



States' Biofuels Statutes

STATE OF TEXAS

This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#).

Current through the 2014 Legislative Session of the Texas State Legislature.

§ 113.286. Alternative Fuels Conversion Fund

- (a) The alternative fuels conversion fund is in the state treasury.
- (b) To the extent permitted by federal law or regulations, the council may use the money in the fund only to:
- (1) make loans or grants under this subchapter;
 - (2) finance activities supporting or encouraging the use of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ; or
 - (3) pay the costs of administering this subchapter.
- (c) The council may apply for, request, solicit, contract for, receive, and accept gifts, grants, and other assistance from any source for the purposes of this subchapter.
- (d) The council shall maintain a separate account in the fund for money received that is designated for the promotion of a specific fuel or that is collected from a discrete component of the alternative fuels industry. The council may use money in a separate account in the fund only to finance an activity that relates to the fuel for which the money is received.
- (e) The fund consists of:
- (1) oil overcharge funds appropriated by the legislature;
 - (2) gifts, grants, and other assistance to the council or fund for the purpose of financing alternative fuels activities;
 - (3) other money designated by the legislature or the executive branch;
 - (4) payments of principal and interest on loans made under this subchapter; and

(5) interest earned on amounts in the fund.

Credits: Added by [Acts 1993, 73rd Leg., ch. 603, § 4, eff. Sept. 1, 1993](#). Amended by [Acts 1995, 74th Leg., ch. 11, § 16, eff. Sept. 1, 1995](#).

§ 113.287. Fuels Conversion Loan Program

(a) The council may make loans, grants, or other distributions to eligible borrowers to fund conversion or infrastructure projects to promote the use of environmentally beneficial fuels or for other purposes, subject to applicable regulations or approval of the United States Department of Energy.

(b) The council shall adopt rules necessary to administer the fuels conversion loan program.

(c) The council shall adopt rules under this section in accordance with applicable rules and regulations of the United States Department of Energy.

(d) The council by rule shall determine which individuals and businesses are eligible for a loan, grant, or other disbursement under this section. The rules shall provide for historically underutilized businesses, individuals with low incomes, institutions of higher education, and health care facilities to be eligible for loans, grants, or other disbursements to undertake conversion and infrastructure projects for fuels.

(e) A state agency, county, municipality, school district, or mass transit authority or department is eligible to receive a loan, grant, or other disbursement under this subchapter to carry out an eligible conversion or infrastructure project regarding LPG or another environmentally beneficial fuel to comply with fuel requirements provided by or by rules adopted under:

(1) Subchapter A, Chapter 2158, Government Code;¹ or

(2) Subchapter C, Chapter 2171, Government Code.²

(f) The council may make a loan to finance the construction of an infrastructure refueling facility only if the facility is to serve and be accessible to the general public to the extent practicable.

Credits: Added by [Acts 1993, 73rd Leg., ch. 603, § 4, eff. Sept. 1, 1993](#). Amended by [Acts 1995, 74th Leg., ch. 11, § 17, eff. Sept. 1, 1995](#); [Acts 1995, 74th Leg., ch. 260, § 41, eff. May 30, 1995](#); [Acts 1997, 75th Leg., ch. 165, § 30.230, eff. Sept. 1, 1997](#); [Acts 2005, 79th Leg., ch. 864, § 2, eff. Sept. 1, 2005](#).

§ 113.288. Interest Amounts

(a) The council may loan money under this subchapter at no interest to a state agency, county, municipality, school district, or mass transit authority or department.

(b) A loan to any other entity must bear interest at a rate that is not greater than the auction average rate quoted on a bank discount basis for 26-week treasury bills issued by the United States as published by the federal reserve board for the week preceding the week in which the interest rate is determined, plus two percent.

Credits: Added by [Acts 1993, 73rd Leg., ch. 603, § 4, eff. Sept. 1, 1993.](#)

§ 113.289. Term of Loan

A loan under this subchapter must be repaid not later than the fifth anniversary of the date the loan was issued.

Credits: Added by [Acts 1993, 73rd Leg., ch. 603, § 4, eff. Sept. 1, 1993.](#)

§ 113.290. Transfer of Vehicle or Other Property Converted With Loan Proceeds

A borrower may not transfer to another person a vehicle or other property converted to alternative fuel use with the proceeds of a loan under this subchapter unless before the transfer:

- (1) the loan is fully repaid; or
- (2) the alternative fuels equipment purchased, installed, or constructed with the loan proceeds is removed and installed on another vehicle or other property owned by the person.

Credits: Added by [Acts 1993, 73rd Leg., ch. 603, § 4, eff. Sept. 1, 1993.](#)