AN ACT REDUCING TRANSPORTATION-RELATED CARBON EMISSIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1. Section 1. (NEW) (Effective from passage) (a) The Commissioner of Energy and Environmental Protection shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the program to cap and reduce greenhouse gas emissions from transportation known as the Transportation and Climate Initiative Program.

(b) The regulations adopted under this section shall include provisions authorizing the Department of Energy and Environmental Protection to: (1) Establish a declining cap on greenhouse gas emissions from transportation and auction, reserve or set-aside emissions allowances; (2) require the submission of information as necessary to implement such program; (3) monitor and require verification of compliance with such program; (4) enforce the requirements of such program; and (5) carry out the functions and further the purposes of such program. The Department of Energy and Environmental Protection may use an agent or contractor to perform administrative functions of such program.

(c) The regulations adopted under this section may include provisions to cover the reasonable administrative costs associated with
the implementation of such program in this state, including, but not
limited to, engagement with communities that are overburdened by air
pollution and underserved by the transportation system, as determined
by the Commissioner of Energy and Environmental Protection and the
Commissioner of Transportation, and to fund assessment and planning
of measures to reduce emissions and mitigate the impacts of climate
change and to cover the reasonable administrative costs of state agencies
associated with the adoption of regulations, plans and policies in
accordance with section 22a-200a of the general statutes. Such costs shall
not exceed five per cent of the total annual projected allowance value.

(d) The proceeds of emissions allowance auctions conducted
pursuant to this section shall be deposited into a Transportation and
Climate account established by the Comptroller as a separate,
nonlapsing account within the Transportation Grants and Restricted
Accounts Fund. Such proceeds shall not be considered pledged revenue
of said fund under section 13b-61 of the general statutes, as amended by
this act.

(e) For the fiscal year ending June 30, 2022, and each fiscal year
thereafter, the Department of Transportation and the Department of
Energy and Environmental Protection, with the approval of the
Secretary of the Office of Policy and Management, shall invest the
proceeds of emissions allowance auctions conducted pursuant to this
section in strategies designed to reduce greenhouse gas emissions and
air pollution from the transportation sector, provided not less than fifty
per cent of such auction proceeds shall be invested in a manner designed
to ensure communities that are overburdened by air pollution or
underserved by the transportation system, as determined by the
Commissioner of Energy and Environmental Protection and the
Commissioner of Transportation, benefit from transportation projects
and policies that reduce emissions from transportation sources.

(f) There shall be an Equity and Environmental Justice Advisory
Board which shall advise the Commissioner of Energy and
Environmental Protection and the Commissioner of Transportation on
decision making and equitable outcomes for the program and facilitate
input from communities that are overburdened by air pollution and
underserved by the transportation system, as determined by said
commissioners, with respect to reducing air pollution and improving
the transportation system. Said commissioners shall jointly (1)
determine the total number of members on the Equity and
Environmental Justice Advisory Board, and (2) select the members to
serve on the Equity and Environmental Justice Advisory Board. Such
members shall consist of stakeholders selected jointly by said
commissioners, with a majority of members being residents of
communities that are overburdened by air pollution and underserved
by the transportation system, as determined by said commissioners.
Said commissioners may establish rules, procedures and guidelines for
the operation of the Equity and Environmental Justice Advisory Board.

(g) On or before October 1, 2024, and annually thereafter, the
Department of Energy and Environmental Protection and the
Department of Transportation shall publish, on each such department's
Internet web site, a report of the proceeds and investments of the
Transportation and Climate Initiative Program, including the equitable
investment of the proceeds. The Department of Energy and
Environmental Protection and the Department of Transportation shall
provide an annual opportunity for the public to review and comment
on such program.

Sec. 2. Subsection (a) of section 13b-61 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July 1,
2021):

(a) On and after July 1, 1975, there shall be paid promptly to the
Treasurer and thereupon, unless required to be otherwise applied by the
terms of any lien, pledge or obligation created by or pursuant to the 1954
declaration or part III (C) of chapter 240, credited to the General Fund:

(1) All moneys received or collected by the state or any officer thereof
on account of, or derived from, motor fuel taxes; provided on and after
July 1, 1983, one cent of the amount imposed per gallon before July 1, 1984, and received or collected from any rate of such tax on motor fuels shall be credited by the Treasurer to the Special Transportation Fund;

(2) All moneys received or collected by the state or any officer thereof on account of, or derived from, motor vehicle taxes;

(3) All moneys received or collected by the state or any officer thereof on account of, or derived from, expressway revenues;

(4) All moneys becoming payable, under the terms of the 1954 declaration and part III (C) of chapter 240, into the Highway or Additional Expressway Construction Funds mentioned in said declaration;

(5) All moneys received or collected by the state or any officer thereof on account of, or derived from, highway tolls;

(6) All other moneys received or collected by the Commissioner or Department of Transportation; and

(7) Any other receipts of the state required by law to be paid into the state Highway Fund or the Transportation Fund other than proceeds of bonds or other securities of the state or of federal grants under the provisions of federal law or the proceeds of emissions-allowance auctions conducted under section 1 of this act.

This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section 1</th>
<th>from passage</th>
<th>New section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 2</td>
<td>July 1, 2021</td>
<td>13b-61(a)</td>
</tr>
</tbody>
</table>