

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

1 coal that is used in a manner that emits greenhouse gases into the
2 atmosphere.

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

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

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

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

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

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

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

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

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

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

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

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

5 (1) payments made under Section 396.0107;

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

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

10 Sec. 396.0106. FEE EXEMPTIONS. The commission:

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

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

15 Sec. 396.0107. SEQUESTRATION PAYMENTS. (a) The commission
16 shall pay to a facility that captures and sequesters carbon dioxide
17 an amount equal to the metric tons of carbon dioxide captured and
18 sequestered multiplied by the rate established under Section
19 396.0103(b).

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

23 Sec. 396.0109. TERMINATION OF FEE. The commission may not
24 collect a fee under Section 396.0103 or make a payment under Section
25 396.0107 if the executive director of the commission determines
26 that the actual emissions of greenhouse gases from covered fuels is
27 not more than 10 percent of the emissions of greenhouse gases from

1 covered fuels during the year 2016.

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