

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Transportation & Energy.

SB22-138 be amended as follows:

- 1 Amend printed bill, page 3, strike lines 5 through 23.
- 2 Page 4, strike lines 1 through 5 and substitute "**rules - definition**".
(1) THE COMMISSIONER SHALL ADOPT RULES REQUIRING THAT, BEGINNING IN 2023, INSURERS ISSUED A CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS PURSUANT TO PART 1 OF THIS ARTICLE 3 THAT REPORT MORE THAN ONE HUNDRED MILLION DOLLARS ON THEIR ANNUAL NAIC SCHEDULE T FILING PARTICIPATE IN AND COMPLETE THE NAIC'S ANNUAL "INSURER CLIMATE RISK DISCLOSURE SURVEY". IF AN INSURER REPORTS LESS THAN ONE HUNDRED MILLION DOLLARS ON ITS ANNUAL NAIC SCHEDULE T FILING, THE INSURER MAY PARTICIPATE IN AND COMPLETE THE SURVEY VOLUNTARILY.
- 12 (2) AS USED IN THIS SECTION, "NAIC" MEANS THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, AN ORGANIZATION OF INSURANCE REGULATORS FROM THE FIFTY STATES, THE DISTRICT OF COLUMBIA, AND THE FOUR UNITED STATES TERRITORIES.".
- 16 Page 4, strike lines 14 and 15 and substitute:

(b) AS USED IN THIS SECTION, "CLIMATE-RISK ASSESSMENT" MEANS A DETERMINATION OF THE ECONOMIC AND BUSINESS RISKS THAT CLIMATE CHANGE POSES TO AN INVESTMENT. SUCH RISKS INCLUDE TRANSPORTATION AND SUPPLY DISRUPTIONS AND INFRASTRUCTURE DAMAGE ARISING FROM SEVERE WEATHER EVENTS; INCREASED COSTS ASSOCIATED WITH COMPETITION FOR DEPLETING NONRENEWABLE RESOURCES; AND REDUCED PRODUCTIVITY ARISING FROM EXTREME TEMPERATURES, VECTOR-BORNE DISEASES, AND OTHER HEALTH IMPACTS OF CLIMATE CHANGE.".
- 26 Page 5, strike lines 8 through 27.
- 27 Strike page 6.
- 28 Page 7, strike lines 1 through 3.
- 29 Rerumber succeeding sections accordingly.
- 30 Page 7, strike line 14 and substitute "(9)(a); and **add** (9)(c) as follows:".
- 31 Page 7, line 16, strike "**definition**." and substitute "**definitions**.".

1 Page 7, line 17, after "law," insert "SUBJECT TO SUBSECTION (9)(c) OF THIS
2 SECTION AND ONLY AFTER THE GOVERNOR AND COMMISSION HAVE MADE
3 AN AFFIRMATIVE DETERMINATION THAT THE STATE HAS SUFFICIENT
4 RESOURCES NECESSARY TO ENSURE THE SAFE AND EFFECTIVE REGULATION
5 OF THE SEQUESTRATION OF GREENHOUSE GASES IN ACCORDANCE WITH
6 FINDINGS FROM THE COMMISSION'S STUDY CONDUCTED PURSUANT TO
7 SUBSECTION (9)(b) OF THIS SECTION,".

8 Page 7, strike lines 23 and 24 and substitute "TERM IS DEFINED IN SECTION
9 25-7-140 (6).

10 (c) (I) THE COMMISSION MAY SEEK CLASS VI INJECTION WELL
11 PRIMACY UNDER THE FEDERAL "CLEAN AIR ACT", 42 U.S.C. SEC. 7401 ET
12 SEQ., AS AMENDED, AFTER OBTAINING AND PUBLICLY DETERMINING THAT
13 THE COMMISSION HAS THE NECESSARY RESOURCES FOR THE APPLICATION
14 OUTLINED IN THE COMMISSION'S STUDY PERFORMED PURSUANT TO
15 SUBSECTION (9)(b) OF THIS SECTION.

16 (II) THE COMMISSION MAY ISSUE AND ENFORCE PERMITS AS
17 NECESSARY FOR THE PURPOSE SET FORTH IN THIS SUBSECTION (9)(c) AFTER
18 THE DETERMINATION SET FORTH IN SUBSECTION (9)(c)(I) OF THIS SECTION
19 HAS BEEN MADE AND THE REQUIREMENTS SET FORTH IN SUBSECTION (9)(a)
20 OF THIS SECTION HAVE BEEN SATISFIED. IN ISSUING AND ENFORCING
21 PERMITS PURSUANT TO THIS SUBSECTION (9)(c), THE COMMISSION SHALL
22 ENSURE THAT THE PERMITTING OF CLASS VI INJECTION WELLS DOES NOT
23 ADVERSELY AND DISPROPORTIONATELY AFFECT THE HEALTH AND
24 WELL-BEING OF DISPROPORTIONATELY IMPACTED COMMUNITIES.

25 (III) NOTWITHSTANDING THE PERMITTING OF A WELL BY THE
26 COMMISSION, THE OPERATOR IS FINANCIALLY RESPONSIBLE FOR ALL
27 OUTCOMES, AND THE COMMISSION SHALL REQUIRE THE OPERATOR TO
28 PROVIDE ADEQUATE BONDING TO ENSURE THAT THE OPERATOR IS
29 FINANCIALLY ABLE TO MEET ALL OBLIGATIONS RELATED TO THE WELL
30 THROUGHOUT THE LIFE OF THE WELL. THE COMMISSION SHALL ALSO
31 ENSURE THAT THE OPERATOR CARRIES ADEQUATE INSURANCE TO COVER
32 ACCIDENTS AT AND ENVIRONMENTAL DAMAGE CAUSED BY THE WELL.

33 (IV) As used in this subsection (9), "DISPROPORTIONATELY
34 IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION
35 24-4-109 (2)(b)(II).".

36 Page 8, strike line 1 and substitute "**opportunities in agriculture -**
37 **definition - reporting - repeal.** (1) (a) IN CONSULTATION".

38 Page 8, line 4, strike "DESIGNEE" and substitute "DESIGNEE, IN
39 CONSULTATION WITH AN INSTITUTION OF HIGHER EDUCATION WITH
40 EXPERTISE IN CLIMATE CHANGE MITIGATION, ADAPTATION BENEFITS, AND
41 OTHER ENVIRONMENTAL BENEFITS RELATED TO AGRICULTURAL
42 RESEARCH,".

1 Page 8, strike lines 10 through 17 and substitute "PRODUCERS. A
2 CERTIFIED CARBON OFFSET PROGRAM AND CREDIT INSTRUMENTS OFFERED
3 MUST REFLECT REAL, ADDITIONAL, QUANTIFIABLE, PERMANENT,
4 VERIFIABLE, AND ENFORCEABLE REDUCTIONS IN GREENHOUSE GAS
5 EMISSIONS THAT ARE EQUIVALENT TO THE OFFSETS PROVIDED.

6 (b) CARBON OFFSETS DEVELOPED FOR AGRICULTURAL PRODUCERS
7 IN ACCORDANCE WITH THIS SECTION MAY BE:

8 (I) INCORPORATED INTO THE AIR QUALITY CONTROL COMMISSION'S
9 RULES, INCLUDING RULES ADOPTED UNDER SECTION 25-7-105 (1)(e), SUCH
10 AS RULES CONCERNING COORDINATION WITH OTHER JURISDICTIONS
11 PURSUANT TO THE AUTHORITY GRANTED IN, AND THE CONSIDERATIONS
12 REQUIRED UNDER, SECTION 25-7-105 (1)(e)(V); AND

13 (II) USED AS COMPLIANCE INSTRUMENTS BY A SOURCE REGULATED
14 UNDER ARTICLE 7 OF TITLE 25 WITH EMISSION REDUCTION OBLIGATIONS
15 THAT ENSURE THAT THE SOURCE'S OVERALL, ABSOLUTE EMISSIONS
16 DECLINE CONSISTENT WITH THE STATEWIDE GREENHOUSE GAS EMISSION
17 REDUCTION GOALS SET FORTH IN SECTION 25-7-102 (2)(g).

18 (c) (I) THE STUDY SHALL IDENTIFY POLICY MECHANISMS TO
19 MITIGATE THE IMPACTS THAT REGULATED SOURCES' USE OF CARBON
20 OFFSETS HAVE ON DISPROPORTIONATELY IMPACTED COMMUNITIES.

21 (II) AS USED IN THIS SUBSECTION (1)(c), "DISPROPORTIONATELY
22 IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION
23 24-4-109 (2)(b)(II).

24 (2) ON OR BEFORE OCTOBER 1, 2024, THE COMMISSIONER OR
25 COMMISSIONER'S DESIGNEE SHALL SUBMIT TO THE GENERAL ASSEMBLY A
26 REPORT SUMMARIZING THE STUDY, INCLUDING ANY LEGISLATIVE,
27 REGULATORY, OR OTHER RECOMMENDATIONS FOR DESIGNING AND
28 IMPLEMENTING CARBON REDUCTION AND SEQUESTRATION OPPORTUNITIES
29 FOR THE AGRICULTURAL SECTOR IN THE STATE. THE COMMISSIONER OR
30 COMMISSIONER'S DESIGNEE SHALL SUBMIT TO THE GENERAL ASSEMBLY AN
31 UPDATE ON THE PROGRESS OF THE STUDY ON OR BEFORE OCTOBER 1, 2023.

32 (3) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.".

33 Page 8, line 21, strike "agrivoltaics." and substitute "agrivoltaics -
34 repeal".

35 Page 9, line 3, strike "USE" and substitute "USE, COSTS, AND BENEFITS".

36 Page 9, line 4, strike "businesses." and substitute "businesses OR PROVIDE
37 OTHER ENVIRONMENTAL, SOCIAL, OR ECONOMIC BENEFITS TO THE STATE.".

38 Page 9, after line 8 insert:

39 (III) TO IMPLEMENT SUBSECTION (1)(a)(II) OF THIS SECTION, THE
40 STATE TREASURER SHALL TRANSFER ONE MILLION EIGHT HUNDRED

1 THOUSAND DOLLARS FROM THE GENERAL FUND TO THE AGRICULTURE
2 VALUE-ADDED CASH FUND CREATED IN SECTION 35-75-205:
3 (A) ON THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(III); AND
4 (B) ON JULY 1, 2023, AND ON EACH JULY 1 THEREAFTER THROUGH
5 JULY 1, 2027.
6 (IV) SUBSECTION (1)(a)(III) OF THIS SECTION AND THIS
7 SUBSECTION (1)(a)(IV) ARE REPEALED, EFFECTIVE JULY 1, 2028.".

8 Page 9, strike line 27.

9 Page 10, strike line 1 and substitute "MORE SOLAR ENERGY GENERATION
10 FACILITIES DIRECTLY INTEGRATED WITH AGRICULTURAL ACTIVITIES,
11 INCLUDING CROP".

12 Page 10, line 25, before "**repeal.**" insert "**rules -**".

13 Page 13, strike lines 5 through 8 and substitute:

14 "(a) "SMALL OFF-ROAD ENGINE" MEANS A GASOLINE-POWERED
15 ENGINE OF TEN HORSEPOWER OR LESS THAT IS USED TO FUEL SMALL
16 OFF-ROAD EQUIPMENT.

17 (b) "SMALL OFF-ROAD EQUIPMENT" MEANS A LAWN MOWER, LEAF
18 BLOWER, TRIMMER, OR OTHER LAWN AND GARDEN EQUIPMENT, AS
19 DETERMINED BY RULE BY THE AIR QUALITY CONTROL COMMISSION
20 CREATED IN SECTION 25-7-104 (1).".

21 Page 13, after line 11 insert:

22 **"SECTION 11. Appropriation.** For the 2022-23 state fiscal year,
23 \$2,200,000 is appropriated to the department of agriculture. This
24 appropriation is from the general fund. To implement this act, the
25 department may use this appropriation for the purpose of conducting a
26 study pursuant to section 35-1-116, C.R.S.".

27 Page 1, line 102, strike "**COLORADO.**" and substitute "**COLORADO, AND,**
28 **IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**".

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