

HOUSE No. 2810

The Commonwealth of Massachusetts

PRESENTED BY:

Jennifer E. Benson

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to promote green infrastructure and reduce carbon emissions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>
<i>William J. Driscoll, Jr.</i>	<i>7th Norfolk</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>
<i>RoseLee Vincent</i>	<i>16th Suffolk</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>
<i>Natalie M. Blais</i>	<i>1st Franklin</i>
<i>Smitty Pignatelli</i>	<i>4th Berkshire</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>
<i>John Barrett, III</i>	<i>1st Berkshire</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>
<i>Maria Duaine Robinson</i>	<i>6th Middlesex</i>

<i>Dylan A. Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>
<i>Carlos Gonzalez</i>	<i>10th Hampden</i>
<i>John J. Lawn, Jr.</i>	<i>10th Middlesex</i>
<i>Daniel R. Carey</i>	<i>2nd Hampshire</i>
<i>Frank A. Moran</i>	<i>17th Essex</i>
<i>Carole A. Fiola</i>	<i>6th Bristol</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Bristol and Middlesex</i>
<i>Julian Cyr</i>	<i>Cape and Islands</i>
<i>Michael J. Moran</i>	<i>18th Suffolk</i>
<i>Ruth B. Balser</i>	<i>12th Middlesex</i>
<i>Danielle W. Gregoire</i>	<i>4th Middlesex</i>
<i>Stephan Hay</i>	<i>3rd Worcester</i>
<i>Lori A. Ehrlich</i>	<i>8th Essex</i>
<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Susannah M. Whipps</i>	<i>2nd Franklin</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>
<i>Tommy Vitolo</i>	<i>15th Norfolk</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>
<i>Michael S. Day</i>	<i>31st Middlesex</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>
<i>John J. Mahoney</i>	<i>13th Worcester</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>
<i>Adrian C. Madaro</i>	<i>1st Suffolk</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>
<i>Kevin G. Honan</i>	<i>17th Suffolk</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Christina A. Minicucci</i>	<i>14th Essex</i>
<i>Kate Hogan</i>	<i>3rd Middlesex</i>

<i>Gerard J. Cassidy</i>	<i>9th Plymouth</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>
<i>Michael D. Brady</i>	<i>Second Plymouth and Bristol</i>
<i>James Arciero</i>	<i>2nd Middlesex</i>
<i>Michael J. Finn</i>	<i>6th Hampden</i>
<i>Sarah K. Peake</i>	<i>4th Barnstable</i>
<i>Denise C. Garlick</i>	<i>13th Norfolk</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>
<i>Daniel J. Hunt</i>	<i>13th Suffolk</i>
<i>Tami L. Gouveia</i>	<i>14th Middlesex</i>
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>
<i>Daniel R. Cullinane</i>	<i>12th Suffolk</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>
<i>Paul McMurtry</i>	<i>11th Norfolk</i>
<i>Paul F. Tucker</i>	<i>7th Essex</i>
<i>Joseph A. Boncore</i>	<i>First Suffolk and Middlesex</i>
<i>Michael F. Rush</i>	<i>Norfolk and Suffolk</i>
<i>Paul J. Donato</i>	<i>35th Middlesex</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>
<i>Liz Miranda</i>	<i>5th Suffolk</i>
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>
<i>Aaron Vega</i>	<i>5th Hampden</i>
<i>James M. Murphy</i>	<i>4th Norfolk</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>
<i>Alan Silvia</i>	<i>7th Bristol</i>
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>
<i>Joseph F. Wagner</i>	<i>8th Hampden</i>
<i>Harold P. Naughton, Jr.</i>	<i>12th Worcester</i>
<i>Andres X. Vargas</i>	<i>3rd Essex</i>
<i>Mindy Domb</i>	<i>3rd Hampshire</i>
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>
<i>Peter Capano</i>	<i>11th Essex</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>
<i>John C. Velis</i>	<i>4th Hampden</i>
<i>Nika C. Elugardo</i>	<i>15th Suffolk</i>

<i>Kathleen R. LaNatra</i>	<i>12th Plymouth</i>
<i>David Biele</i>	<i>4th Suffolk</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>
<i>Linda Dean Campbell</i>	<i>15th Essex</i>
<i>James K. Hawkins</i>	<i>2nd Bristol</i>
<i>Jon Santiago</i>	<i>9th Suffolk</i>
<i>Jonathan D. Zlotnik</i>	<i>2nd Worcester</i>
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>
<i>Bruce J. Ayers</i>	<i>1st Norfolk</i>
<i>Chynah Tyler</i>	<i>7th Suffolk</i>
<i>Paul Brodeur</i>	<i>32nd Middlesex</i>
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>

HOUSE No. 2810

By Ms. Benson of Lunenburg, a petition (accompanied by bill, House, No. 2810) of Jennifer E. Benson and others relative to the promotion green infrastructure and reduction of carbon emissions. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act to promote green infrastructure and reduce carbon emissions.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 3 of chapter 25A of the Massachusetts General Laws, as appearing
2 in the 2012 Official Edition, is hereby amended by inserting the following definitions:-

3 “Adult,” a resident of the Commonwealth age 18 or above.

4 “Minor,” a resident of the Commonwealth age 17 or below.

5 “Quintile 1,” the 20 percent of households in the Commonwealth with the lowest after-
6 tax incomes.

7 “Quintile 2,” the 20 percent of households in the Commonwealth with the next-to-lowest
8 after-tax incomes; also termed those households with incomes from the 20th to 40th percentile of
9 all households in the Commonwealth.

10 “Quintile 3,” the middle 20 percent of households in the Commonwealth based on after-
11 tax incomes; also termed those households from the 40th to 60th percentile of all households in
12 the Commonwealth.

13 “Quintile 4,” the next to highest 20 percent of households based on after-tax incomes;
14 also termed those households from the 60th to 80th percentile of all households in the
15 Commonwealth.

16 “Quintile 5,” the 20 percent of households with the highest after-tax incomes of all
17 households in the Commonwealth.

18 “DOR Commissioner”, the Commissioner of the Department of Revenue.

19 "Greenhouse gas", carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O),
20 hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆), and any
21 other matter identified by the department of energy resources as a likely contributor to climate
22 change.

23 “Greenhouse gas-emitting priority”, matter that emits or is capable of emitting a
24 greenhouse gas when burned or released to the atmosphere and is identified as a priority under
25 the terms of this act, except that natural gas, petroleum, coal and any solid, liquid or gaseous fuel
26 derived therefrom shall be greenhouse gas-emitting priorities.

27 “Greenhouse gas pollution charges”, the charges imposed on each ton of CO₂e pursuant
28 to this chapter.

29 “Employer”, any person, corporation, partnership, governmental body, or other entity that
30 has employees working in the commonwealth.

31 “Green Infrastructure Fund”, a fund whose revenues are derived from the pollution
32 charges defined in this section, and whose funds are used to finance the development of green
33 infrastructure, according to section 13B.

34 “Greenhouse gas pollution charges fund”, the greenhouse gas pollution charges fund
35 established under section 13C, also called the “pollution charges fund.” of this chapter.

36 “Lifecycle Emissions,” greenhouse gas emissions that are released during phases of a fuel
37 or other product’s life, including those emissions released during extraction, processing,
38 transportation, and disposal.

39 “Motor vehicle fuel”, fuel for the operation of a motor vehicle, provided, that “fuel” and

40 “Motor vehicle” shall have the same meanings as defined in section one of chapter 64A.

41 “Total rebate shares,” the sum of all Commonwealth residents age 18 or older, plus one-
42 half the sum of all Commonwealth residents age 17 or younger.

43 “Resident” shall have the same meaning as defined in section one of chapter 62.

44 “Low-income households” are those with household incomes at or below 60 percent of
45 the statewide median household income or 60 percent of the area median household income as
46 calculated annually by the United States Department of Housing and Urban Development.

47 “Low-income communities” are census tracts with median household incomes at or
48 below 60 percent of the statewide median income.

49 “Rural households” are those residing in a municipality with a population density equal
50 to or less than 500 residents per square mile of land in the municipality.

51 “The EEA Secretary”, The Secretary of the Executive Office of Energy and
52 Environmental Affairs

53

54 SECTION 2. Section 6 of chapter 25A of the General Laws, as so appearing, is hereby
55 amended by inserting after the last paragraph the following:-

56 (13) administer the schedules of greenhouse gas pollution charges and the greenhouse gas
57 pollution charges rebate fund, both established pursuant to this chapter. The executive office of
58 energy and environmental affairs shall delegate all collection of greenhouse gas pollution
59 charges, distribution of rebates, and any other appropriate functions to the department of
60 revenue. The department of revenue will carry out all functions delegated to it by the executive
61 office of energy and environmental affairs.

62 SECTION 3. Chapter 25A of the General Laws, as so appearing, is hereby amended by
63 inserting after section 13 the following sections:-

64 25A:13A Greenhouse gas pollution schedule and charges

65 (a) The EEA Secretary shall, using the best information and science reasonably available,
66 consider whether to identify any greenhouse gas-emitting matter, in addition to natural gas,
67 petroleum, coal, and any solid, liquid or gaseous fuel derived therefrom, as a greenhouse gas-
68 emitting priority for the purposes of this chapter; except that emissions from farm animals and
69 crops shall not be designated greenhouse gas-emitting priorities.

70 (b) The EEA Secretary shall determine the schedule of greenhouse gas pollution charges
71 authorized under this chapter by multiplying the CO₂e of each greenhouse gas-producing

72 substance by the charge or charges established herein. For the purpose of calculating said
73 schedule, the EEA Secretary shall determine the average CO₂e per unit of each greenhouse gas-
74 producing substance. For substances where the CO₂e per unit is not precisely known, because
75 the rate of leakage of the substance into the atmosphere is uncertain or for other reasons, the
76 EEA Secretary shall use the best available information to estimate the average CO₂e per unit of
77 the substance used in the Commonwealth.

78 (c) The DOR commissioner, in consultation with the EEA Secretary, shall collect
79 greenhouse gas pollution charges on the distribution or sale of greenhouse gas-emitting
80 priorities. The charge in the first year of operation shall be \$20 per ton of CO₂e. Said charges
81 shall increase by \$5 every year until the rate is \$40 per ton of CO₂e. Beginning in the sixth year
82 of implementation, the charge shall be annually defined as \$5 multiplied by the total number of
83 years since the fifth calendar year of implementation in which the EEA Secretary has determined
84 that actual emissions have exceeded the annual emissions target for that calendar year, pursuant
85 to Section 25A:13A(d), plus \$40.

86 (d) Beginning in 2025, the EEA Secretary shall determine by no later than September 1st
87 on an annual basis whether actual emissions of greenhouse gases from the preceding calendar
88 year exceeded the annual emissions target for that year. If such a determination is made, the
89 DOR commissioner shall update the greenhouse gas pollution charge on January 1st of the
90 following calendar year. The annual emissions targets are defined as follows:

91 (1) Until 2030, the annual emissions target is equivalent to actual emissions in year one
92 of implementation, minus a uniform rate of reduction in subsequent years such that the annual

93 emissions target in 2030 is equal to the 2030 emissions limit as defined by chapter 21N, the
94 Climate Protection & Green Economy Act.

95 (2) Between 2030 and 2040, the annual emissions target is defined as the 2030 emissions
96 limit as defined by chapter 21N, the Climate Protection & Green Economy Act, minus a uniform
97 rate of reduction in subsequent years such that the annual emissions target in 2040 is equal to the
98 2040 emissions limit as defined in chapter 21N.

99 (3) Between 2040 and 2050, the annual emissions target is defined as the 2040 emissions
100 limit as defined by chapter 21N, the Climate Protection & Green Economy Act, minus a uniform
101 rate of reduction in subsequent years such that the annual emissions target in 2050 is equal to the
102 2050 emissions limit as defined by chapter 21N.

103 (e) The EEA Secretary shall undertake all reasonable efforts to collect charges authorized
104 pursuant to this chapter at the first point of distribution or sale within the commonwealth of a
105 greenhouse gas-producing substance. Before 2025, the EEA Secretary shall amend current
106 regulations, and develop new regulations if necessary, in order to measure and verify actual
107 emissions of greenhouse gases from entities subject to carbon fees, in adherence with the
108 timeframe described in Section 25A:13A(d). The regulations shall do all of the following:

109 (1) Require annual third-party verification of all entities subject to report greenhouse gas
110 emissions.

111 (2) Make all reasonable efforts to promote consistency and streamlined reporting
112 requirements across international, federal, and state greenhouse gas emission reporting programs.

113 (f) In the fourth year of implementation, and every two years thereafter, the EEA
114 Secretary shall report to the house and senate committees on ways and means, the joint
115 committee on telecommunications, utilities and energy, and the house and senate committees on
116 global warming and climate change. Said reports shall consider whether any further adjustments
117 in greenhouse gas pollution charges are recommended to account for inflation, to ensure progress
118 towards reaching emissions limits for 2030, 2040, and 2050 included in or authorized by chapter
119 21N, the Climate Protection & Green Economy Act, or, pursuant to section 13C(f)(2) of this
120 chapter, to mitigate serious harm to economic sectors, economic sub-sectors or individual
121 employers of the commonwealth caused by collection of greenhouse gas pollution charges.

122 (g) Subject to subsection (b) of this section, the EEA Secretary shall determine the
123 amount of carbon dioxide equivalents released in the form of escaped methane due to the
124 extraction, transport, or distribution of natural gas before the point of consumption in the state,
125 and shall add an additional charge to the carbon price for all natural gas based on the rate
126 specified in subsection (c) of this section.

127 (h) Greenhouse gas-emitting priorities may produce GHG emissions prior to and
128 subsequent to their combustion or other use within the Commonwealth, including emissions
129 during extraction, refining, processing, transportation, and disposal. Such emissions may be
130 significant in relation to the emissions from combustion or other use within the Commonwealth.
131 Within three (3) years of this act coming into effect, the EEA Secretary shall issue a report and
132 recommendations to the General Court as to whether such “lifecycle” emissions should have the
133 greenhouse gas pollution charge applied to them.

134 (i) Power plants regulated by the Regional Greenhouse Gas Initiative, as defined in 310
135 CMR 7.70(1)(b), shall be exempt from the greenhouse gas pollution charges.

136 (j) Should the federal government, or a regional consortium of states, establish a carbon
137 fee on the transportation or heating sectors, the DOR shall deduct the sum of payments made to
138 other carbon price programs in the same year; provided, however, that the amount deducted may
139 be no greater than the total amount of the carbon fee assessed by the DOR Commissioner.

140 25A:13B Green Infrastructure Fund

141 (a) There shall be established on the books of the commonwealth a separate fund to be
142 known as the Green Infrastructure Fund (GIF). The DOR commissioner shall deposit 30% of
143 proceeds collected under section 13A into said fund. The Green Infrastructure Fund will support
144 investments in clean energy, clean transportation, and resiliency to the local impacts of climate
145 change. Eligible projects shall include but not be limited to: investments in public transit, electric
146 vehicles, electric vehicle infrastructure, and other modes of clean transportation; expansion of in-
147 state renewable energy systems; energy efficiency and renewable energy investments in housing,
148 municipal infrastructure, and public school buildings; and loan programs for small business
149 climate resiliency, renewable energy, and efficiency upgrades. Funding for household projects
150 shall include resources that enable renter households to access the benefits of energy efficiency
151 and/or renewable energy.

152 (b) Governance

153 (1) A Green Infrastructure Fund Board of Directors shall be created, with its members
154 chosen by the Governor of the Commonwealth. The EEA Secretary shall serve as Chair of the
155 Green Infrastructure Fund Board, with 17 members representing: (i) the Department of

156 Transportation; (ii) the Department of Environmental Protection; (iii) the Department of Energy
157 Resources; (iv) the Department of Housing and Community Development; (v) the Office of the
158 Treasurer; (vi) the Massachusetts Clean Energy Center; (vii) small business; (viii) large
159 commercial/industrial business; (ix) organized labor; (x) state residents; (xi) low-income
160 residents; (xii) municipalities; (xiii) clean energy; (xiv) public transportation; (xv) environmental
161 protection; and (xvi) two separate representatives from regional planning associations
162 representing different regions of the state.

163 (2) The Massachusetts Clean Energy Center (CEC), with the guidance of the Green
164 Infrastructure Fund Board of Directors (GIF Board), shall develop and issue two-year plans for
165 expenditure of the GIF funds. The CEC may assign responsibility for administering portions of
166 the funds and plans to state agencies outside its authority, including but not limited to the
167 Massachusetts Department of Transportation, the Massachusetts Department of Energy
168 Resources, the Massachusetts Department of Environmental Protection, the Massachusetts
169 Department of Education, and the Executive Office of Housing and Economic Development.

170 (3) Municipal governments and regional agencies serving municipalities, including
171 regional transit authorities, are eligible to apply for funding from the GIF, through a grant
172 procedure to be developed by the CEC under the direction of the GIF Board. The CEC must
173 make technical assistance available as part of this grant procedure, using funds specified in
174 Section 13B(b)(4).

175 (4) The Green Infrastructure Fund shall be administered by the CEC using up to 5% of
176 Green Infrastructure Fund proceeds to cover administrative costs, including support from expert

177 consultants, technical assistance to municipal governments and regional agencies, and program
178 outreach.

179 (c) Investment

180 (1) Priority disbursements will be awarded to projects that concur with investment
181 principles established by the GIF Board, in consultation with the public. Among these principles,
182 all funded projects must facilitate, directly or indirectly, reductions of greenhouse gas emissions
183 or provide resilience to the local impacts of climate change.

184 (2) The investment plan shall allocate a minimum of 40 percent of the available moneys
185 in the fund to programs and projects that benefit individual low-income households, regardless of
186 location, and to larger-scale projects located within the boundaries of, and benefiting individuals
187 living in, low-income communities.

188 (3) Any funding guidelines developed for administering agencies pursuant to Section 13B
189 shall include guidelines for how administering agencies should maximize and measure benefits
190 for low-income households and communities, provided further that all construction,
191 reconstruction, alteration, installation, demolition, maintenance or repair paid through the Green
192 Infrastructure Fund shall be subject to Massachusetts General Law Chapter 149 Sections 26 to
193 27F inclusive, Massachusetts General Law Chapter 149 Section 29, and Massachusetts General
194 Law Chapter 30 Section 39M.

195 (d) Annual Reporting

196 (1) The CEC shall submit an annual report to the appropriate committees of the
197 Legislature on the status of projects funded pursuant to this bill and their outcomes.

198 (2) Administering agencies shall report to the CEC, and the CEC shall include in the
199 report, a description of how the administering agencies have fulfilled legislative requirements
200 pursuant to Section 13B(a) and Section 13B(c).

201 25A:13C Greenhouse gas pollution charges fund

202 (a) There shall be established on the books of the commonwealth a separate fund to be
203 known as the greenhouse gas pollution charges fund. The DOR commissioner shall deposit into
204 said fund all proceeds collected under section 13A that remain after distribution of funds to the
205 Green Infrastructure Fund. None of said proceeds shall fund government operations of the
206 commonwealth, other than to pay for reasonable administrative costs as provided under sub-
207 section (b) of this section.

208 (b) The DOR commissioner shall disburse all greenhouse gas pollution charge proceeds
209 as follows. 75 percent of the moneys shall be put into a household fund that is part of the
210 greenhouse gas pollution charges fund. 25 percent of the moneys shall be put into an employers'
211 fund that is part of the greenhouse gas pollution charges fund. The DOR commissioner may
212 retain a reasonable amount of charge proceeds to pay for the costs of administering the activities
213 authorized by this chapter. Proceeds shall be available for the purposes enumerated in this
214 section without appropriation.

215 (c) HOUSEHOLD FUND -- Of the funds transferred to the household fund, 25 percent of
216 the total funds shall be used as follows:

217 (1) Ten (10) percent of the household rebate fund shall be distributed to households in
218 quintile 1, as defined in Section 1 above. This 10 percent shall be divided by the sum of the
219 adults in quintile one plus one-half the minors in quintile one, with the resulting number termed

220 the “quintile 1 initial rebate.” Each household in quintile 1 shall receive a rebate equal to the
221 number of adults in the household times the quintile 1 initial rebate, plus the number of children
222 in the household times one-half the quintile 1 initial rebate.

223 (2) Ten (10) percent of the household rebate fund shall be distributed to the households in
224 quintile 2. This 10 percent shall be divided by the sum of the adults in quintile 2 plus one-half the
225 minors in quintile 2, with the resulting number termed the “quintile 2 initial rebate.” Each
226 household in quintile 2 shall receive a rebate equal to the number of adults in the household
227 times the quintile 2 initial rebate, plus the number of children in the household times one-half the
228 quintile 2 initial rebate.

229 (3) Five (5) percent of the household rebate fund shall be distributed to the households in
230 Quintile 3. This five (5) percent shall be divided by the sum of the adults in quintile 3 plus one-
231 half the minors in quintile 3, with the resulting number termed the “quintile 3 initial rebate.”
232 Each household in quintile 3 shall receive a rebate equal to the number of adults in the household
233 times the quintile 3 initial rebate, plus the number of children in the household times one-half the
234 quintile 3 initial rebate.

235 (d) The remaining 75 percent of the household fund shall be distributed as follows:

236 (1) The DOR commissioner shall direct a portion of the moneys to households in the
237 form of motor fuel rebates, and a separate portion of the moneys to households in the form of
238 home heating rebates. These portions are calculated as a percentage of annual carbon fee revenue
239 derived from the sale of motor fuel and the sale of heating fuels to households, multiplied by
240 total available moneys in the household fund after allocations in Section 13C(c) are carried out.

241 (2) Of the money directed to motor fuel rebates pursuant to Section 13C(d)(1), rural
242 households, as defined in Section 1 above, shall receive a greater rebate per adult than non-rural
243 households. The DOR Commissioner shall direct motor fuel rebates to each household in the
244 commonwealth, such that:

245 (i) Non-rural households receive a flat rebate per adult, and a flat half rebate per minor.

246 (ii) Rural households receive a rebate per adult that is 1.3 times greater than the flat
247 rebate per adult received by non-rural households. Rural households receive a rebate per minor
248 that is 1.3 times greater than the flat half rebate per minor received by non-rural households.

249 (3) Ten (10) percent of the funds calculated in Section 13C(d)(1) that derive from charges
250 collected on the sale of heating fuels to households shall be allocated to the Commonwealth's
251 Low Income Home Energy Assistance Program and transferred to the department of housing and
252 community development for incorporation into that program, provided that DHCD shall have
253 discretion to determine eligibility for these funds.

254 (4) The funds remaining in the household fund after the allocation of funds in Section
255 13C(d)(2) and Section 13C(d)(3) shall be divided by the total rebate shares, as defined in Section
256 1 above, with the resulting number termed the "remaining rebate per adult." Each household,
257 across all quintiles, shall receive a rebate equal to the remaining rebate per adult times the
258 number of adults in the household plus the remaining rebate per adult times one-half number of
259 children in the household.

260 (e) In rebating greenhouse gas pollution charge proceeds, the DOR Commissioner shall
261 coordinate with officials of the executive office of energy and environmental affairs, the
262 executive office of health and human services, the executive office of housing and economic

263 development and other agencies in making all reasonable efforts to identify the names and
264 addresses of all residents, with special attention to the names and addresses of low-income
265 residents, so that they can receive rebates expeditiously.

266 (f) EMPLOYERS FUND -- The DOR Commissioner shall allocate the remaining 25
267 percent of the greenhouse gas pollution charge fund to the employers fund, to be distributed as
268 follows:

269 (1) The DOR commissioner shall allocate \$1 million of the employers fund annually to
270 the Rapid Response Set-Aside fund, solely for the purpose of providing assistance to workers
271 and communities experiencing displacement, loss of tax revenue, or other forms of economic
272 loss due to the shrinkage of fossil fuel industries.

273 (2) The DOR commissioner, in consultation with the EEA Secretary and the
274 commissioner of housing and economic development, shall, with special attention to
275 manufacturing, agriculture, fisheries, and local governments, identify economic sectors or
276 economic sub-sectors at risk of serious negative impacts as a consequence of the charges
277 collected pursuant to this chapter. The commissioner may, as mitigation, calculate the total
278 proceeds collected from said sectors or subsectors and may apportion part or all of said proceeds
279 to the affected sector or sub-sector, provided that the sum of these rebates does not exceed the
280 total available moneys in the employer fund. In order to provide such mitigation, the DOR
281 commissioner shall show that such impacts are likely to occur, due to competition from
282 employers outside the Commonwealth in combination with energy costs constituting a
283 substantial fraction of total operating costs in the economic sector or sub-sector.

284 (2) Should additional moneys remain in the employer fund after distribution pursuant to
285 Section 13C(f)(1) and 13C(f)(2), the DOR commissioner shall rebate the remaining employer
286 funds to all other employers not included in Section 13C(f)(1) or Section 13D(b), including those
287 employers otherwise exempt from taxes under chapter 63 due to their status as not-for-profit
288 organizations or government entities. The DOR Commissioner shall distribute these funds such
289 that each employer receives a flat rate of compensation times the number of full time equivalent
290 employees.

291 (g) The DOR commissioner shall not be subject to penalties or lawsuits for damages if
292 the charges collected under this chapter are not precisely equal to rebates returned under this
293 chapter; provided, that the commissioner shall make all reasonable efforts to return to residents
294 and employers in the aggregate all charges collected under this chapter, except for those funds
295 placed in the fund for green infrastructure.

296 25A:13D Regulations; Miscellaneous

297 (a) The DOR commissioner and EEA Secretary shall promulgate rules and regulations
298 necessary to carry out the provisions of this chapter.

299 (b) If any covered fuel or its derivative is used by a government agency whose primary
300 purpose is to provide public transportation by bus, van, rail, ferry, or other means that reduce the
301 amount of driving by private motor vehicles, the DOR commissioner shall fully compensate or
302 exempt these agencies for their total costs associated with this chapter.

303 (c) The DOR commissioner shall do at least one of the following: (i) Provide rebates to
304 low and moderate income households twice each year in advance of the annual heating season
305 and summer cooling season; (ii) distribute part or all of the annual expected value of household

306 rebates to low and moderate-income households prior to collecting greenhouse gas charges in
307 year one; or (iii) otherwise set schedules and methods for distribution of rebates that ensure low
308 and moderate-income households obtain rebates corresponding to the time schedule in which
309 they can be expected to be paying greenhouse gas pollution charges.

310 (d) The commissioner may issue additional rebates or declare exemptions from charges in
311 instances where charges have been paid but no emissions occur or are anticipated to occur.

312 (e) The EEA Secretary shall study the feasibility of imposing and collecting additional
313 greenhouse gas emission charges on emissions attributable to biomass. The report shall include
314 an analysis of the feasibility and expense of (i) calculating a reasonably accurate current
315 statistical baseline, specific to the Commonwealth, of such emissions, and (ii) under what
316 conditions biomass usage should be exempt from carbon fees. Within nine months of the
317 effective date of this act, the commissioner shall submit the report to the house and senate
318 committees on ways and means, the joint committee on telecommunications, utilities, and
319 energy, and the house and senate committees on global warming and climate change.

320 (f) Within three years of the effective date of this legislation, the EEA Secretary shall
321 prepare a report on options for and the implications of collecting charges for emissions of CO₂e
322 resulting from carbon-generated electricity produced or distributed in the commonwealth. The
323 implications considered shall include, but not be limited to, potential effects on the market for
324 emission allowances created by the regional greenhouse gas initiative.

325 (g) Rebates distributed pursuant to Section 13C shall not be counted in determining
326 eligibility for other state programs with income limitations. To the degree possible, said rebates
327 shall not count towards income limitations for federal programs.