions. The commission shall make a
proposed revision available to the public before the 45th day preceding the date of final adoption of the revision and shall hold at least one public meeting to consider public comments on the proposed revision before final adoption.

SECTION 3. Sections 386.101(6) and (9), Health and Safety Code, are amended to read as follows:

(6) "On-road diesel" means an on-road diesel-powered motor vehicle that has a gross vehicle weight rating of 8,500 (10,000) pounds or more.

(9) "Repower" means to replace an old engine powering an on-road or non-road diesel with a new engine, a used engine, a remanufactured engine, or electric motors, drives, or fuel cells:

[A] a new engine that emits at least 30 percent less than the oxides of nitrogen emissions standard required by federal regulation for the current model year for that engine;

[B] an engine manufactured later than 1987 that emits at least 30 percent less than the oxides of nitrogen emissions standard emitted by a new engine certified to the baseline oxides of nitrogen emissions standard for that engine;

[C] an engine manufactured before 1988 that emits not more than 50 percent of the oxides of nitrogen emissions standard emitted by a new engine certified to the baseline oxides of nitrogen emissions standard for that engine, or

[D] electric motors, drives, or fuel cells.

SECTION 4. Section 386.102(b), Health and Safety Code, is
amended to read as follows:

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

(1) purchase or lease of on-road or non-road diesels;

(2) emissions-reducing retrofit projects for on-road or non-road diesels;

(3) emissions-reducing repower projects for on-road or non-road diesels;

(4) purchase and use of emissions-reducing add-on equipment for on-road or non-road diesels;

(5) development and demonstration of practical, low-emissions retrofit technologies, repower options, and advanced technologies for on-road or non-road diesels with lower emissions of oxides of nitrogen;

(6) use of qualifying fuel; [and]

(7) implementation of infrastructure projects; and

(8) replacement of on-road or non-road diesels with newer on-road or non-road diesels.

SECTION 5. Section 386.103(a), Health and Safety Code, is amended to read as follows:

(a) Any person as defined by Section 382.003 that owns one or more on-road or non-road diesels that operate primarily within a nonattainment area or affected county of this state or that otherwise contributes to the state inventory of emissions of oxides of nitrogen may apply for a grant under the program. The
commission may adopt guidelines to allow a person other than the
owner to apply for and receive a grant in order to improve the
ability of the program to achieve its goals.

SECTION 6. Section 386.104(f), Health and Safety Code, is
amended to read as follows:

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

SECTION 7. Section 386.105, Health and Safety Code, is
amended by adding Subsection (e) to read as follows:

(e) The commission may allow for the apportionment of credits
associated with a project between the plan and another program or
entity if the part of the credit assigned to the program that is
part of the plan still meets any applicable cost-effectiveness
criteria.

SECTION 8. Section 386.106(a), Health and Safety Code, is
amended to read as follows:

(a) Except as provided by Section 386.107 and except for
infrastructure projects and infrastructure purchases that are part
of a broader retrofit, repower, replacement, or add-on equipment
project, the commission may not award a grant for a proposed
project the cost-effectiveness of which, calculated in accordance
with Section 386.105 and criteria developed under that section,
exceeds $13,000 per ton of oxides of nitrogen emissions reduced in
the nonattainment area or affected county for which the project is
proposed. This subsection does not restrict commission authority
under other law to require emissions reductions with a
cost-effectiveness that exceeds $13,000 per ton.

SECTION 9. Section 386.112(b), Health and Safety Code, is
amended to read as follows:

(b) The program shall authorize statewide incentives for the
reimbursement of incremental costs for the purchase or lease,
according to the schedule provided by Section 386.113, of new
on-road diesels that are certified by the United States
Environmental Protection Agency or the California Air Resources
Board to an emissions standard provided by Section 386.113 if the
purchaser or lessee of the on-road diesel agrees to register the
vehicle in this state and to operate the on-road diesel in this
state for not less than 75 percent of the on-road diesel's annual
mileage.

SECTION 10. Subchapter C, Chapter 386, Health and Safety
Code, is amended by adding Sections 386.115 and 386.116 to read as
follows:
Sec. 386.115. MODIFICATION OF VEHICLE ELIGIBILITY. After evaluating the availability of vehicles meeting the emissions standards and after public notice and comment, the commission, in consultation with the advisory board, may expand the program to include other on-road vehicles, regardless of fuel type used, that meet the emissions standards, have a gross vehicle weight rating of greater than 8,500 pounds, and are purchased or leased in lieu of a new on-road diesel.

Sec. 386.116. SMALL BUSINESS INCENTIVES. (a) In this section, "small business" means a business owned by a person who:

(1) owns and operates not more than two vehicles, one of which is:

(A) an on-road diesel with a pre-1994 engine model;

or

(B) a non-road diesel with an engine with uncontrolled emissions; and

(2) has owned the vehicle described by Subdivision (1)(A) or (B) for more than one year.

(b) The commission by rule shall develop a method of providing fast and simple access to grants under this subchapter for a small business.

(c) The commission shall publicize and promote the availability of grants under this section to encourage the use of vehicles that produce fewer emissions.

(d) On or before December 1 of each even-numbered year, the
commission shall report commission actions and results under this section to the governor, lieutenant governor, and speaker of the house of representatives.

SECTION 11. Section 386.202(b), Health and Safety Code, is amended to read as follows:

(b) Programs approved under this subchapter and other energy efficiency programs administered by the utility commission must include energy conservation programs for the retirement of materials and appliances that contribute to energy consumption or peak energy demand to ensure the reduction of energy consumption, energy demand, or peak loads, and associated emissions of air contaminants.

SECTION 12. Section 386.252, Health and Safety Code, is amended to read as follows:

Sec. 386.252. USE OF FUND. (a) Money in the fund may be used only to implement and administer programs established under the plan and shall be allocated as follows:

(1) for the diesel emissions reduction incentive program, 87.5 [92] percent of the money in the fund, of which not more than [three percent may be used for infrastructure projects and not more than] 10 percent may be used for on-road diesel purchase or lease incentives;

(2) [for the motor vehicle purchase or lease incentive program, 15 percent of the money in the fund;]

[(3) for the energy efficiency grant program, 7.5

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percent of the money in the fund:

[¶47] for the new technology research and development
program, 2.5 [¶7.5] percent of the money in the fund, of which up to
$250,000 is allocated for administration, up to $200,000 is
allocated for a health effects study, [and] $500,000 is to be
deposited in the state treasury to the credit of the clean air
account created under Section 382.0622 to supplement funding for
air quality planning activities in affected counties, and not less
than 20 percent is to be allocated each year to support research
related to air quality for the Houston-Galveston-Brazoria and
Dallas-Fort Worth nonattainment areas by a nonprofit organization
based in Houston; [end]

(3) [¶57] for administrative costs incurred by [the
utility commission,] the commission[, the comptroller], and the
laboratory, three percent.

(b) Up to 25 [¶15] percent of the money allocated under
Subsection (a) to a particular program and not expended under that
program by January [March] 1 of the second fiscal year of a fiscal
biennium may be used for another program under the plan as
determined by the commission in consultation with the advisory
board.

SECTION 13. Section 387.003(b), Health and Safety Code, is
amended to read as follows:

(b) Under the program, the Texas Council on Environmental
Technology shall provide grants to be used to support development
of emissions-reducing technologies that may be used for projects eligible for awards under Chapter 386 and other new technologies that show promise for commercialization. The primary objective of this chapter is to promote the development of commercialization technologies that will support projects that may be funded under Chapter 386 and this chapter, including advanced technologies such as fuel cells, catalysts, and fuel additives.

SECTION 14. Section 387.006(a), Health and Safety Code, is amended to read as follows:

(a) An application for a technology grant under this chapter must show clear and compelling evidence that:

(1) the proposed technology project has a strong commercialization plan and organization; and

(2) the technology proposed for funding:

(A) is likely to be offered for commercial sale in this state as soon as practicable but no later than [within] five years after the date of the application for funding; and

(B) once commercialized, will offer opportunities for projects eligible for funding under Chapter 386.

SECTION 15. Section 388.003, Health and Safety Code, is amended by adding Subsection (i) to read as follows:

(i) A building certified by a national, state, or local accredited energy efficiency program and determined by the laboratory to be in compliance with the energy efficiency requirements of this section may, at the option of the
municipality, be considered in compliance. The United States Environmental Protection Agency's Energy Star Program certification of energy code equivalency shall be considered in compliance.

SECTION 16. Section 388.004, Health and Safety Code, is amended to read as follows:

Sec. 388.004. ENFORCEMENT OF ENERGY STANDARDS OUTSIDE OF MUNICIPALITY. (a) For construction outside of the local jurisdiction of a municipality:

(1) a building certified by a national, state, or local accredited energy efficiency program shall be considered in compliance;

(2) a building with inspections from private code-certified inspectors using the energy efficiency chapter of the International Residential Code or International Energy Conservation Code shall be considered in compliance; and

(3) a builder who does not have access to either of the above methods for a building shall certify compliance using a form provided by the laboratory, enumerating the code-compliance features of the building.

(b) A builder shall retain until the third anniversary of the date on which compliance is achieved the original copy of any documentation that establishes compliance under this section. The builder on receipt of any compliance documentation shall provide a copy to the owner of the building.

(c) A single-family residence built in the unincorporated
area of a county the construction of which was completed on or
after September 1, 2001, but not later than August 31, 2002, shall
be considered in compliance.

SECTION 17. Chapter 388, Health and Safety Code, is amended
by adding Sections 388.009 and 388.010 to read as follows:

Sec. 388.009. ENERGY-EFFICIENT BUILDING PROGRAM. (a) In
this section, "National Housing Act" means Section 203(b), (i), or
(k) of the National Housing Act (12 U.S.C. Sections 1709(b), (i),
and (k)), as amended.

(b) The General Land Office, in consultation with the
laboratory, the commission, and an advisory committee appointed by
the General Land Office, may develop an energy-efficient building
accreditation program for buildings that exceed the building energy
performance standards under Section 388.003 by 15 percent or more.

(c) If the General Land Office adopts a program under this
section, the General Land Office, in consultation with the
laboratory, shall update the program on or before December 1 of
each even-numbered year using the best available energy-efficient
building practices.

(d) If the General Land Office adopts a program under this
section, the program shall use a checklist system to produce an
energy-efficient building scorecard to help:

(1) home buyers compare potential homes and, by
providing a copy of the completed scorecard to a mortgage lender,
qualify for energy-efficient mortgages under the National Housing
Act: and

(2) communities qualify for emissions reduction credits by adopting codes that meet or exceed the energy-efficient building or energy performance standards established under this chapter.

(e) The General Land Office may establish a public information program to inform homeowners, sellers, buyers, and others regarding energy-efficient building ratings.

(f) If the General Land Office adopts a program under this section, the laboratory shall establish a system to measure the reduction in energy and emissions produced under the energy-efficient building program and report those savings to the commission.

Sec. 388.010. OUTREACH TO NEAR-NONATTAINMENT AREAS. The commission shall conduct outreach to near-nonattainment areas and affected counties on the benefits of implementing energy efficiency initiatives, including the promotion of energy-efficient building programs and urban heat island mitigation techniques, as a way to meet air quality attainment goals under the federal Clean Air Act (42 U.S.C. Section 7401 et seq.), as amended.

SECTION 18. Chapter 389, Health and Safety Code, is amended by adding Section 389.003 to read as follows:

Sec. 389.003. COMPUTING ENERGY EFFICIENCY EMISSIONS REDUCTIONS. The commission shall develop a method to use in computing emissions reductions obtained through energy efficiency initiatives.
SECTION 19. Subchapter H, Chapter 2155, Government Code, is amended by adding Section 2155.451 to read as follows:

Sec. 2155.451. VENDORS THAT MEET OR EXCEED AIR QUALITY STANDARDS. (a) This section applies only to a contract to be performed, wholly or partly, in an affected county, as that term is defined by Section 386.001, Health and Safety Code.

(b) The commission and state agencies procuring goods or services may:

(1) give preference to goods or services of a vendor that demonstrates that the vendor meets or exceeds any state or federal environmental standards, including voluntary standards, relating to air quality; or

(2) require that a vendor demonstrate that the vendor meets or exceeds any state or federal environmental standards, including voluntary standards, relating to air quality.

(c) The preference may be given only if the cost to the state for the goods or services would not exceed 105 percent of the cost of the goods or services provided by a vendor who does not meet the standards.

SECTION 20. Subchapter Z, Chapter 271, Local Government Code, is amended by adding Section 271.907 to read as follows:

Sec. 271.907. VENDORS THAT MEET OR EXCEED AIR QUALITY STANDARDS. (a) In this section, "governmental agency" has the meaning assigned by Section 271.003.

(b) This section applies only to a contract to be performed.
wholly or partly, in an affected county, as that term is defined by
Section 386.001, Health and Safety Code.

(c) A governmental agency procuring goods or services may:

(1) give preference to goods or services of a vendor
that demonstrates that the vendor meets or exceeds any state or
federal environmental standards, including voluntary standards,
relating to air quality; or

(2) require that a vendor demonstrate that the vendor
meets or exceeds any state or federal environmental standards,
including voluntary standards, relating to air quality.

(d) The preference may be given only if the cost to the
governmental agency for the goods or services would not exceed 105
percent of the cost of the goods or services provided by a vendor
who does not meet the standards.

SECTION 21. Section 151.0515, Tax Code, is amended by
amending Subsections (a), (b), and (c) and adding Subsection (b-1)
to read as follows:

(a) In this section, "equipment" includes all off-road,
heavy-duty diesel equipment [classified as construction equipment],
other than implements of husbandry used solely for agricultural
purposes, including:

(1) pavers;

(2) tampers/rammers;

(3) plate compactors;

(4) concrete pavers;
(5) rollers;

(6) scrapers;

(7) paving equipment;

(8) surface equipment;

(9) signal boards/light plants;

(10) trenchers;

(11) bore/drill rigs;

(12) excavators;

(13) concrete/industrial saws;

(14) cement and mortar mixers;

(15) cranes;

(16) graders;

(17) off-highway trucks;

(18) crushing/processing equipment;

(19) rough terrain forklifts;

(20) rubber tire loaders;

(21) rubber tire tractors/dozers;

(22) tractors/loaders/backhoes;

(23) crawler tractors/dozers;

(24) skid steer loaders;

(25) off-highway tractors; [and]

(26) Dumpsters/tenders; and

(27) mining equipment.

(b) In each county in this state, a surcharge is imposed on the retail sale, lease, or rental of new or used equipment in an
amount equal to \textit{two} \textit{percent} of the sale price or the lease or rental amount.

(b-1) In each county in this state, a surcharge is imposed on the storage, use, or other consumption in this state of new or used equipment. The surcharge is at the same percentage rate as is provided by Subsection (b) on the sales price or the lease or rental amount of the equipment.

(c) The surcharge shall be collected at the same time and in the same manner and shall be administered and enforced in the same manner as the tax imposed under this chapter [subchapter]. The comptroller shall adopt any additional procedures needed for the collection, administration, and enforcement of the surcharge authorized by this section and shall deposit all remitted surcharges to the credit of the Texas emissions reduction plan fund.

SECTION 22. Section 152.0215(a), Tax Code, is amended to read as follows:

(a) A surcharge is imposed on every retail \textit{sale}, \textit{lease}, or \textit{use} of every on-road diesel motor vehicle that is over 14,000 pounds \textit{[and is of a model year 1996 or earlier]} and that is \textit{sold}, \textit{leased}, or \textit{used} in this state. The amount of the surcharge for a vehicle of a model year 1996 or earlier is 2.5 percent of the total consideration and for a vehicle of a model year 1997 or later, one percent of the total consideration.

SECTION 23. Section 224.153, Transportation Code, is amended
by adding Subsection (d) to read as follows:

(d) The department may not authorize vehicles addressed in
Subsection (c) to use a high occupancy vehicle lane if such use
would violate federal transit or highway funding restrictions.

SECTION 24. Sections 501.138(a) and (b), Transportation Code,
are amended to read as follows:

(a) An applicant for a certificate of title, other than the
state or a political subdivision of the state, must pay the county
assessor-collector a fee of:

(1) $33 if the applicant's residence is a county located
within a nonattainment area as defined under Section 107(d) of the
federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is
an affected county, as defined by Section 386.001, Health and
Safety Code;

(2) $28 if the applicant's residence is any other county
(§13); or

(3) on or after September 1, 2008, $15 regardless of the
county in which the applicant resides.

(b) The county assessor-collector shall send:

(1) $5 of the fee to the county treasurer for deposit in
the officers' salary fund; [and]

(2) $8 of the fee to the department:

(A) together with the application within the time
prescribed by Section 501.023; or

(B) if the fee is deposited in an interest-bearing
account or certificate in the county depository or invested in an
investment authorized by Subchapter A, Chapter 2256, Government
Code, not later than the 35th day after the date on which the fee
is received; and

(3) the following amount to the comptroller at the time
and in the manner prescribed by the comptroller:

   (A) $20 of the fee if the applicant’s residence is
a county located within a nonattainment area as defined under
Section 107(d) of the federal Clean Air Act (42 U.S.C. Section
7407), as amended, or is an affected county, as defined by Section
386.001, Health and Safety Code; or

   (B) $15 of the fee if the applicant’s residence is
any other county.

   (C) Fees collected under this subsection to be sent
to the comptroller shall be deposited as follows:

   (1) before September 1, 2008, to the credit of the Texas
emissions reduction fund; and

   (2) after September 1, 2008, to the credit of the Texas
Mobility Fund.

SECTION 25. Section 545.353, Transportation Code, is amended
by adding Subsection (j) to read as follows:

(1) The commission may not determine or declare, or agree to
determine or declare, a prima facie speed limit for environmental
purposes on a part of the highway system.

SECTION 26. Sections 386.157 and 386.159, Health and Safety
Code, are repealed.

SECTION 27. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

(b) Sections 21 and 22 of this Act take effect on the first day of the first month beginning on or after the earliest date on which this Act may take effect if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for effect before September 1, 2003, Sections 21 and 22 of this Act take effect September 1, 2003. The comptroller of public accounts may adopt emergency rules for the implementation of Sections 21 and 22 of this Act.

(c) The change in law made by Section 25 of this Act does not affect speed limits that have been approved by the Texas Transportation Commission before the effective date of this Act.
House Bill 1365
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Authorizes TCEQ to retain existing fuel standards for gasoline, adopt ultra-low sulphur diesel fuel standards, and offer production and distribution incentives in East Texas.

SECTION 2. Adds additional "affected counties" that can participate in the TERP programs.

SECTION 3. Authorizes commission to revise program guidelines to include additional types of vehicles and equipment.

SECTION 4. Adds to the TERP advisory board a representative of city government and a representative of a transportation authority, both from serious nonattainment areas.

SECTION 5. Includes on-road diesels of greater than 8,500 pounds in and expands the types of retrofits eligible for the TERP program.

SECTION 6. Expands the types of diesels eligible for TERP grants, and adds purchase of qualifying fuel, production and distribution of cleaner burning fuels, and replacement of on-

SENATE VERSION

No similar section

SECTION 1. Same.

SECTION 2. Same.

SECTION 3. Authorizes the governor, in consultation with the speaker of the house of representatives, to appoint the TERP advisory board

SECTION 4. Same as House, but includes vehicles weighing 8,500 pounds.

SECTION 5. Same, but deletes purchase, production, and distribution of fuel.

CONFERENCE

No similar section.

SECTION 1. Same.

SECTION 2. Same.

No similar section.

SECTION 3. Same as Senate.

SECTION 4. Same as Senate.
HOUSE VERSION

road or non-road diesels with newer diesels to the grant program.

SECTION 7. Authorizes TCEQ to allow persons other than the owner of a vehicle or equipment to receive grants.

SECTION 8. Requires the commission to give preference in awarding grants to political subdivisions or persons contracting with political subdivisions. Requires newly included equipment replacement programs to document emissions reductions.

SECTION 9. Authorizes apportionment of reduction credits between the TERF program and another program in certain circumstances.

SECTION 10. Creates an exception to project cost-effectiveness requirements for infrastructure purchases that are part of a broader eligible project.

SECTION 11. Adds to eligible infrastructure workforce traffic reduction projects and projects for real time monitoring of use of alternative fuels or vehicle add-ons.

SENATE VERSION

SECTION 6. Same as House.

SECTION 7. Same as House, but deletes preferences.

SECTION 8. Same as House.

SECTION 9. Same as House, but adds infrastructure projects.

No similar provision.

CONFERENCE

SECTION 5. Same as House.

SECTION 6. Same as Senate.

SECTION 7. Same as House.

SECTION 8. Same as Senate.

No similar provision.

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<th>HOUSE VERSION</th>
<th>SENATE VERSION</th>
<th>CONFERENCE</th>
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<tr>
<td>SECTION 12. Adds certification of emissions standard by the California Air</td>
<td>SECTION 10. Same as House.</td>
<td>SECTION 9. Same as House.</td>
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<td>Resources Board as an alternative to EPA certification to be eligible for</td>
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<td>incentives to lease or purchase certain diesels.</td>
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<td>No similar provision</td>
<td>SFA4. Requires the energy efficiency programs administered by the PUC as</td>
<td>SECTION 11. Same as Senate.</td>
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<td>well as those under TCEQ to include energy conservation programs to retire</td>
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<td>materials and appliances that consume more energy or contribute to peak</td>
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<td>energy demand.</td>
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<td>SECTION 13. Authorizes TCEQ to expand the program to include other on-road</td>
<td>SECTION 12. Same as House (SFA7).</td>
<td>SECTION 10. Same as House.</td>
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<td>vehicles, regardless of fuel used, that meet stated criteria. Requires TCEQ</td>
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<td>to develop and publicize small business incentives.</td>
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<td>SECTION 14. Requires TCEQ to compute energy efficiency credits based on</td>
<td>No similar provision.</td>
<td>No similar provision.</td>
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<td>energy savings incentives in Sec. 39.905, Utilities Code, and include the</td>
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<td>credits in the state implementation plan.</td>
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<td>SECTION 15. Allocates 87.5 percent of the TERP fund to diesel emissions</td>
<td>SECTION 13. Same as House, but deletes funding requirement for political</td>
<td>SECTION 12. Same as Senate.</td>
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<td>reduction, at least 5% of which must be used.</td>
<td>subdivisions and the energy</td>
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Associated Draft:
for political subdivision programs. Allocates 9.5% of the
fund to new technology research and development, 20% of
which goes to air quality research for the Houston-Galveston-
Brazoria and the Dallas-Fort Worth nonattainment areas by
a Houston nonprofit. Allocates any remaining money to the
efficiency grant program (SFA5).

SECTION 16. Imposes a temporary fee on the delivery of
diesel fuel to fund the TERP program,

No similar provision.

SECTION 17. Requires clear and compelling evidence that a
project proposed for a technology grant is likely to be sold
commercially not later than 5 years from the date of the grant

SFA6. Specifies that advanced technologies such as fuel
cells, catalysts, and fuel additives are to be promoted under
the Texas Council on Environmental Quality's grant program.

SECTION 13. Same as Senate.

SFA8. Provides that a building certified by a national, state,
or local energy efficiency program is in compliance with
TERP's standards.

SECTION 14. Same as Senate.

SECTION 15. Allows a city to determine whether
compliance with certain standards, including EPA Energy
Star Program, is in compliance with TERP standards.
HOUSE VERSION

TCEQ to report energy savings to EPA and to revise the state implementation plan to reflect reductions. Requires TCEQ to designate a way to estimate energy savings and emissions reductions generated by adopting or implementing energy efficiency standards and the emissions reductions credits that could accrue.

SECTION 18. Requires a builder to retain for 3 years documentation establishing compliance with energy efficient building standards. Grandfathers certain county residences to clean up an effective date problem from last session's S.B.5.

SECTION 19. Authorizes the GLO to develop a green building accreditation program. Requires TCEQ to conduct outreach to near-nonattainment areas and affected counties regarding energy efficiency initiatives.

SECTION 20. Requires TCEQ to develop a way to compute emissions reductions through energy efficiency initiatives.

SECTION 21. Authorizes TCEQ and other state agencies to give preferences to vendors who meet or exceed state or federal environmental standards.

SENATE VERSION

SFA8. Same as House.

SFA3. Same as House, but substitutes "energy-efficient" for "green" and eliminates requirement that commercial building standards be based on federal standards.

No similar provision.

CONFERENCE

SECTION 16. Same as House.

SECTION 17. Same as Senate.

SECTION 18. Same as House.

SECTION 19. Same as House, but restricts preference to costs that won't exceed 105% of cost of goods or services obtained from another provider.

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Associated Draft:
HOUSE VERSION

SECTION 22. Authorizes local governments and other political subdivisions to give preferences to vendors who meet or exceed state or federal environmental standards.

SECTION 23. Adds mining and drilling equipment to equipment on which sales tax is imposed. Adds a storage, use, or consumption surcharge at the same rate and on the same equipment as the sales tax.

No similar provision.

SECTION 24. Prohibits authorization of HOV use if the use violates federal transit funding restrictions.

No similar provision.

SECTION 25. Prohibits speed limits for environmental purposes.

No similar provision.

SENATE VERSION

SECTION 13. Same as House.

SECTION 14. Imposes a surcharge on the sale, lease, or use of onroad diesel vehicles at 2% of the total consideration.

SECTION 15. Same as House, except also prohibits authorization if the use violates federal highway funds.

SECTION 16. Imposes additional $20 title fee on vehicle in nonattainment areas and $12 in other areas of the state.

No similar provision.

SFA1. Repeals Sections 386.157 and 386.159,

CONFERENCE

SECTION 20. Same as House, but restricts preference to costs that won't exceed 105% of cost of goods or services obtained from another provider.

SECTION 21. Same as House, but deletes drilling equipment.

SECTION 22. Same as Senate, but surcharge is 2.5% for 1996 or older models and 1% for 1997 or newer models.

SECTION 23. Same as House.

SECTION 24. Same as Senate, except that in other than nonattainment areas, the fee is $15.

SECTION 25. Same as House.

SECTION 26. Same as Senate.
HOUSE VERSION

SECTION 26. Requires TCEQ to adopt rules to implement outreach program and computing energy efficiency credits.

SECTION 27. Requires TCEQ to report on emissions reduction strategies likely to be required to meet federal ozone requirements.

SECTION 28. Provides that the Act takes effect immediately if it receives two-thirds approval, otherwise on September 1, 2003.

SECTION 29. Provides that the expiration of Section 386.253, Health and Safety Code, as added by the Act does not affect a fee imposed or obligation incurred before the expiration date.

SECTION 30. Requires TCEQ to develop a way to compute energy efficiency credits before a certain date.

SENATE VERSION

No similar provision.

No similar provision.

No similar provision.

SECTION 18. Same as House, but provides that Sections providing for the equipment sales surcharge and the onroad diesel sales, lease, or use surcharge take effect on the first day of the first month following the two dates, as appropriate.

No similar provision.

CONFERENCE

No similar provision.

No similar provision.

SECTION 27. Same as Senate, but adds provision that speed limit prohibition does not apply to speed limits approved by the Texas Transportation Commission before the effective date.