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H.B. No. 1796

A BILL TO BE ENTITLED

AN ACT

relating to the offshore geologic storage of carbon dioxide.

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

SECTION 1. Chapter 382, Health and Safety Code, is amended  
by adding Subchapter K to read as follows:

SUBCHAPTER K. OFFSHORE GEOLOGIC STORAGE OF CARBON DIOXIDE

Sec. 382.501. DEFINITIONS. In this subchapter:

(1) "Board" means the School Land Board.

(2) "Bureau" means the Bureau of Economic Geology at  
The University of Texas at Austin.

(3) "Carbon dioxide repository" means an offshore deep  
subsurface geologic repository for the storage of anthropogenic  
carbon dioxide.

(4) "Land commissioner" means the commissioner of the  
General Land Office.

Sec. 382.502. RULES. (a) The commission by rule may adopt  
standards for the location, construction, maintenance, monitoring,  
and operation of a carbon dioxide repository.

(b) If the United States Environmental Protection Agency  
issues requirements regarding carbon dioxide sequestration, the  
commission shall ensure that the construction, maintenance,  
monitoring, and operation of the carbon dioxide repository under  
this subchapter comply with those requirements.

Sec. 382.503. STUDY; SELECTION OF LOCATION. (a) The land

1 commissioner shall contract with the bureau to conduct a study of  
2 state-owned offshore submerged land to identify potential  
3 locations for a carbon dioxide repository.

4 (b) The land commissioner shall recommend suitable sites  
5 for carbon dioxide storage to the board based on the findings of the  
6 study.

7 (c) The board shall make the final determination of suitable  
8 locations for carbon dioxide storage.

9 Sec. 382.504. CONTRACT FOR NECESSARY INFRASTRUCTURE AND  
10 OPERATION. (a) Once the location has been established for the  
11 carbon dioxide repository, the board may issue requests for  
12 proposals for the lease of permanent school fund land for the  
13 construction of any necessary infrastructure for the  
14 transportation and storage of carbon dioxide to be stored in the  
15 carbon dioxide repository.

16 (b) The board may contract for construction or operational  
17 services for the repository.

18 Sec. 382.505. ACCEPTANCE OF CARBON DIOXIDE FOR STORAGE;  
19 FEES AND CARBON CREDITS. (a) Once the carbon dioxide repository is  
20 established, the board may accept carbon dioxide for storage.

21 (b) The board by rule may establish a fee for the storage of  
22 carbon dioxide in the carbon dioxide repository. If this state  
23 participates in a program that facilitates the trading of carbon  
24 credits, a fee under this subsection may be established as a  
25 percentage of the carbon credits associated with the storage.

26 Sec. 382.506. MEASURING, MONITORING, AND VERIFICATION;  
27 ROLE OF BUREAU. (a) The commission by rule may establish standards

1 for the measurement, monitoring, and verification of the permanent  
2 storage status of the carbon dioxide in the carbon dioxide  
3 repository.

4 (b) The bureau shall perform the measurement, monitoring,  
5 and verification of the permanent storage status of carbon dioxide  
6 in the carbon dioxide repository.

7 (c) The bureau shall serve as a scientific advisor for the  
8 measuring, monitoring, and permanent storage status verification  
9 of the carbon dioxide repository.

10 (d) The bureau shall provide to the board data relating to  
11 the measurement, monitoring, and verification of the permanent  
12 storage status of the carbon dioxide in the carbon dioxide  
13 repository, as determined by the board.

14 Sec. 382.507. OWNERSHIP OF CARBON DIOXIDE. (a) The board  
15 shall acquire title to carbon dioxide stored in the carbon dioxide  
16 repository.

17 (b) The right, title, and interest in carbon dioxide  
18 acquired under this section are the property of the permanent  
19 school fund and shall be administered and controlled by the board.

20 Sec. 382.508. LIABILITY. (a) The transfer of title to the  
21 state under Section 382.507 does not relieve a producer of carbon  
22 dioxide of liability for any act or omission regarding the  
23 generation of carbon dioxide performed before the carbon dioxide  
24 was stored.

25 (b) On the date the permanent school fund, under Section  
26 382.507, acquires the right, title, and interest in carbon dioxide,  
27 the producer of the carbon dioxide is relieved of liability for any

1 act or omission regarding the carbon dioxide in the carbon dioxide  
2 repository.

3 Sec. 382.509. RATES FOR TRANSPORTATION. Neither the  
4 commission nor the board may establish or regulate the rates  
5 charged for the transportation of carbon dioxide to the carbon  
6 dioxide repository.

7 Sec. 382.510. ANNUAL REPORT. The land commissioner shall  
8 issue annually a report regarding the carbon dioxide repository.  
9 The report may be submitted electronically by posting on the  
10 General Land Office's Internet website. The report must include  
11 information regarding:

- 12 (1) the total volume of carbon dioxide stored;  
13 (2) the total volume of carbon dioxide received for  
14 storage during the year; and  
15 (3) the volume of carbon dioxide received from each  
16 producer of carbon dioxide.

17 SECTION 2. This Act takes effect September 1, 2009.