

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

Senate Engrossed House Bill

FILED

**MICHELE REAGAN
SECRETARY OF STATE**

CHAPTER 225
HOUSE BILL 2152

AN ACT

AMENDING SECTION 49-410, ARIZONA REVISED STATUTES; RELATING TO AIR
QUALITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 49-410, Arizona Revised Statutes, is amended to
3 read:

4 49-410. Voluntary Arizona emissions bank; definitions

5 A. The department of ~~environmental quality~~ shall establish and
6 administer ~~an~~ A VOLUNTARY Arizona emissions bank FOR REGISTERING THE
7 DEPOSIT, TRANSFER AND USE OF EMISSION REDUCTION CREDITS. The department
8 shall make information on EMISSION REDUCTION credits deposited in the
9 VOLUNTARY Arizona emissions bank easily accessible to ~~the Arizona commerce~~
10 ~~authority and to the public.~~

11 B. ~~After the effective date of rules adopted pursuant to subsection~~
12 ~~D of this section, a permitted source that reduces emissions of~~
13 ~~particulate matter, sulfur dioxide, carbon monoxide, nitrogen dioxide, or~~
14 ~~volatile organic compounds by an amount greater than that required by~~
15 ~~applicable law, rule, permit or order shall be granted credit in an amount~~
16 ~~to be determined by the department of environmental quality. The credit~~
17 ~~shall be deposited into the Arizona emissions bank. THIS STATE, ANY~~
18 ~~POLITICAL SUBDIVISION OF THIS STATE AND ANY PERSON THAT REDUCES QUALIFYING~~
19 ~~EMISSIONS MAY APPLY TO THE DEPARTMENT TO CERTIFY EMISSION REDUCTION~~
20 ~~CREDITS TO BE DEPOSITED INTO THE VOLUNTARY ARIZONA EMISSIONS BANK. To be~~
21 ~~creditable~~ ELIGIBLE for CERTIFICATION AND deposit in the VOLUNTARY Arizona
22 emissions bank, the reduction in QUALIFYING emissions shall be permanent,
23 quantifiable, SURPLUS, REAL and otherwise enforceable and shall occur
24 after August 6, 1999. This section does not prohibit ~~a source~~ AN ACTIVITY
25 from receiving credit by means other than the VOLUNTARY Arizona emissions
26 bank for emissions reductions that occurred before August 6, 1999.

27 C. The department of ~~environmental quality~~ shall ~~register, certify~~
28 ~~or otherwise approve the amount of the credit~~ ACT ON AN APPLICATION
29 SUBMITTED UNDER SUBSECTION B OF THIS SECTION AND CERTIFY THE AMOUNT OF THE
30 EMISSION REDUCTION CREDITS UNDER RULES ADOPTED PURSUANT TO SUBSECTION D OF
31 THIS SECTION before the ~~credit is banked~~ CREDITS MAY BE DEPOSITED and used
32 to offset future increases in ~~the~~ emissions of air pollutants. ~~The credit~~
33 ~~may be used, traded, sold or otherwise expended within the same~~
34 ~~nonattainment area, maintenance area or modeling domain in which the~~
35 ~~emissions reduction occurred, only if there will be no adverse impact on~~
36 ~~air quality.~~ Pursuant to title 41, chapter 6, article 8, the department
37 may delegate certification of ~~emissions~~ EMISSION REDUCTION credits to a
38 county or multi-county air quality control region, but shall retain
39 authority to register THE DEPOSIT, TRANSFER AND USE OF EMISSION REDUCTION
40 credits and administer the VOLUNTARY Arizona emissions bank.

41 D. ~~On or before January 1, 2002,~~ The department of ~~environmental~~
42 ~~quality~~ shall adopt rules for the implementation and administration of the
43 VOLUNTARY Arizona emissions bank, and establish the criteria the
44 department will use to determine the ELIGIBILITY OF REDUCTIONS IN
45 QUALIFYING EMISSIONS FOR EMISSION REDUCTION CREDITS AND THE amount of the

1 ~~emissions credit~~ CREDITS. EXCEPT TO THE EXTENT OTHERWISE REQUIRED BY THE
2 CLEAN AIR ACT, THE RULES SHALL PROVIDE FOR THE AWARD OF EMISSION REDUCTION
3 CREDITS EQUAL TO THE FULL AMOUNT OF REDUCTIONS IN QUALIFYING EMISSIONS
4 THAT ARE PERMANENT, QUANTIFIABLE, SURPLUS, REAL AND OTHERWISE
5 ENFORCEABLE. The department shall establish by rule a fee system to
6 ~~administer~~ COVER THE REASONABLE COSTS OF ADMINISTERING the VOLUNTARY
7 Arizona emissions bank. A county that has been delegated authority to
8 certify ~~emissions~~ EMISSION REDUCTION credits pursuant to subsection C of
9 this section ~~shall~~ MAY establish a fee system to cover the reasonable
10 costs of certification in accordance with section 49-112, subsection
11 B. ~~In setting the fee, the director and a county shall consider the~~
12 ~~likely economic value of the credits and shall set a fee that does not~~
13 ~~discourage the banking of emissions credit.~~ IN ADOPTING RULES PURSUANT TO
14 THIS SUBSECTION, THE DEPARTMENT AND A COUNTY SHALL CONSIDER AND MAKE
15 REASONABLE ATTEMPTS TO MITIGATE ANY ADVERSE IMPACT ON THE COMMERCIAL
16 TRUCKING INDUSTRY, INCLUDING ANY ADVERSE ECONOMIC IMPACT AND ANY IMPACT ON
17 DRIVER SAFETY.

18 E. ~~The program established by this section ends on July 1, 2019.~~
19 EXCEPT TO THE EXTENT OTHERWISE REQUIRED BY THE CLEAN AIR ACT, UNTIL USED
20 OR VOLUNTARILY RETIRED BY THE OWNER, EMISSION REDUCTION CREDITS DEPOSITED
21 IN THE BANK:

- 22 1. DO NOT EXPIRE.
- 23 2. SHALL BE IDENTIFIED AND ACCOUNTED FOR IN THE STATE
24 IMPLEMENTATION PLAN CONTROL STRATEGY FOR THE AREA IN WHICH THE REDUCTION
25 IN EMISSIONS OCCURRED.

26 3. MAY NOT BE REDUCED OR WITHDRAWN WITHOUT PERMISSION OF THE OWNER.
27 F. NOTWITHSTANDING ANY OTHER LAW, THIS SECTION DOES NOT DIRECTLY OR
28 INDIRECTLY AUTHORIZE THIS STATE OR ANY POLITICAL SUBDIVISION OF THIS STATE
29 TO ESTABLISH NEW OR MORE STRINGENT EMISSIONS REGULATIONS THAN PROVIDED IN
30 EXISTING LAW FOR STATIONARY OR MOBILE SOURCES.

31 G. A FLEET OWNER THAT APPLIES FOR EMISSION REDUCTION CREDITS
32 PURSUANT TO THIS SUBSECTION SHALL SPECIFY THE COMPOSITION OF ITS PROPOSED
33 PARTICIPATING FLEET.

34 H. FOR THE PURPOSES OF THIS SECTION, UNLESS THE CONTEXT OTHERWISE
35 REQUIRES:

36 1. "EMISSION REDUCTION CREDIT" MEANS A REDUCTION IN QUALIFYING
37 EMISSIONS THAT HAS BEEN CERTIFIED FOR POTENTIAL USE AS AN OFFSETTING
38 EMISSION REDUCTION IN A PERMIT ISSUED UNDER THIS CHAPTER, INCLUDING A
39 PERMIT REQUIRED BY SECTION 173 OF THE CLEAN AIR ACT.

40 2. "QUALIFYING EMISSIONS" MEANS EMISSIONS OF ANY CONVENTIONAL AIR
41 POLLUTANT, OTHER THAN ELEMENTAL LEAD, OR ANY PRECURSOR OF A CONVENTIONAL
42 AIR POLLUTANT FROM ANY ACTIVITY. QUALIFYING EMISSIONS DOES NOT INCLUDE
43 EMISSIONS FROM A FLEET OF MOTOR VEHICLES IF THE FLEET OPERATES OUTSIDE OF
44 A NONATTAINMENT AREA.

APPROVED BY THE GOVERNOR MAY 1, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2017.

Passed the House February 21, 20 17

Passed the Senate April 10, 2017

by the following vote: 58 Ayes,

by the following vote: 27 Ayes,

0 Nays, 2 Not Voting

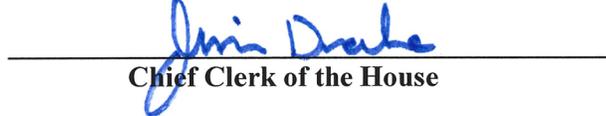
3 Nays, 0 Not Voting



Speaker of the House



President of the Senate



Chief Clerk of the House



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____ M.

Secretary of State

H.B. 2152

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 25, 2017,

by the following vote: 56 Ayes,

0 Nays, 3 Not Voting 1 vacant

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
25th day of April, 2017,

at 12:09 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 1st day of

May, 2017,

at 1:48 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 1 day of May, 2017,

at 7:03 o'clock P. M.

[Signature]
Secretary of State

H.B. 2152