

Adopted	Rejected
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COMMITTEE REPORT

YES:	13
NO:	1

MR. SPEAKER:

*Your Committee on Environmental Affairs, to which was referred House Bill 1561, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, delete lines 1 through 7.
- 2 Page 1, line 12, delete "authority and the".
- 3 Page 1, line 15, delete "to reduce or prevent emissions of air" and
- 4 insert "**that minimize the costs associated with required air**
- 5 **emission reductions and encourage economic development in a**
- 6 **manner that protects human health and the environment.**".
- 7 Page 2, delete line 1.
- 8 Page 2, line 5, delete "at least the following air" and insert "**the**
- 9 **following criteria air pollutants and their precursor emissions:**".
- 10 Page 2, delete line 6.
- 11 Page 2, line 7, delete "oxide." and insert "**oxides.**"
- 12 Page 2, delete lines 12 through 14.
- 13 Page 2, delete line 16.
- 14 Page 2, line 17, delete "(B)" and insert "**(A)**".
- 15 Page 2, line 18, delete "(C)" and insert "**(B)**".
- 16 Page 2, line 19, delete "(D)" and insert "**(C)**".

- 1 Page 2, line 27, delete "environmental".
- 2 Page 2, delete lines 29 through 42.
- 3 Page 3, delete lines 1 through 15, begin a new paragraph and insert:
- 4 **"Sec. 3. The air emissions reduction credit program:**
- 5 **(1) may not interfere with federal acid rain programs or the**
- 6 **state implementation plan concerning nitrogen oxides; and**
- 7 **(2) must defer to and facilitate federal air emissions credit**
- 8 **trading programs to the extent that it is reasonable for the**
- 9 **state to defer to and facilitate the federal programs.**
- 10 **Sec. 4. (a) Air emissions reduction credits may only be revoked**
- 11 **or discounted following a hearing conducted in accordance with**
- 12 **IC 4-21.5.**
- 13 **(b) Air emissions reduction credits earned:**
- 14 **(1) reflect air emissions reduced by the use of additional**
- 15 **emissions controls, shutting down facilities or equipment, or**
- 16 **any other means; and**
- 17 **(2) may not be subject to any test of financial loss or gain**
- 18 **associated with the air emission reduction action.**
- 19 **(c) Air emissions reduction credits may be:**
- 20 **(1) held for future use; or**
- 21 **(2) traded on an exchange;**
- 22 **by the owner of the credits.**
- 23 **(d) Air emissions reduction credits may be bought or sold within**
- 24 **air quality control areas that have been classified as attainment,**
- 25 **transitional, or unclassified areas under the federal Clean Air Act**
- 26 **(42 U.S.C. 7401 et seq.).**
- 27 **(e) Air emissions reduction credits may be bought or sold within**
- 28 **air quality control areas that have been classified as nonattainment**
- 29 **areas under the federal Clean Air Act (42 U.S.C. 7401 et seq.).**
- 30 **However, the credits may only be purchased from:**
- 31 **(1) within the nonattainment area; or**
- 32 **(2) air emissions sources that affect the air quality within the**
- 33 **nonattainment area.**
- 34 **(f) Air emissions reduction credits that have not been used or**
- 35 **traded on an exchange expire fifteen (15) years after the date the**
- 36 **credits are first registered with the registry program described in**
- 37 **section 5 of this chapter.**
- 38 **(g) The board shall adopt rules that facilitate interpollutant**

1 trading between volatile organic compounds and nitrogen oxides
2 to:

3 (1) control ozone; and

4 (2) facilitate permitting of sources."

5 Page 3, line 16, delete "4." and insert "5."

6 Page 3, line 16, delete "authority" and insert "department".

7 Page 3, line 18, delete "Identify and register" and insert "Register".

8 Page 3, delete lines 22 through 27, begin a new paragraph and
9 insert:

10 "(b) Air emissions reductions that have not been used to comply
11 with any applicable federal or state law may be registered with the
12 registry program established in subsection (a) regardless of when
13 the air emission reductions occurred."

14 Page 3, line 33, delete "authority" and insert "department".

15 Page 3, line 35, delete "5." and insert "6."

16 Page 4, line 2, delete "Indiana".

17 Page 4, line 3, delete "development finance authority and the".

18 Page 4, line 5, delete "January 15," and insert "July 1,".

19 Page 4, line 6, delete "January 31," and insert "July 31,"

20 Page 4, after line 6, begin a new paragraph and insert:

21 "SECTION 3. [EFFECTIVE JULY 1, 1999] (a) Before July 1,
22 2000, the department of environmental management shall present
23 proposed rules from the air pollution control board to implement
24 IC 13-17-15, as added by this act, to the environmental quality
25 service council.

26 (b) Before December 31, 2000, the environmental quality service
27 council shall do at least one (1) of the following:

28 (1) Recommend to the air pollution control board that the
29 proposed rules should be adopted as final rules.

30 (2) Recommend to the air pollution control board that the
31 proposed rules should be modified before the proposed rules
32 are adopted as final rules.

33 (3) Recommend to the general assembly additional legislation
34 that is necessary to implement IC 13-17-15, as added by this

- 1 **act.**
- 2 **(c) This SECTION expires January 1, 2001."**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to HB 1561 as introduced.)

and when so amended that said bill do pass.

Representative Sturtz