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# HOUSE BILL No. 1235

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-13-20.

**Synopsis:** Climate expenditure accountability. Provides that if a contract to which a state agency is a party includes a climate expenditure, the contract must: (1) set forth: (A) the total cost of the climate expenditure; (B) the amount, in metric tons, of the reduction in carbon dioxide equivalent intended to be achieved through the climate expenditure; and (C) the cost per metric ton of the reduction in carbon dioxide equivalent intended to be achieved through the climate expenditure; and (2) include a provision requiring the contractor, if not in compliance with performance standards for the cost per metric ton of the reduction in carbon dioxide equivalent intended to be achieved through the climate expenditure, to: (A) provide certified carbon offsets equal to the difference between the intended carbon dioxide equivalent reduction set forth in the contract and the actual carbon dioxide equivalent reduction achieved; or (B) refund a portion of the funds the contractor received under the contract so that the cost per metric ton of the actual carbon dioxide equivalent reduction achieved equals the cost per metric ton of the reduction in carbon dioxide equivalent intended to be achieved through the climate expenditure, as set forth in the contract. Requires the office of management and budget to audit these contracts to ensure that contractors meet performance standards for the cost per metric ton of the reduction in carbon dioxide equivalent intended to be achieved through the expenditure of state funds. Requires a state agency that is a party to a climate expenditure contract to provide semiannual reports to the office of management and budget and the general assembly outlining the contractor's performance under the contract.

**Effective:** July 1, 2011.

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January 12, 2011, read first time and referred to Committee on Environmental Affairs.

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First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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# HOUSE BILL No. 1235



A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-13-20 IS ADDED TO THE INDIANA CODE AS  
 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
 3 1, 2011]:  
 4 **Chapter 20. Climate Expenditure Accountability**  
 5 **Sec. 1. This chapter applies to contracts entered into or renewed**  
 6 **after June 30, 2011.**  
 7 **Sec. 2. As used in this chapter, "carbon dioxide equivalent"**  
 8 **means a quantity of a greenhouse gas that has the same global**  
 9 **warming potential as the equivalent amount of carbon dioxide**  
 10 **when measured over a specific period of time.**  
 11 **Sec. 3. As used in this chapter, "certified carbon offset" means**  
 12 **a carbon credit certified to meet the United Nation's Clean**  
 13 **Development Mechanism (CDM) as defined in Article 12 of the**  
 14 **Kyoto Protocol.**  
 15 **Sec. 4. As used in this chapter, "climate expenditure" means the**  
 16 **expenditure of state funds intended to reduce greenhouse gas**  
 17 **emissions.**



1           **Sec. 5. (a) As used in this chapter, "greenhouse gas" means a**  
 2 **chemical or physical substance that:**  
 3           **(1) is emitted into the air; and**  
 4           **(2) may cause or contribute to climate change.**  
 5           **(b) The term includes carbon dioxide, methane, nitrous oxide,**  
 6 **hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.**  
 7           **Sec. 6. (a) If a contract to which a state agency is a party**  
 8 **includes a climate expenditure, the contract must:**  
 9           **(1) set forth:**  
 10           **(A) the total cost of the climate expenditure;**  
 11           **(B) the amount, in metric tons, of the reduction in carbon**  
 12 **dioxide equivalent intended to be achieved through the**  
 13 **climate expenditure; and**  
 14           **(C) the cost per metric ton of the reduction in carbon**  
 15 **dioxide equivalent intended to be achieved through the**  
 16 **climate expenditure; and**  
 17           **(2) include a provision requiring the contractor, if not in**  
 18 **compliance with the performance standards for the cost per**  
 19 **metric ton of the reduction in carbon dioxide equivalent**  
 20 **intended to be achieved through the climate expenditure, to:**  
 21           **(A) provide certified carbon offsets equal to the difference**  
 22 **between:**  
 23           **(i) the intended carbon dioxide equivalent reduction set**  
 24 **forth in the contract under subdivision (1)(B); and**  
 25           **(ii) the actual carbon dioxide equivalent reduction**  
 26 **achieved; or**  
 27           **(B) refund a portion of the funds received by the**  
 28 **contractor under the contract so that the cost per metric**  
 29 **ton of the actual carbon dioxide equivalent reduction**  
 30 **achieved equals the cost per metric ton of the intended**  
 31 **carbon dioxide equivalent reduction set forth in the**  
 32 **contract under subdivision (1)(C).**  
 33           **(b) The office of management and budget shall regularly audit**  
 34 **contracts described in subsection (a) to ensure that contractors**  
 35 **meet performance standards for the cost per metric ton of the**  
 36 **reductions in carbon dioxide equivalent intended to be achieved**  
 37 **through climate expenditures.**  
 38           **Sec. 7. (a) A state agency that is a party to a contract described**  
 39 **in section 6 of this chapter shall provide semiannual reports to the**  
 40 **office of management and budget and the general assembly**  
 41 **outlining the contractor's performance under the contract,**  
 42 **including the following:**

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- 1           **(1) The total cost of the climate expenditure.**
- 2           **(2) The amount, in metric tons, of the reduction in carbon**
- 3           **dioxide equivalent intended to be achieved through the**
- 4           **climate expenditure.**
- 5           **(3) The cost per metric ton of the reduction in carbon dioxide**
- 6           **equivalent intended to be achieved through the climate**
- 7           **expenditure.**
- 8           **(4) The amount, in metric tons, of the reduction in carbon**
- 9           **dioxide equivalent actually achieved through the climate**
- 10           **expenditure.**
- 11           **(5) The cost per metric ton of the reduction in carbon dioxide**
- 12           **equivalent actually achieved through the climate expenditure.**
- 13           **(b) A report to the general assembly described in subsection (a)**
- 14           **must be in an electronic format under IC 5-14-6.**

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