

## **BILL ANALYSIS**

Senate Research Center

H.B. 2321  
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Natural Resources & Economic Development  
5/13/2017  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

LIRAP (Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Retirement Program) and LIP (Local Initiative Projects program) are air quality improvement programs overseen by the Texas Commission on Environmental Quality (TCEQ). LIRAP and LIP are self-funded by participating counties through a surcharge added to each vehicle emissions inspection. LIRAP assists owners of high-emitting automobiles to reduce their air emissions by offering financial incentives to repair or replace them. LIP assists with air quality improvement strategies developed locally, such as a Counterfeit Motor Vehicle Inspection Program to combat counterfeit, fictitious, and improper state inspection certificates for polluting vehicles in the region. The incentive amounts under LIRAP and the program qualifications under LIP have not been changed in several years, and do not meet the needs of the participating counties seeking to reduce air emissions.

H.B. 2321 remedies this by updating the incentive limits to provide real, practical assistance to low-income consumers seeking to repair or replace their cars. H.B. 2321 removes the cap and local match on LIP funds so that local areas can develop more effective programs to reduce air emissions. H.B. 2321 allows grant funds to be used over multiple years to maximize their effectiveness.

H.B. 2321 amends current law relating to low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs and local initiative projects.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Commission on Environmental Quality is modified in SECTION 4 (Section 382.210, Health and Safety Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 382.201, Health and Safety Code, by adding Subdivision (4-a) to define "purchase."

SECTION 2. Amends Section 382.202(g), Health and Safety Code, as follows:

(g) Requires the Texas Commission on Environmental Quality (TCEQ), to use part of the fee collected under Subsection (e) (relating to authorizing TCEQ to assess certain fees for vehicle emissions-related inspections performed at inspection or reinspection facilities authorized and licensed by TCEQ) to fund county programs, rather than low income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs (retirement programs), and projects as provided by Section 382.220 (Use of Funding for Local Initiative Projects), rather than created under 382.209 (Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program).

SECTION 3. Amends Section 382.209(b) and (e), Health and Safety Code, as follows:

(b) Requires TCEQ, to provide funding for local retirement programs as provided by Section 382.220, rather than with available funds collected under Section 382.202 (Vehicle Emissions Inspection and Maintenance Program), 382.302 (Inspection and

Maintenance Program), or other designated and available funds. Provides that not more than 10 percent of the money provided to a retirement program be used for the administration of the program, including program costs. Makes nonsubstantive changes.

(e) Provides that a vehicle is not eligible to participate in a retirement program established under this section unless the vehicle is registered in a county implementing the program or has been registered in a certain county, rather than the registration of the vehicle is current and reflects that the vehicle has been registered in a county. Makes nonsubstantive changes.

SECTION 4. Amends Sections 382.210(a), (b) and (f), Health and Safety Code, as follows:

(a) Requires TCEQ by rule to adopt guidelines to assist a participating county in implementing a retirement program authorized under Section 382.209. Requires the guidelines at a minimum to recommend:

(1) a maximum amount for repair assistance of at least \$800, rather than a minimum and maximum amount for repair assistance;

(2) an amount, rather than a minimum and maximum amount, to be put toward the purchase price of a replacement vehicle qualified for the accelerated retirement program, based on vehicle type and model year, of at least, rather than the maximum amount not to exceed:

(A) \$4,000 for a replacement car of the current model year or the previous four model years, rather than \$3,000 for a replacement car of the current model year or the previous three model years, except as provided by Paragraph (C);

(B) \$4,000 for a replacement truck of the current model year or the previous three model years, rather than \$3,000 for a replacement truck of the current model year or the previous two model years, except as provided by Paragraph (C); and

(C) \$4,500 for a replacement vehicle of the current model year or the previous four model years, rather than \$3,500 for a replacement vehicle of the current model year or the previous three model years, that has been certified to meet federal Tier 2, Bin 3 or a cleaner Bin certification under 40 C.F.R. Section 86.1811-04, as published in the February 10, 2000, Federal Register, or to meet federal Tier 3, Bin 85 or a cleaner Bin certification under 40 C.F.R. Section 86.1811-17;

(3) through (5) makes no changes to these subdivisions.

(b) Requires that a replacement vehicle described by Subsection (a)(2) be a vehicle in a class or category of vehicles that has been certified to meet federal Tier 2, Bin 5 or a cleaner Bin certification under 40 C.F.R. Section 86.1811-04, as published in the February 10, 2000, Federal Register, or to meet federal Tier 3, Bin 160 or a cleaner Bin certification under 40 C.F.R. Section 86.1811-17; have an odometer reading of not more than 85,000, rather than 70,000 miles; and be a vehicle the total purchase price, rather than total cost, of which does not exceed a certain amount.

(f) Provides that, for the purposes of Subsection (b), a reference to the total purchase price of a motor vehicle, rather than in this section "total cost," means a certain amount.

SECTION 5. Amends Section 382.220, Health and Safety Code, as follows:

Sec. 382.220. New heading: COUNTY USE OF MONEY FROM VEHICLE EMISSIONS INSPECTION FEES; LOCAL INITIATIVE PROJECTS. (a) Requires TCEQ to provide funding to participating counties for retirement programs under Section

382.209 using certain funds. Authorizes TCEQ to provide funding to participating counties for local initiative projects under Subsection (b) using certain available funds.

(a-1) Requires a participating county that implements a local initiative project under Subsection (b) to use at least 50 percent of the money made available to the county under Section 382.202(g) or 382.302 for the retirement program.

(a-2) Creates this subsection from existing text and makes no changes to this subsection.

(a-3) Authorizes a participating county 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), rather than this section. Creates this subsection from existing text.

(b) Authorizes a participating county to implement a local initiative project, which is required to be implemented in consultation with TCEQ and authorizes it to include a program to improve air quality through the replacement and retirement of fleet vehicles as authorized by Subsection (d), among other elements.

(c) Prohibits money that is made available for the implementation of a program under Subsection (b), except as provided by Subsection (d), from being expended for local government fleet or vehicle acquisition or replacement, call center management, application oversight, invoice analysis, education, outreach, or advertising purposes. Makes a nonsubstantive change.

(d) Authorizes a participating county to use money that has been allocated by TCEQ 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. Requires that money available for use under this subsection be spent not later than the second anniversary of the last day of the fiscal year in which TCEQ allocated the funds. Deletes existing text relating to authorizing certain fees collected to be used for certain projects. Deletes existing text requiring the fees to be made available only to counties participating in the retirement programs created under Section 382.209 and only on a matching basis, whereby TCEQ provides money to a county in the same amount that the county dedicates to a project authorized by Subsection (b). Deletes existing text authorizing TCEQ to 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. Amends Section 382.302(e), Health and Safety Code, to authorize a participating county to participate in the program established under Section 382.209 and to implement a local initiative project under Section 382.220.

SECTION 7. Effective date: September 1, 2017.