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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO HEALTH AND SAFETY – TRANSPORTATION EMISSIONS AND MOBILE
(TEAM) COMMUNITY ACT

Introduced By: Senators DiMario, McCaffrey, Goodwin, Euer, Quezada, Miller,
Valverde, Goldin, and Kallman

Date Introduced: May 05, 2021

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. The General Assembly hereby finds:

2 (1) There is scientific consensus that Earth's climate is now changing faster than at any
3 point in the history of modern civilization, primarily as a result of greenhouse gas (GHG) emissions
4 from human activities; climate change has resulted in the increased frequency and severity of
5 extreme weather events; and climate change poses a clear, present, and increasingly dangerous and
6 costly threat to the health, safety and welfare of the residents of Rhode Island.

7 (2) Rhode Island has committed to mitigate the risks of climate change through strategies
8 intended to reduce GHG emissions across all sectors; and the transportation sector causes
9 approximately forty percent (40%) of GHG emissions in Rhode Island.

10 (3) A group of Northeastern and Mid-Atlantic states, as well as the District of Columbia
11 (the “Participating Jurisdictions”), have worked together to create the transportation climate
12 initiative program (“TCI Program”).

13 (4) The participating jurisdictions agreed to collaborate on the establishment of a multi-
14 jurisdictional cap-and-invest program (the “TCI Program”) that will ensure reductions in
15 greenhouse gas emissions from the transportation sector, and to strategically invest in programs to
16 help residents transition to affordable, low-carbon transportation options that provide substantial
17 public health benefits, reduce congestion, and increase both economic and job opportunities.

18 (5) The goal of the Rhode Island TCI (“RITCI”) is to cap and reduce CO₂ emissions from

1 the transportation sector in a cost-effective and market-based manner and invest in projects that
2 support the goals of the TCI program.

3 (6) Living and working near sources of air pollution can lead to higher exposures of air
4 contaminants, many of which contribute to adverse health effects that negatively impact public
5 health.

6 (7) Lower-income households, people of color and other disadvantaged communities are
7 disproportionately exposed to air pollution from mobile sources. Higher exposures to air pollution
8 and other contaminants contribute to adverse health effects that negatively impact public health.

9 (8) The state of Rhode Island is committed to working with communities, businesses and
10 labor to accelerate the transition to an equitable, safe, and affordable low-carbon transportation
11 sector that will improve public health, create new economic opportunities, and provide enhanced
12 mobility options for Rhode Island communities.

13 (9) The state of Rhode Island recognizes and is committed to working with and investing
14 in communities that are overburdened by air pollution, vulnerable to the impacts of a changing
15 climate and/or underserved by the existing transportation system.

16 SECTION 2. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby
17 amended by adding thereto the following chapter:

18 CHAPTER 95

19 TRANSPORTATION EMISSIONS AND MOBILE (TEAM) COMMUNITY ACT

20 **23-95-1. Short title.**

21 This chapter shall be known and may be cited as the "Transportation Emissions and Mobile
22 (TEAM) Community Act".

23 **23-95-2. Definitions.**

24 As used in this chapter:

25 (1) "Allowance" means a limited authorization to emit a fixed amount of carbon dioxide
26 (CO₂), subject to all applicable limitations contained in this chapter and the rules and regulations
27 to be adopted by the department.

28 (2) "Department" means the Rhode Island department of environmental management.

29 (3) "Equity and environmental justice advisory board" or "board" means the board
30 established pursuant to the provisions of § 23-95-5.

31 (4) "Regulated entity" means an entity that the department by regulation determines shall
32 be subject to the requirements of RITCI.

33 (5) "Rhode Island transportation climate initiative" or "RITCI" means the cap-and-invest
34 program implemented pursuant to this chapter, to cap and reduce the CO₂ emissions that result from

1 the combustion of the quantities of fuel supplied in Rhode Island by the regulated entities.

2 (6) “Transportation climate initiative program” or “TCI Program” means the multi-
3 jurisdictional cap-and-invest program developed by a group of northeastern and mid-atlantic states
4 and the District of Columbia and outlined in a memorandum of understanding dated December 21,
5 2020, as may be amended or expanded, designed to cap and reduce CO₂ emissions from the
6 transportation sector, and to invest proceeds from the program in measures designed to further
7 reduce CO₂ emissions, provide incentives for low-carbon and more resilient transportation, and
8 otherwise further the goals of the TCI program.

9 **23-95-3. Rhode Island transportation climate initiative implementation.**

10 (a) The department shall promulgate regulations establishing the Rhode Island
11 transportation climate initiative (RITCI) to limit and reduce the CO₂ emissions that result from the
12 combustion of fuel the regulated entities supplied in Rhode Island and to promote the purposes of
13 the TCI program.

14 (b) The regulations shall be substantially similar to those promulgated by other
15 participating jurisdictions and shall allow the holders of allowances to trade them in a multi-
16 jurisdictional market established through the TCI program.

17 (c) A regulated entity’s compliance obligation is based on the total tons of indirect CO₂
18 emissions that result from the combustion of the quantity of fuel the regulated entity supplied in
19 Rhode Island during the compliance period pursuant to department regulations. The department
20 may require third-party verification of the accuracy of information reported by such regulated
21 entities.

22 (d) The department may establish the number of allowances equal to the total amount of
23 indirect CO₂ emissions allowed in Rhode Island. Regulated entities shall acquire and surrender
24 allowances equivalent to the tons of CO₂ emissions that result from the combustion of the quantity
25 of fuel the regulated entity supplied in Rhode Island during the compliance period.

26 (e) The department is authorized to conduct auctions and sell up to one hundred percent
27 (100%) of the allowances created under RITCI. The department shall hold the proceeds from the
28 auction of allowances in a separate, restricted receipt account, and is authorized to spend the
29 proceeds to support the purposes of the RITCI in accordance with § 23-95-5 and ensure that the
30 funds Rhode Island receives from the sale of allowances be invested in programs and initiatives to
31 reduce the use of fossil fuels in the transportation sector, reduce greenhouse gas emissions from the
32 transportation sector, and ensure equitable distribution of these benefits to those communities that
33 have suffered disproportionate impacts of vehicular pollution and climate change.

34 (f) The department is authorized to request and obtain information from regulated entities,

1 and other persons, to verify the amount of CO₂ emissions the regulated entity reported to the state
2 and obtain such information from other Rhode Island agencies including, but not limited to, the
3 department of revenue and the office of energy resources, as well as agencies in other states or
4 jurisdictions. All information collected under this subsection may be shared with other TCI
5 program participating jurisdictions, provided those jurisdictions protect from public disclosure
6 information that would be exempt from disclosure pursuant to § 38-2-2(4)(B)

7 (g) The department may work with other TCI program participating jurisdictions to create
8 a multi-jurisdictional organization or join an existing administrative organization to provide
9 technical and administrative assistance on the ongoing administration and implementation of the
10 TCI program and RITCI including, but not limited to, the establishment of a multi-jurisdictional
11 emissions and allowance tracking system, the administration of a multi-jurisdictional auction, the
12 monitoring of transportation fuel and allowance trading markets. The administrative organization
13 shall not be a joint regulatory body with regulatory and enforcement powers that are greater than
14 those of the state and the other participating jurisdictions.

15 (h) Any violation by a regulated entity of the provisions of this chapter or the rules and
16 regulations promulgated by the department shall be deemed to be an air pollution violation subject
17 to enforcement under § 23-23-14.

18 **23-95-4. Transportation climate initiative special fund.**

19 (a) There is established the transportation climate initiative special fund (the “TCI fund”)
20 that shall be administered by the department in consultation with other state agencies through the
21 executive climate change coordinating council (EC4) established pursuant to chapter 6.2 of title 42.
22 Rhode Island’s proceeds from auction of the allowances shall be deposited in the TCI fund.

23 (b) The proceeds shall be used, without further appropriation, to reduce CO₂ emissions and
24 otherwise achieve the goals of the RITCI, and to fund the administration of RITCI. A minimum of
25 thirty-five percent (35%) of the annual proceeds from auction of allowances shall be used to benefit
26 overburdened and underserved communities, as defined through the processes set forth in § 23-95-
27 5. In keeping with the CO₂ emissions reduction goals of RITCI, the proceeds may be used to
28 promote clean transportation and improve mobility, including, but not limited to, the following:

29 (1) Projects to enhance and expand public transportation services particularly for low-
30 income communities, and environmental justice populations, and communities underserved by
31 public transportation;

32 (2) Projects to accelerate the adoption of zero-emission public transportation services;

33 (3) Projects to accelerate adoption of zero-emission vehicles, including battery electric
34 vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell vehicles, particularly to make these

1 vehicles more affordable and accessible for low- and moderate-income resident drivers and for
2 Rhode Island businesses and municipalities;

3 (4) Projects that expand and increase the safety of bicycle and pedestrian transportation
4 and micromobility, particularly in low-income communities;

5 (5) Projects that accommodate an increase in pedestrians, bicyclists and transit users;

6 (6) Projects to increase the resiliency of transportation infrastructure to withstand the
7 impacts of climate change;

8 (7) Projects that will promote density, reduce congestion, and increase the production of
9 affordable housing near public transit, and/or promote the use of public transportation;

10 (8) Payment for costs associated with administration of TCI program;

11 (9) Support for the purchase, construction, operation and maintenance of zero-emission
12 vehicle fueling and charging systems and supply equipment in Rhode Island;

13 (10) Projects to increase the availability of broadband Internet access; and

14 (11) Support for related complementary policies and programs that further the goals of

15 RITCI.

16 (c) Up to five percent (5%) of program proceeds annually shall be available to the
17 department to administer the program.

18 (d) Investments of auction proceeds under this chapter should comply with the
19 requirements of chapter 13 of title 37 and should promote fair labor standards, support local jobs
20 and prioritize hiring and training for workers affected by the transition to cleaner transportation,
21 underrepresented in the workforce, or facing employment barriers, including women, people of
22 color, veterans, formerly incarcerated individuals, and people with disabilities.

23 (e) Monies in the TCI fund shall only be used to support the programs and activities
24 authorized pursuant to this section and shall not be available to meet the general obligations of the
25 state. Balances in the TCI fund shall be carried forward and remain in the TCI fund at the end of
26 each fiscal year and interest earned shall remain in the fund.

27 (f) The TCI fund shall be exempt from the indirect cost recovery provisions of § 35-4-27.

28 (g) The department shall submit a report annually to the governor, speaker of the house
29 and president of the senate delineating how the TCI fund proceeds have been administered and
30 verifying compliance with subsection (b) of this section.

31 **23-95-5. Equity and environmental justice advisory board.**

32 (a) There shall be an equity and environmental justice advisory board to ensure that
33 overburdened and underserved communities are able to provide meaningful input into decision-
34 making processes relating to the investment of RITCI proceeds. The department shall establish an

1 equity advisory board composed of diverse stakeholder groups to include one member of each of
2 the state's Health Equity Zones, with a majority of the remaining members being representatives of
3 overburdened and underserved communities or populations, to advise on decision making and
4 equitable outcomes. The roles of the equity advisory board shall include:

5 (1) Developing criteria for defining overburdened and underserved communities, building
6 on existing criteria and definitions, including, but not limited to, cumulative impacts on an affected
7 geographical area and the criteria set forth in chapter 6.2 of title 42, where applicable;

8 (2) Providing recommendations for equitable investments of RITCI proceeds and
9 complementary policies that would achieve the requisite benefits for overburdened and underserved
10 communities and prioritize support for environmental justice areas as defined by the department;
11 and

12 (3) Developing metrics for evaluating how investments of program proceeds demonstrably
13 provide direct and meaningful benefits for overburdened and underserved communities.

14 **23-95-6. Severability.**

15 If any clause, sentence, paragraph, section, or part of this chapter shall be adjudged by any
16 court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate
17 the remainder of the chapter but shall be confined in its operation to the clause, sentence, paragraph,
18 section, or part directly involved in the controversy in which that judgment shall have been
19 rendered.

20 SECTION 3. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
21 is hereby amended to read as follows:

22 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

23 Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all
24 restricted-receipt accounts, to be recorded as general revenues in the general fund. However, there
25 shall be no transfer from cash receipts with restrictions received exclusively: (1) From contributions
26 from nonprofit charitable organizations; (2) From the assessment of indirect cost-recovery rates on
27 federal grant funds; or (3) Through transfers from state agencies to the department of administration
28 for the payment of debt service. These indirect cost recoveries shall be applied to all accounts,
29 unless prohibited by federal law or regulation, court order, or court settlement. The following
30 restricted receipt accounts shall not be subject to the provisions of this section:

- 31 Executive Office of Health and Human Services
- 32 Organ Transplant Fund
- 33 HIV Care Grant Drug Rebates
- 34 Health System Transformation Project

1 Department of Human Services
2 Veterans' home -- Restricted account
3 Veterans' home -- Resident benefits
4 Pharmaceutical Rebates Account
5 Demand Side Management Grants
6 Veteran's Cemetery Memorial Fund
7 Donations -- New Veterans' Home Construction
8 Department of Health
9 Pandemic medications and equipment account
10 Miscellaneous Donations/Grants from Non-Profits
11 State Loan Repayment Match
12 Healthcare Information Technology
13 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
14 Eleanor Slater non-Medicaid third-party payor account
15 Hospital Medicare Part D Receipts
16 RICLAS Group Home Operations
17 Commission on the Deaf and Hard of Hearing
18 Emergency and public communication access account
19 Department of Environmental Management
20 National heritage revolving fund
21 Environmental response fund II
22 Underground storage tanks registration fees
23 De Coppet Estate Fund
24 Rhode Island Historical Preservation and Heritage Commission
25 Historic preservation revolving loan fund
26 Historic Preservation loan fund -- Interest revenue
27 Department of Public Safety
28 E-911 Uniform Emergency Telephone System
29 Forfeited property -- Retained
30 Forfeitures -- Federal
31 Forfeited property -- Gambling
32 Donation -- Polygraph and Law Enforcement Training
33 Rhode Island State Firefighter's League Training Account
34 Fire Academy Training Fees Account

1 Attorney General
2 Forfeiture of property
3 Federal forfeitures
4 Attorney General multi-state account
5 Forfeited property -- Gambling
6 Department of Administration
7 OER Reconciliation Funding
8 Health Insurance Market Integrity Fund
9 RI Health Benefits Exchange
10 Information Technology Investment Fund
11 Restore and replacement -- Insurance coverage
12 Convention Center Authority rental payments
13 Investment Receipts -- TANS
14 OPEB System Restricted Receipt Account
15 Car Rental Tax/Surcharge-Warwick Share
16 Executive Office of Commerce
17 Housing Resources Commission Restricted Account
18 Department of Revenue
19 DMV Modernization Project
20 Jobs Tax Credit Redemption Fund
21 Legislature
22 Audit of federal assisted programs
23 Department of Children, Youth and Families
24 Children's Trust Accounts -- SSI
25 Military Staff
26 RI Military Family Relief Fund
27 RI National Guard Counterdrug Program
28 Treasury
29 Admin. Expenses -- State Retirement System
30 Retirement -- Treasury Investment Options
31 Defined Contribution -- Administration - RR
32 Violent Crimes Compensation -- Refunds
33 Treasury Research Fellowship
34 Business Regulation

- 1 Banking Division Reimbursement Account
- 2 Office of the Health Insurance Commissioner Reimbursement Account
- 3 Securities Division Reimbursement Account
- 4 Commercial Licensing and Racing and Athletics Division Reimbursement Account
- 5 Insurance Division Reimbursement Account
- 6 Historic Preservation Tax Credit Account
- 7 Judiciary
- 8 Arbitration Fund Restricted Receipt Account
- 9 Third-Party Grants
- 10 RI Judiciary Technology Surcharge Account
- 11 Department of Elementary and Secondary Education
- 12 Statewide Student Transportation Services Account
- 13 School for the Deaf Fee-for-Service Account
- 14 School for the Deaf -- School Breakfast and Lunch Program
- 15 Davies Career and Technical School Local Education Aid Account
- 16 Davies -- National School Breakfast & Lunch Program
- 17 School Construction Services
- 18 Office of the Postsecondary Commissioner
- 19 Higher Education and Industry Center
- 20 Department of Labor and Training
- 21 Job Development Fund
- 22 [Transportation Climate Initiative Special Fund](#)
- 23 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO HEALTH AND SAFETY – TRANSPORTATION EMISSIONS AND MOBILE
(TEAM) COMMUNITY ACT

1 This act would establish the Transportation Emission and Mobile (TEAM) Community Act
2 intended to limit and reduce indirect carbon dioxide emissions throughout the state while promoting
3 the purposes of the transportation climate initiative program.

4 This act would take effect upon passage.

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