

FIRST REGULAR SESSION

SENATE BILL NO. 374

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR STEELMAN.

Read 1st time January 29, 2001, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

1462S.021

AN ACT

To repeal section 643.305, RSMo 2000, and to enact in lieu thereof one new section relating to emission banking and trading.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 643.305, RSMo 2000, is repealed and one new section enacted in lieu thereof, to be known as section 643.305, to read as follows:

643.305. 1. The air conservation commission shall adopt a state implementation plan to bring all nonattainment areas of the state which are located within a city not within a county, any county of the first classification having a population of over nine hundred thousand inhabitants, any county of the first classification with a charter form of government and a population of not more than two hundred twenty thousand inhabitants and not less than two hundred thousand inhabitants, any county of the first classification without a charter form of government with a population of not more than one hundred eighty thousand inhabitants and not less than one hundred seventy thousand inhabitants and any county of the first classification without a charter form of government with a population of not more than eighty-two thousand inhabitants and not less than eighty thousand inhabitants, into compliance with and to maintain the National Ambient Air Quality Standards and any regulations promulgated by the United States Environmental Protection Agency under the federal Clean Air Act, as amended, 42 U.S.C. 7401, et seq., on the required date or dates as such dates are established under the federal Clean Air Act, as amended, 42 U.S.C. 7401, et seq., including any extensions authorized pursuant to that act.

2. The commission shall establish the amount of emissions reductions required to achieve the goal established pursuant to subsection 1 of this section.

3. The department shall establish an air quality baseline for all nonattainment areas of the state which are located within a metropolitan statistical area with a population of at least one

million inhabitants as defined by the federal Office of Management and Budget or its successor agency. The air quality baseline shall include, where practical, actual air contaminant emissions data and data on the atmospheric concentrations of pollution and pollution precursors for all nonattainment areas.

4. The department shall determine the costs and benefits of alternative reduction measures including reductions of emissions from stationary and mobile sources and traffic control measures. The department of transportation, regional planning commissions and metropolitan planning organizations shall participate with the department and provide information necessary to determine the costs and benefits of emissions reduction measures.

5. The department shall evaluate any motor vehicle emissions inspection program established under section 307.366, RSMo, or sections 643.300 to 643.355 and shall annually include in the report to the commission and the general assembly required under section 643.192, beginning on January 1, 1996, a detailed accounting of the inspection costs and repair costs incurred by vehicle owners and of the emissions reductions produced or incurred by the program. The department may use a representative sample of vehicles to provide a statistically valid estimate of the repair costs and emissions reductions. The report shall also include a recommendation to the general assembly on whether the emissions inspection program should be continued, modified or terminated.

6. The department shall establish a program of public information and education to educate the citizens of the state about the costs and benefits associated with reaching attainment of the National Ambient Air Quality Standards and the costs and benefits of all measures which are considered to attain those standards. This shall be done prior to the commission's action under subsection 1 of this section.

7. The commission shall promulgate rules to provide for emissions trading programs to achieve and maintain the National Ambient Air Quality Standards established by the United States Environmental Protection Agency under the federal Clean Air Act, as amended. The rules shall:

(1) Create an air emissions banking and trading program for the state of Missouri to the extent not prohibited by federal law;

(2) Allow net air emission reductions from enforceable emission reductions or source shutdowns to be transferred to other sources for use as offset credits;

(3) Create an economic incentive for reducing air emissions and allow for continued growth through the program of banking and trading credits;

(4) Not prohibit the direct trading of air emission credits or allowances between nongovernmental parties, if such trades are otherwise allowable under the federal Clean Air Act, as amended;

(5) Require the reduction in emissions to be permanent, quantifiable and

otherwise enforceable in order to be creditable for deposit in the Missouri emissions bank;

(6) Require the emission reduction credits to be based on emission reductions that occur after the effective date of this section in order to be tradeable between sources;

(7) Require the division of environmental quality to register, certify or otherwise approve the amount of the credit before the credit is banked and used to offset future increases in the emissions of air pollutants;

(8) Allow the credits to be used, traded, sold or otherwise expended within the same nonattainment area, maintenance area or modeling domain in which the emissions reduction occurred, but only if there will be no adverse impact on air quality;

(9) Allow the department to delegate certification of emissions credits to a county or multi-county air quality control region, but require the department to register credits and administer the Missouri emissions bank.

In promulgating such regulations, the commission shall consider, but not be limited to, the inclusion of provisions concerning: the definition and transfer of emissions reduction credits or allowances between mobile sources, area sources and major sources; the role of offsets in emissions trading; interstate or regional emissions trading; the mechanisms needed to facilitate emissions trading and banking and the role of emissions allocations in emissions trading.

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