By:  Blanco H.B. No. 4599

A BILL TO BE ENTITLED

AN ACT

relating to the establishment and implementation by the Texas Commission on Environmental Quality of a program to reduce the emissions of greenhouse gases in this state; authorizing a fee.

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

SECTION 1.  Subtitle C, Title 5, Health and Safety Code, is amended by adding Chapter 396 to read as follows:

CHAPTER 396. GREENHOUSE GAS EMISSIONS REDUCTION PROGRAM

Sec. 396.0101.  DEFINITIONS. In this chapter:

(1)  "Carbon dioxide equivalent emissions" means the number of metric tons of emissions of carbon dioxide that has the same global warming potential as one metric ton of a compared greenhouse gas.

(2)  "Commission" means the Texas Commission on Environmental Quality.

(3)  "Covered entity" means:

(A)  an entity permitted under Section 382.05102 in a manner consistent with Section 382.051; and

(B)  an entity or class of entities that, as determined by the commission, is transporting, selling, or otherwise using a covered fuel in a manner that emits a greenhouse gas into the atmosphere.

(4)  "Covered fuel" means crude oil, natural gas, coal, or another product derived from crude oil, natural gas, biofuel or coal that is used in a manner that emits greenhouse gases into the atmosphere.

(5)  "Greenhouse gas" includes carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons, and perfluorocarbons.

Sec. 396.0102.  GREENHOUSE GAS EMISSIONS REDUCTION PROGRAM; FEE. The commission by rule shall establish a program that:

(1)  reduces emissions of greenhouse gases in this state;

(2)  imposes a fee on emissions resulting from the use or transfer of a covered fuel by a covered entity; and

(3)  issues payments for facilities that capture and sequester carbon dioxide.

Sec. 396.0103.  FEE AMOUNT AND RATE. (a) The commission shall impose a fee on the emission of a greenhouse gas in this state for each metric ton of carbon dioxide equivalent emissions of the greenhouse gas multiplied by the fee rate.

(b)  The commission by rule shall establish a fee rate of not less than $5.

Sec. 396.0104.  DISPOSITION OF FEE. The commission shall deposit to the credit of the emissions fee account the fees collected under this chapter.

Sec. 396.0105.  EMISSIONS FEE ACCOUNT. (a) The emissions fee account is an account in the general revenue fund.

(b)  The account is administered by the commission for the benefit of the program established under this chapter. Interest earned on the account is credited to the account.

(c)  The account consists of fees deposited to the credit of the account under Section 396.0104 and any other money appropriated or transferred to the account.

(d)  Money in the account may be used only for:

(1)  payments made under Section 396.0107;

(2)  administration of the program established under this chapter; or

(3)  other programs to reduce the emissions of greenhouse gases in this state.

Sec. 396.0106.  FEE EXEMPTIONS. The commission:

(1)  shall exempt agricultural uses of covered fuel from payment of the fee imposed under Section 396.0103; and

(2)  may establish other appropriate exemptions under the program.

Sec. 396.0107.  SEQUESTRATION PAYMENTS. (a) The commission shall pay to a facility that captures and sequesters carbon dioxide an amount equal to the metric tons of carbon dioxide captured and sequestered multiplied by the rate established under Section 396.0103(b).

Sec. 396.0108.  EMISSIONS REDUCTION SCHEDULE. The commission shall establish a schedule for annual reductions of emissions of greenhouse gases.

Sec. 396.0109.  TERMINATION OF FEE. The commission may not collect a fee under Section 396.0103 or make a payment under Section 396.0107 if the executive director of the commission determines that the actual emissions of greenhouse gases from covered fuels is not more than 10 percent of the emissions of greenhouse gases from covered fuels during the year 2016.

SECTION 2.  This Act takes effect September 1, 2019.