

Senate File 299 - Introduced

SENATE FILE 299

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A BILL FOR

- 1 An Act establishing the Iowa carbon dioxide disaster relief fund,
- 2 creating an excise tax, and making appropriations.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **479B.34 Carbon dioxide disaster**
2 **relief fund.**

3 1. The purpose of this section is to establish a dedicated
4 fund for disaster relief and safe, efficient disaster response
5 to incidents involving liquefied carbon dioxide pipeline,
6 transportation, and storage systems.

7 2. For purposes of this section:

8 a. "Disaster" means any catastrophic event, regardless of
9 size, resulting from the release or failure of a liquefied carbon
10 dioxide pipeline, transportation, or storage system, including
11 but not limited to a leakage, rupture, or other hazardous
12 incident.

13 b. "Fund" means the Iowa carbon dioxide disaster relief fund
14 created in subsection 3.

15 c. "Victim" means an individual, family, or community that
16 suffers loss, injury, or property damage as a result of carbon
17 dioxide release.

18 3. a. The Iowa carbon dioxide disaster relief fund is
19 created within the state treasury under control of the department
20 of natural resources. The fund shall consist of moneys
21 appropriated to or deposited in the fund, including moneys
22 deposited pursuant to subsection 4, and donations and gifts to
23 the fund obtained from any source. Moneys in the fund are
24 appropriated to the department of natural resources for purposes
25 provided in paragraph "b".

26 b. Moneys in the fund shall be used to support the following
27 purposes associated with a liquefied carbon dioxide pipeline or
28 storage system disaster:

29 (1) Immediate disaster response costs that may include
30 containment, emergency response support, and environmental
31 cleanup.

32 (2) Long-term recovery, including full compensation to
33 victims, rebuilding, and environmental restoration.

34 4. a. An excise tax shall be paid by owners of liquefied
35 carbon dioxide pipelines or carbon dioxide facilities and by

1 persons supplying carbon dioxide to a liquefied carbon dioxide
2 pipeline or carbon dioxide facility at a rate determined by the
3 general assembly, which may be adjusted pursuant to subsection 7.
4 The excise tax shall be administered by the department of revenue
5 and shall be levied on the following:

6 (1) The total transportation capacity of liquefied carbon
7 dioxide pipelines and storage systems operating within Iowa,
8 calculated based on the volume of liquefied carbon dioxide that
9 could potentially be transported through the pipeline system
10 annually.

11 (2) The actual amount of liquefied carbon dioxide transported
12 through Iowa annually, calculated on the volume of liquefied
13 carbon dioxide that is moved through pipelines within and through
14 the state.

15 b. Section 422.25, subsection 4, sections 422.30, 422.67, and
16 422.68, section 422.69, subsection 1, sections 422.70, 422.71,
17 422.72, 422.74, and 422.75, section 423.14, subsection 1, and
18 sections 423.23, 423.24, 423.25, 423.31 through 423.35, 423.37
19 through 423.42, and 423.47, consistent with the provisions of
20 this section, shall apply with respect to the tax authorized
21 under this subsection, in the same manner and with the same
22 effect as if the excise taxes on the transportation capacity
23 or actual transportation of liquefied carbon dioxide were
24 retail sales taxes within the meaning of those statutes.
25 Notwithstanding this paragraph, the director shall provide for
26 monthly filing of returns and for other than monthly filing
27 of returns both as prescribed in section 423.31. All taxes
28 collected under this subsection are deemed to be held in trust
29 for the state of Iowa.

30 c. All moneys received and all refunds shall be deposited in
31 or withdrawn from the fund.

32 d. The department of revenue shall adopt rules to administer
33 the tax authorized by this subsection.

34 5. A minimum of ten billion dollars must be maintained in
35 the fund in order for any common carrier liquefied carbon dioxide

1 pipeline to transport liquefied carbon dioxide within the state.
2 The state shall require all common carrier liquefied carbon
3 dioxide pipelines to cease the transportation of liquefied carbon
4 within the state if the fund is below the amount required in this
5 subsection.

6 6. a. The oversight board is created and shall consist of no
7 fewer than five members appointed by the governor and confirmed
8 by the senate to serve five-year terms beginning and ending as
9 provided in section 69.19. Expertise in financial management,
10 public policy, and disaster relief shall be considered when
11 determining the appointment of members to the oversight board.
12 Members of the oversight board shall have the following duties
13 and responsibilities:

14 (1) Maintain the fiduciary integrity of the fund by ensuring
15 the moneys are used exclusively for victim relief purposes and
16 that there are no conflicts of interest or mismanagement.

17 (2) Meet at least quarterly to review the financial health
18 of the fund, oversee tax revenues and distributions, and make
19 recommendations for necessary adjustments to the fund's purposes.

20 (3) Determine and acquire an appropriate amount of insurance
21 to protect the fund and the victims.

22 b. The victim assistance board is created and shall consist
23 of no fewer than seven members appointed by the governor.
24 The members shall include at least one member representing
25 a local government, one member representing an environmental
26 organization, one member representing a disaster relief agency,
27 one member who is a landowner affected by an easement placed by
28 eminent domain, and one member who is a legal expert in liability
29 and victims' rights. The victim assistance board shall have the
30 following duties and responsibilities:

31 (1) Ensuring the fund's resources are equitably and
32 efficiently distributed to disaster victims.

33 (2) Assessing the needs of victims, prioritizing claims, and
34 monitoring recovery progress.

35 (3) Advising the oversight board on any adjustments needed in

1 the disaster response process or funding levels.

2 (4) Creating and maintaining an on-demand, three-dimensional
3 plume model network that will use topography, wind speed, wind
4 direction, temperature, humidity, and the amount of released
5 carbon dioxide to accurately predict movement of a plume to
6 assist first responders to efficiently evacuate victims and limit
7 potential property damage.

8 (5) Determining equipment and training required for local
9 first responders and compensating local first responder units.

10 7. a. The general assembly shall review the operation of
11 the fund every two years to ensure it meets its objectives,
12 adjust the excise tax rate as needed to keep pace with inflation
13 or changing disaster needs, and evaluate the effectiveness of
14 disaster response protocols.

15 b. Recommendations for improvements or changes in disaster
16 relief policies may be proposed by the oversight board or the
17 victims assistance board.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill establishes the Iowa carbon dioxide disaster relief
22 fund (fund). The bill creates the fund in the state treasury
23 under the control of the department of natural resources
24 (DNR). The fund shall consist of moneys deposited into the fund,
25 including moneys collected from the excise tax assessed under
26 the bill and gifts and donations received for the fund. Moneys
27 in the fund are appropriated to DNR to respond to catastrophic
28 events, regardless of size, resulting from the release or
29 failure of a liquefied carbon dioxide pipeline, transportation,
30 or storage system, including but not limited to a leakage,
31 rupture, or other hazardous incident. The moneys may be used
32 by the department for immediate disaster response, including
33 containment, emergency response support, or environmental cleanup
34 or long-term recovery, including compensation to victims,
35 rebuilding, and environmental restoration.

1 The fund is financed through an excise tax at a rate
2 determined by the general assembly. The bill imposes the
3 excise tax on the total annual transportation capacity of
4 liquefied carbon dioxide pipelines and storage systems operating
5 within Iowa and the actual amount of liquefied carbon dioxide
6 transported through Iowa annually.

7 The bill requires a minimum of \$10 billion to be maintained in
8 the fund in order for any common carrier liquefied carbon dioxide
9 pipeline to transport liquefied carbon dioxide within the state.

10 The bill creates two fiduciary oversight boards, the oversight
11 board and the victim assistance board. The oversight board
12 consists of at least five members appointed to five-year terms by
13 the governor and confirmed by the senate. Expertise in financial
14 relief, public policy, and disaster relief is considered when
15 appointing the members. The members are responsible for
16 maintaining the integrity of the fund, meeting at least quarterly
17 to review the fund and oversee tax revenues and distributions,
18 making recommendations for changes, and acquiring appropriate
19 insurance to protect the fund and victims.

20 The victim assistance board consists of at least seven
21 members, five of which must meet certain qualifications provided
22 in the bill. The members are responsible for ensuring that the
23 fund's resources are equitably and efficiently distributed to
24 disaster victims, assessing the needs of victims, prioritizing
25 claims, monitoring the recovery progress, advising the oversight
26 board on any adjustments needed in the disaster response
27 process or funding levels, creating and maintaining an on-demand,
28 three-dimensional plume model network to accurately predict
29 movement of a carbon dioxide plume, determining equipment and
30 training required for local first responders, and compensating
31 local first responder units.

32 The bill requires the general assembly to review the operation
33 of the fund every two years to ensure it meets its objectives,
34 adjust the excise tax rate as needed to keep pace with inflation
35 or changing disaster needs, and evaluate the effectiveness of

1 disaster response protocols.

2 The bill allows the oversight board or the victims assistance
3 board to recommend improvements or changes to disaster relief
4 policies.

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