

HOUSE BILL No. 2290

By Representative Coleman

2-9

1 AN ACT concerning energy; requiring the secretary of health and
2 environment to assess carbon content charges upon sales of certain
3 fuels; carbon emission reductions; creating the carbon dividend
4 program fund; requiring the department of revenue to distribute moneys
5 from the carbon dividend program fund to Kansans on a monthly basis.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. (a) On and after January 1, 2025:

9 (1) The secretary of health and environment shall assess a carbon
10 content charge against each distributor in the state based upon the carbon
11 content of each unit of fuel sold by the distributor in the state. Except as
12 provided in subsection (b), the secretary shall assess on each distributor
13 the carbon content charge in accordance with the following schedule:

14 (A) In calendar year 2025, \$100 per metric ton;

15 (B) in calendar year 2026, \$150 per metric ton;

16 (C) in calendar year 2027, \$200 per metric ton;

17 (D) in calendar year 2028, \$250 per metric ton;

18 (E) in calendar year 2029, \$300 per metric ton; and

19 (F) in calendar year 2030, and each calendar year thereafter, an
20 amount that is \$6 per metric ton more than the preceding year's charge.

21 (2) For each type of fuel, the secretary shall convert the amount per
22 metric ton to a rate per unit of fuel using the most recent applicable carbon
23 dioxide emissions coefficient published by the United States energy
24 information administration. On or before December 1 of each year, the
25 secretary shall publish the rate per unit of fuel that will be in effect during
26 the following calendar year for each type of fuel.

27 (3) The secretary shall undertake all reasonable efforts to collect the
28 charges required pursuant to this section at the first point of sale of the
29 fuel. A distributor shall collect the charges required pursuant to this section
30 upon each sale of fuel to which the charge applies. The distributor shall
31 identify the charges collected as a separate invoice entry. On or before the
32 15th day of each month, the distributor shall submit to the secretary the
33 following:

34 (A) The distributor's name and place of business;

35 (B) the quantity and type of fuel sold in the preceding calendar
36 month;

1 (C) the assessment due for the fuel sold in the preceding calendar
2 month; and

3 (D) any other information required by the secretary.

4 (b) (1) The secretary shall determine each distributor's total carbon
5 content emissions during calendar year 2020. Any distributor that achieves
6 a carbon emissions reduction of 3% by calendar year 2025 shall be
7 assessed a carbon content charge in an amount that is equal to 10% of the
8 carbon content charge assessed as provided in subsection (a). In each
9 subsequent calendar year, the secretary shall require distributors to reduce
10 carbon emissions by 2% more than the preceding year's carbon emission
11 reduction requirement. Any distributor meeting such carbon emission
12 reduction in a calendar year shall be assessed a reduced carbon content
13 charge in an amount that is equal to 10% of the charges required pursuant
14 to subsection (a).

15 (2) On or before December 1, 2024, and each year thereafter, the
16 secretary shall publish a list of the distributors that have achieved the
17 carbon emission reductions necessary to reduce such distributors carbon
18 content charges.

19 (3) On or before January 31, 2025, the secretary shall provide a report
20 to the governor and the legislature on the program and shall provide a list
21 of the distributors that have achieved the necessary carbon emission
22 reductions to reduce the carbon content charges assessed upon each
23 distributor.

24 (c) The secretary shall adopt rules and regulations to implement the
25 provisions of this section.

26 (d) As used in this section:

27 (1) "Distributor" means any person or entity that:

28 (A) Imports or causes to be imported fuel for use, distribution or sale
29 within the state; or

30 (B) produces, refines, manufactures or compounds fuel within the
31 state for use, distribution or sale.

32 (2) "Fuel" means any form and grade of butane, coal, clear diesel
33 fuel, fuel oil, kerosene, natural gas and propane, but does not include
34 gasoline, dyed diesel fuel or jet fuel.

35 (3) "Secretary" means the secretary of health and environment.

36 Sec. 2. (a) (1) There is hereby created in the state treasury the carbon
37 dividend program fund, which shall be administered by the secretary of
38 revenue. All expenditures from the carbon dividend program fund shall be
39 for monthly dividend payments to Kansas taxpayers made in accordance
40 with this section. All expenditures from the carbon dividend program fund
41 shall be made in accordance with appropriation acts upon warrants of the
42 director of accounts and reports issued pursuant to vouchers approved by
43 the secretary of revenue or the secretary's designee.

1 (2) All moneys collected pursuant to section 1, and amendments
2 thereto, shall be deposited in the state treasury in accordance with the
3 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
4 each such remittance, the state treasurer shall deposit the entire amount in
5 the state treasury to the credit of the carbon dividend program fund.

6 (b) The secretary of revenue shall distribute to every Kansas taxpayer
7 a monthly carbon dividend payment in accordance with this section. The
8 secretary shall determine the amount that shall be distributed to each
9 Kansas taxpayer by calculating the total amount of carbon content charges
10 collected from distributors in the preceding monthly collection period
11 pursuant to section 1, and amendments thereto, and dividing such amount
12 by the total number of taxpayers that qualify for such monthly carbon
13 dividend. The resulting quotient shall be the amount of the carbon
14 dividend distributed to Kansas taxpayers for the given month.

15 (c) The secretary of revenue shall adopt rules and regulations to
16 implement the provisions of this section.

17 (d) As used in this section, "Kansas taxpayer" means any resident of
18 Kansas who filed Kansas individual income taxes in the preceding tax year
19 as single, head of household, married filing separate or married filing
20 jointly.

21 Sec. 3. This act shall take effect and be in force from and after its
22 publication in the statute book.