

**Proposed Substitute
Bill No. 884**

LCO No. 6199

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
2 Energy and Environmental Protection shall adopt regulations, in
3 accordance with the provisions of chapter 54 of the general statutes, to
4 implement the program to cap and reduce greenhouse gas emissions
5 from transportation known as the Transportation and Climate Initiative
6 Program.

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

18 (c) The regulations adopted under this section may include
19 provisions to cover the reasonable administrative costs associated with

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

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

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

50 (f) There shall be an Equity and Environmental Justice Advisory
51 Board which shall advise the Commissioner of Energy and

52 Environmental Protection and the Commissioner of Transportation on
53 decision making and equitable outcomes for the program and facilitate
54 input from communities that are overburdened by air pollution and
55 underserved by the transportation system, as determined by said
56 commissioners, with respect to reducing air pollution and improving
57 the transportation system. Said commissioners shall jointly (1)
58 determine the total number of members on the Equity and
59 Environmental Justice Advisory Board, and (2) select the members to
60 serve on the Equity and Environmental Justice Advisory Board. Such
61 members shall consist of stakeholders selected jointly by said
62 commissioners, with a majority of members being residents of
63 communities that are overburdened by air pollution and underserved
64 by the transportation system, as determined by said commissioners.
65 Said commissioners may establish rules, procedures and guidelines for
66 the operation of the Equity and Environmental Justice Advisory Board.

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

76 Sec. 2. Subsection (a) of section 13b-61 of the general statutes is
77 repealed and the following is substituted in lieu thereof (*Effective July 1,*
78 *2021*):

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

83 (1) All moneys received or collected by the state or any officer thereof

84 on account of, or derived from, motor fuel taxes; provided on and after
85 July 1, 1983, one cent of the amount imposed per gallon before July 1,
86 1984, and received or collected from any rate of such tax on motor fuels
87 shall be credited by the Treasurer to the Special Transportation Fund;

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

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

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

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

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2021</i>	13b-61(a)