

By: Averitt

S.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to the ownership and use of carbon dioxide captured by a clean coal project.

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

SECTION 1. Subtitle D, Title 3, Natural Resources Code, is amended by adding Chapter 119 to read as follows:

CHAPTER 119. OWNERSHIP OF CARBON DIOXIDE CAPTURED BY CLEAN COAL PROJECT

Sec. 119.001. DEFINITIONS. In this chapter:

(1) "Clean coal project" has the meaning assigned by Section 5.001, Water Code.

(2) "Commission" means the Railroad Commission of Texas.

Sec. 119.002. ACQUISITION OF CARBON DIOXIDE. (a) The commission shall acquire title to carbon dioxide captured by a clean coal project.

(b) The right, title, and interest in carbon dioxide acquired under this section are the property of the commission, acting on behalf of the state, and shall be administered and controlled by the commission in the name of the state.

(c) A right, title, or interest acquired under this section does not vest in any fund created by the Texas Constitution.

Sec. 119.003. TRANSFER COSTS. Carbon dioxide transferred to the state under Section 119.002 shall be transferred to the state

1 without cost, other than administrative and legal costs incurred in
2 making the transfer.

3 Sec. 119.004. LIABILITY. The transfer of title to the state
4 under Section 119.002 does not relieve an owner or operator of a
5 clean coal project of liability for any act or omission regarding
6 the generation of carbon dioxide performed before the carbon
7 dioxide was captured.

8 Sec. 119.005. SALE OF CARBON DIOXIDE FOR BENEFICIAL USE.

9 (a) The commission may sell, for enhanced oil recovery or other
10 beneficial use, carbon dioxide that is:

11 (1) captured by a clean coal project; and

12 (2) not injected for permanent storage in a geologic
13 formation.

14 (b) The commission shall deposit any proceeds from the sale
15 of carbon dioxide under this section to the credit of the general
16 revenue fund.

17 SECTION 2. This Act takes effect September 1, 2006.