

BILL ANALYSIS

Senate Research Center
78R13239 JJT-F

C.S.S.B. 1039
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Business & Commerce
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Committee Report (Substituted)

DIGEST AND PURPOSE

Fuel cell technologies generate power through chemical reaction rather than combustion, creating less of the pollution and ozone emissions associated with power produced through combustion. C.S.S.B. 1039 sets forth legislating findings concerning fuel cell development and authorizes a fee to be imposed on grant recipients and allows for proposed technology projects to be the basis for receiving benefits under emissions reduction incentive programs. This bill defines “fuel cell power plant,” included the Public Utility Commission and the State Energy Conservation Office in the list of entities to be included in advisory committees that assist the Texas Council on Environmental Technology, and provides a tax exemption for the sale, use, or consumption of fuel cells in Texas.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Sets forth legislative findings.

SECTION 2. Amends Section 386.252, Health and Safety Code, by adding Subsection (c), to authorize the Texas Council on Environmental Technology (council) to impose on a recipient of a grant under the new technology research and development program a fee in an amount equal to not more than five percent of the amount of the grant. Authorizes a fee collected under this subsection to be used by the council for certain activities.

SECTION 3. Amends Section 387.001, Health and Safety Code, to define “fuel cell power plant” and make a nonsubstantive change.

SECTION 4. Amends Section 387.003, Health and Safety Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Makes no changes to this subsection.

(c) Creates this subsection from existing text and includes advanced technologies such as fuel cells, catalysts, and fuel additives in projects that are authorized to be funded under Chapter 386 as part of the primary objective of this chapter.

SECTION 5. Amends Section 387.006(a), Health and Safety Code, to include that once commercialized the technology proposed for funding can be the basis for receiving benefits under incentive programs for reducing emissions of air pollutants.

SECTION 6. Amends Section 387.009, Health and Safety Code, as follows:

Sec. 387.009. ADVISORY COMMITTEES. (a) Creates this text from existing text. Includes the Public Utility Commission (PUC) and the State Energy Conservation Office in the list of entities to be included in advisory committees that assist the council.

(b) Requires the council to appoint an advisory committee on fuel cell power

plant technology to provide input to the council regarding the council's responsibilities under Section 387.010.

SECTION 7. Amends 387.010, Health and Safety Code, as follows:

Sec. 387.010. REPORTS. (a) Creates this subsection from existing text. Requires the council, not later than December 1 of each even-numbered year, rather than of each subsequent second year, to make a report and provide recommendations to the legislature containing certain information.

(b) Creates this subsection from existing text. Includes a reference to Subsection (a)(1).

SECTION 8. Amend Subchapter H, Chapter 151, Tax Code, by adding Section 151.356, as follows:

Sec. 151.356. STATIONARY FUEL CELL POWER PLANTS. (a) Provides that the sale of stationary fuel cells is exempted from the taxes imposed by this chapter.

(b) Provides that this section expires January 1, 2011.

SECTION 9. Effective date: September 1, 2003.