

1-1 By: Chisum, et al. (Senate Sponsor - Watson) H.B. No. 1796
1-2 (In the Senate - Received from the House May 8, 2009;
1-3 May 8, 2009, read first time and referred to Committee on Natural
1-4 Resources; May 23, 2009, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 23, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the offshore geologic storage of carbon dioxide.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Chapter 382, Health and Safety Code, is amended
1-11 by adding Subchapter K to read as follows:

1-12 SUBCHAPTER K. OFFSHORE GEOLOGIC STORAGE OF CARBON DIOXIDE

1-13 Sec. 382.501. DEFINITIONS. In this subchapter:

1-14 (1) "Board" means the School Land Board.

1-15 (2) "Bureau" means the Bureau of Economic Geology at
1-16 The University of Texas at Austin.

1-17 (3) "Carbon dioxide repository" means an offshore deep
1-18 subsurface geologic repository for the storage of anthropogenic
1-19 carbon dioxide.

1-20 (4) "Land commissioner" means the commissioner of the
1-21 General Land Office.

1-22 Sec. 382.502. RULES. (a) The commission by rule may adopt
1-23 standards for the location, construction, maintenance, monitoring,
1-24 and operation of a carbon dioxide repository.

1-25 (b) If the United States Environmental Protection Agency
1-26 issues requirements regarding carbon dioxide sequestration, the
1-27 commission shall ensure that the construction, maintenance,
1-28 monitoring, and operation of the carbon dioxide repository under
1-29 this subchapter comply with those requirements.

1-30 Sec. 382.503. STUDY; SELECTION OF LOCATION. (a) The land
1-31 commissioner shall contract with the bureau to conduct a study of
1-32 state-owned offshore submerged land to identify potential
1-33 locations for a carbon dioxide repository.

1-34 (b) The land commissioner shall recommend suitable sites
1-35 for carbon dioxide storage to the board based on the findings of the
1-36 study.

1-37 (c) The board shall make the final determination of suitable
1-38 locations for carbon dioxide storage.

1-39 Sec. 382.504. CONTRACT FOR NECESSARY INFRASTRUCTURE AND
1-40 OPERATION. (a) Once the location has been established for the
1-41 carbon dioxide repository, the board may issue requests for
1-42 proposals for the lease of permanent school fund land for the
1-43 construction of any necessary infrastructure for the
1-44 transportation and storage of carbon dioxide to be stored in the
1-45 carbon dioxide repository.

1-46 (b) The board may contract for construction or operational
1-47 services for the repository.

1-48 Sec. 382.505. ACCEPTANCE OF CARBON DIOXIDE FOR STORAGE;
1-49 FEES AND CARBON CREDITS. (a) Once the carbon dioxide repository is
1-50 established, the board may accept carbon dioxide for storage.

1-51 (b) The board by rule may establish a fee for the storage of
1-52 carbon dioxide in the carbon dioxide repository. If this state
1-53 participates in a program that facilitates the trading of carbon
1-54 credits, a fee under this subsection may be established as a
1-55 percentage of the carbon credits associated with the storage.

1-56 Sec. 382.506. MEASURING, MONITORING, AND VERIFICATION;
1-57 ROLE OF BUREAU. (a) The commission by rule may establish standards
1-58 for the measurement, monitoring, and verification of the permanent
1-59 storage status of the carbon dioxide in the carbon dioxide
1-60 repository.

1-61 (b) The bureau shall perform the measurement, monitoring,
1-62 and verification of the permanent storage status of carbon dioxide
1-63 in the carbon dioxide repository.

1-64 (c) The bureau shall serve as a scientific advisor for the

2-1 measuring, monitoring, and permanent storage status verification
2-2 of the carbon dioxide repository.

2-3 (d) The bureau shall provide to the board data relating to
2-4 the measurement, monitoring, and verification of the permanent
2-5 storage status of the carbon dioxide in the carbon dioxide
2-6 repository, as determined by the board.

2-7 Sec. 382.507. OWNERSHIP OF CARBON DIOXIDE. (a) The board
2-8 shall acquire title to carbon dioxide stored in the carbon dioxide
2-9 repository.

2-10 (b) The right, title, and interest in carbon dioxide
2-11 acquired under this section are the property of the permanent
2-12 school fund and shall be administered and controlled by the board.

2-13 Sec. 382.508. LIABILITY. (a) The transfer of title to the
2-14 state under Section 382.507 does not relieve a producer of carbon
2-15 dioxide of liability for any act or omission regarding the
2-16 generation of carbon dioxide performed before the carbon dioxide
2-17 was stored.

2-18 (b) On the date the permanent school fund, under Section
2-19 382.507, acquires the right, title, and interest in carbon dioxide,
2-20 the producer of the carbon dioxide is relieved of liability for any
2-21 act or omission regarding the carbon dioxide in the carbon dioxide
2-22 repository.

2-23 Sec. 382.509. RATES FOR TRANSPORTATION. Neither the
2-24 commission nor the board may establish or regulate the rates
2-25 charged for the transportation of carbon dioxide to the carbon
2-26 dioxide repository.

2-27 Sec. 382.510. ANNUAL REPORT. The land commissioner shall
2-28 issue annually a report regarding the carbon dioxide repository.
2-29 The report may be submitted electronically by posting on the
2-30 General Land Office's Internet website. The report must include
2-31 information regarding:

2-32 (1) the total volume of carbon dioxide stored;

2-33 (2) the total volume of carbon dioxide received for
2-34 storage during the year; and

2-35 (3) the volume of carbon dioxide received from each
2-36 producer of carbon dioxide.

2-37 SECTION 2. This Act takes effect September 1, 2009.

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