

## **BILL ANALYSIS**

Senate Research Center

S.B. 681  
By: Armbrister  
State Affairs  
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As Filed

### **DIGEST**

Currently, any program substituted by a state for the Federal Clean Fuel Fleet program (FCFF) must achieve emission equivalency with FCFF. Local governments or private persons must have a portion of their fleet vehicles to be able to operate on alternative fuels.

This bill redefines "fleet vehicle" in order to delete vehicles owned and operated by the state or mass transit authorities from alternative fuel requirements under this section. This bill also sets forth provisions dealing with the conversion of certain vehicles from gasoline-fueled or diesel-fueled to operate on an alternative fuel, and revises other purchasing requirements.

### **PURPOSE**

As proposed, S.B. 681 sets forth conditions for the Texas Natural Resource Conservation Commission for the alternative fuel program.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 382.131(7), Health and Safety Code, to redefine "fleet vehicle."

SECTION 2. Amends Section 382.132, Health and Safety Code, to provide that rules adopted by the Texas Natural Resource Conservation Commission (TNRCC) under Sections 382.133 through 382.136 apply only to a consolidated metropolitan statistical area or a metropolitan statistical area with a population of 350,000 or more that, under the federal national ambient air quality standards provided by Section 181, Clean Air Act, as amended (42 U.S.C. Section 7511 and Table 1), is a serious, severe, or extreme nonattainment area, rather than an area that has not met federal ambient air quality standards for ozone, carbon monoxide, oxides of nitrogen, or particulates.

SECTION 3. Amends Section 382.134, Health and Safety Code, to require the rules adopted by the board of TNRCC (board) to require a local government or private person to have a proportion of the person's newly purchased fleet vehicles and a proportion of the fleet vehicles in the person's total fleet able to operate on an alternative fuel according to a schedule in which 70 percent of light-duty fleet vehicles purchased after September 1, 2002 and 50 percent, rather than 45 percent, of the heavy-duty fleet vehicles purchased after September 1, 2002. Authorizes the requirements imposed under this section to be met by the conversion of currently owned or newly purchased gasoline-fueled or diesel-fueled vehicles to operate on an alternative fuel. Requires the conversion of a vehicle to operate on an alternative fuel to be treated the same as the purchase of a vehicle able to operate on an alternative fuel. Provides that this section does not require any person to convert a vehicle to alternative fuel or to purchase a converted vehicle.

SECTION 4. Amends Section 382.136(a), Health and Safety Code, to authorize TNRCC to make exceptions to rules adopted under Sections 382.133 and 382.134 if an alternative fuel that meets the normal requirements of the principal business of the affected entity is not available in the area in which the vehicles are to be operated, and vehicles able to operate on an alternative fuel that meet the normal requirements and practices of the principal business of the affected entity are not available for

purchase from an original equipment manufacturer, among other provisions. Deletes a provision providing that the commission determines that the affected vehicles will be operating primarily in an area that does not have or cannot reasonably be expected to establish adequate refueling for the fuels required under Sections 382.133 and 382.134.

SECTION 5. Amends Section 382.142, Health and Safety Code, to require rules adopted under this section to provide for the issuance of appropriate program compliance credits to a vehicle owner or operator for one or any combination of certain actions. Authorizes fleet vehicles converted, purchased, leased, or otherwise acquired prior to September 1, 1995, rather than 1998, to be counted toward compliance with the applicable fleet percentage requirements of Section 382.134 if the vehicles are capable of operating on an alternative fuel, rather than certain other qualifications. Provides that, rather than requires, this section applies to all vehicles purchased, leased, or otherwise acquired pursuant to Sections 451.301, 452.251, and 453.251, Transportation Code and Section 2158.001(a), Government Code, and deletes nonapplicable sections.

SECTION 6. Amends Section 382.143(b), Health and Safety Code, to require the rules adopted under this section to provide for certain program elements, including all mobile emissions reduction credits generated in accordance with this section may, within the same nonattainment area, be sold, traded, or banked for later use among fleet vehicle owners or other mobile sources of emissions without discount or depreciation of such credits. Deletes text requiring this section to comply with the United States Environmental Protection Agency's minimum requirements for an approvable Mobile Emissions Reduction Credit program.

SECTION 7. Effective date: September 1, 1997.

SECTION 8. Emergency clause.