

# STATE OF NEW YORK

---

3616

2019-2020 Regular Sessions

## IN SENATE

February 11, 2019

---

Introduced by Sens. PARKER, SANDERS -- read twice and ordered printed,  
and when printed to be committed to the Committee on Environmental  
Conservation

AN ACT to amend the environmental conservation law, the labor law, the  
public authorities law and the tax law, in relation to enacting the  
climate and community investment act

The People of the State of New York, represented in Senate and Assem-  
bly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "climate and community investment act".

3 § 2. Legislative findings and declaration. The legislature finds and  
4 declares that:

5 1. Climate change is adversely affecting economic well-being, public  
6 health, natural resources, and the environment of New York. The adverse  
7 impacts of climate change include:

8 (a) an increase in the severity and frequency of extreme weather  
9 events, such as storms, flooding, and heat waves, which can cause direct  
10 injury or death, property damage, and ecological damage (e.g., through  
11 the release of hazardous substances into the environment);

12 (b) rising sea levels, which exacerbate damage from storm surges and  
13 flooding, contribute to coastal erosion and saltwater intrusion, and  
14 inundate low-lying areas, leading to the displacement of or damage to  
15 coastal habitat, property, and infrastructure;

16 (c) a decline in freshwater and saltwater fish populations;

17 (d) increased average temperatures, which increase the demand for air  
18 conditioning and refrigeration among residents and businesses;

19 (e) exacerbation of air pollution; and

20 (f) an increase in the incidences of infectious diseases, asthma  
21 attacks, heart attacks, and other negative health outcomes.

22 2. The adverse impacts of climate change are having a detrimental  
23 effect on some of New York's largest industries, including agriculture,

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD09816-01-9

1 commercial shipping, forestry, tourism, and recreational and commercial  
2 fishing. These impacts also place additional strain on the physical  
3 infrastructure that delivers critical services to the citizens of New  
4 York, including the state's energy, transportation, stormwater, and  
5 wastewater infrastructure.

6 3. (a) The severity of current climate change and the threat of addi-  
7 tional and more severe change will be affected by the actions undertaken  
8 by New York and other jurisdictions to reduce greenhouse gas emissions.  
9 According to the U.S. Global Change Research Program (USGCRP) and the  
10 Intergovernmental Panel on Climate Change (IPCC), substantial reductions  
11 in greenhouse gas emissions will be required by mid-century in order to  
12 limit global warming to no more than 2°C and ideally 1.5°C, and thus  
13 minimize the risk of severe impacts from climate change. Specifically,  
14 industrialized countries must reduce their greenhouse gas emissions by  
15 at least 80% below 1990 levels by 2050 in order to stabilize carbon  
16 dioxide equivalent concentrations at 450 parts per million--the level  
17 required to stay within the 2°C target.

18 (b) On December 12, 2015, one hundred ninety-five countries at the  
19 21st Conference of the parties of the United Nations Framework Conven-  
20 tion on Climate Change adopted an agreement addressing greenhouse gas  
21 emissions mitigation, adaptation, and finance starting in the year 2020,  
22 known as the Paris Agreement. The Paris Agreement was adopted on Novem-  
23 ber 4, 2016, and is the largest concerted global effort to combat  
24 climate change to date.

25 4. Action undertaken by New York to reduce greenhouse emissions will  
26 have an impact on global greenhouse gas emissions and the rate of  
27 climate change. In addition, such action will encourage other jurisdic-  
28 tions to implement complementary greenhouse gas reduction strategies and  
29 provide an example of how such strategies can be implemented. It will  
30 also advance the development of green technologies and sustainable prac-  
31 tices within the private sector, which can have far-reaching impacts  
32 such as a reduction in the cost of renewable energy components, and the  
33 creation of jobs and tax revenues in New York.

34 5. It shall therefore be a goal of the state of New York to reduce  
35 greenhouse gas emissions from all anthropogenic sources 100% by the year  
36 2050, with an incremental target of at least a 50 percent reduction in  
37 climate pollution by the year 2030, in line with USGCRP and IPCC projec-  
38 tions of what is necessary to avoid the most severe impacts of climate  
39 change.

40 6. Although substantial emissions reductions are necessary to avoid  
41 the most severe impacts of climate change, complementary adaptation  
42 measures will also be needed to address those risks that cannot be  
43 avoided. Some of the impacts of climate change are already observable in  
44 New York state and the northeastern United States. Annual average  
45 temperatures are on the rise, winter snow cover is decreasing, heat  
46 waves and precipitation are intensifying, and sea levels along New  
47 York's coastline are approximately one foot higher than they were in  
48 1900. New York has also experienced an increasing number of extreme and  
49 unusual weather events, like Hurricanes Irene and Lee and the  
50 unprecedented Superstorm Sandy in 2012, which caused at least 53 deaths  
51 and \$32 billion in damage in New York state.

52 7. New York should therefore minimize the risks associated with  
53 climate change through a combination of measures to reduce statewide  
54 greenhouse gas emissions and improve the resiliency of the state with  
55 respect to the impacts and risks of climate change that cannot be  
56 avoided.

8. Climate change especially heightens the vulnerability of disadvantaged communities, which bear environmental and socioeconomic burdens as well as legacies of racial and ethnic discrimination. Actions undertaken by New York state to mitigate greenhouse gas emissions should prioritize the safety and health of disadvantaged communities, control potential regressive impacts of future climate change mitigation and adaptation policies on these communities, and prioritize the allocation of public investments in these areas.

9. Creating good jobs and a thriving economy is a core concern of New York state. Shaping the ongoing transition in our energy sector to ensure that it creates good jobs and protects workers and communities that may lose employment in the current transition must be key concerns of our climate policy. Setting clear standards for job quality and training standards encourages not only high-quality work but positive economic impacts.

10. Workers are at the frontlines of climate change. Construction workers and building service workers were some of the first workers dedicated to cleaning up damage inflicted by recent storms. These workers were often operating in unsafe and toxic environments, cleaning up mold, and working in unstable buildings. In order to protect the health and welfare of these workers, it is in the interest of the state of New York to establish safe and healthy working conditions and proper training for workers involved in climate change related activities. In addition, much of the infrastructure work preparing our state for additional climate change events must happen quickly and efficiently. It is in the interest of the state to ensure labor harmony and promote efficient performance of work on climate change related work sites by requiring workers to be well-trained and adequately compensated.

11. Ensuring career opportunities are created and shared geographically and demographically is necessary to ensure increased access to good jobs for marginalized communities while making the same neighborhoods more resilient. Climate change has a disproportionate impact on low-income people, women, and workers. It is in the interest of the state of New York to protect and promote the interests of these groups against the impacts of climate change and severe weather events and to advance our equity goals by ensuring quality employment opportunities in safe working environments.

12. The complexity of the ongoing energy transition, the uneven distribution of economic opportunity, and the disproportionate cumulative economic and environmental burdens on communities mean that there is a strong state interest in setting a floor statewide for labor standards, but allowing and encouraging individual agencies and local governments to raise standards above that floor.

13. By exercising a global leadership role on greenhouse gas mitigation and climate change adaptation, New York will position its economy, technology centers, financial institutions, and businesses to benefit from national and international efforts to address climate change. New York state has already demonstrated leadership in this area by undertaking efforts such as:

(a) executive order no. 24 (2009), establishing a goal to reduce greenhouse gas emissions 80% by the year 2050, creating a climate action council, and calling for preparation of a climate action plan;

(b) chapter 433 of the laws of 2009, establishing a state energy planning board and requiring the board to adopt a state energy plan;

(c) chapter 388 of the laws of 2011, directing the department of environmental conservation to promulgate rules and regulations limiting

emissions of carbon dioxide by newly constructed major generating facilities;

(d) the adoption of a state energy plan establishing clean energy goals for the year 2030 aimed at reducing greenhouse gas emission levels by 40% from 1990 levels, producing 50% of electricity from renewable sources, and increasing energy efficiency from 2012 levels by 23%;

(e) collaboration with other states on the Regional Greenhouse Gas Initiative, and the development of a regional low carbon fuel standard;

(f) creation of new offices and task forces to address climate change, including the New York state office of climate change, the renewable energy task force, and the sea level rise task force; and

(g) the enactment of the Community Risk and Resiliency Act (CRRA), which requires agencies to consider sea level rise and other climate-related events when implementing certain state programs.

This legislation will build upon these past developments by creating a comprehensive program for pricing greenhouse gas emissions and investing in a just transition to a low-carbon New York state economy, in accordance with the targets established in executive order no. 24, the state energy plan, and USGCRP and IPCC projections.

§ 3. Article 19 of the environmental conservation law is amended by adding a new title 13 to read as follows:

#### TITLE 13

#### AIR POLLUTION PRICING

#### Section 19-1301. Definitions.

19-1303. Methodology and air pollutant price index.

19-1305. Implementation of fees.

19-1307. Allocation of revenues.

19-1309. Inventory.

19-1311. Transportation pollution.

19-1313. Reporting.

#### § 19-1301. Definitions.

For the purposes of this title, the following terms shall have the following meanings:

1. "The Act" shall have the same meaning as in subdivision 8 of section 19-0107 of this article.

2. "Covered sources" means those sources of regulated air contaminants required to have a permit under Title V of the Act (42 U.S.C. section 7661 et seq).

3. "Cumulative burdens" mean the adverse health impacts that accrue to individuals and population groups as a result of exposure to pollution over time, and as a result of exposure to multiple forms of pollution and other risk factors, including poverty, violence, and substance abuse.

4. "Disadvantaged communities" shall have the same meaning as in subdivision 3 of section 74-0101 of this chapter.

5. "Downstate region" means the counties of Richmond, Kings, Queens, New York, Bronx, Westchester, Nassau and Suffolk.

6. "Emissions hotspot" means a location where emissions of regulated air contaminants from specific sources may expose individuals and population groups to elevated risks of adverse health effects and may contribute to the cumulative health risks of emissions from other sources in the area.

7. "Emissions leakage" means an increase in emissions outside of the state, as a result of, or in correlation with, the implementation of measures within the state to limit such emissions.

1 8. "Greenhouse gas" means carbon dioxide, methane, nitrous oxide,  
2 hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other  
3 substance emitted into the air that may be reasonably anticipated to  
4 cause or contribute to anthropogenic climate change, with the exception  
5 of agricultural emissions from livestock.

6 9. "Regulated air contaminant" shall have the same meaning as in  
7 subdivision 22 of section 19-0107 of this article.

8 10. "Social cost of pollution" means the cost to New York residents of  
9 emitting one ton, or another unit of measurement deemed appropriate by  
10 the commissioner, of a given regulated air contaminant.

11 11. "Upstate region" means all New York state counties other than  
12 Nassau, Suffolk, Richmond, Kings, Queens, New York, Bronx and Westches-  
13 ter.

14 12. "Working group" means the climate justice working group estab-  
15 lished under section 74-0103 of this chapter.

16 § 19-1303. Methodology and air pollutant price index.

17 1. Not later than one year after the effective date of this title, the  
18 commissioner shall publish an index that lists the social cost of  
19 pollution for all regulated air contaminants, or appropriate sub-group-  
20 ing thereof. At the same time, the commissioner shall publish a method-  
21 ology for determining the social cost of pollution for each regulated  
22 air contaminant, or appropriate sub-grouping thereof. In determining the  
23 social cost of pollution for a given regulated air contaminant, the  
24 commissioner shall consider, at a minimum:

25 (a) public health impacts, including: loss of life, loss of welfare,  
26 employment impacts and other public health impacts;

27 (b) impacts to public and private property, including agricultural  
28 property;

29 (c) impacts to ecosystems and the ability of ecosystems to provide  
30 ecosystem services; and

31 (d) the full life-cycle of impacts.

32 2. If the commissioner demonstrates that it is not administratively  
33 feasible in the time allotted in subdivision 1 of this section to  
34 complete a methodology for each individual regulated air contaminant, or  
35 appropriate sub-grouping thereof, then the commissioner may delay the  
36 completion of methodologies for some portion of regulated air contam-  
37 inants for future rule-makings, provided that:

38 (a) in the first publication of such methodologies, the commissioner  
39 completes a methodology, pursuant to subdivision 1 of this section, for  
40 each of the following pollutants:

41 (i) oxides of nitrogen;

42 (ii) volatile organic compounds;

43 (iii) sulfur dioxide;

44 (iv) particulate matter;

45 (v) carbon monoxide; and

46 (vi) lead;

47 (b) in the first publication of such methodologies, the commissioner  
48 completes a methodology, pursuant to subdivision 1 of this section, for  
49 each of the air contaminants listed under section 112 of the Act (42 USC  
50 section 7412) that the commissioner finds to be most damaging to public  
51 health in New York, of all air contaminants listed under such section;

52 (c) the commissioner demonstrates and publishes, along with the publi-  
53 cation of methodologies described under subdivision 1 of this section, a  
54 description of why it is not administratively feasible in the time  
55 allotted in subdivision 1 of this section to complete a methodology, for

1 each individual regulated air contaminant, or appropriate sub-grouping  
2 thereof; and

3 (d) the commissioner subsequently publishes at least five additional  
4 methodologies per year, until that date when each regulated air contam-  
5 inant, or appropriate sub-grouping thereof, has a complete methodology  
6 ascribed to it.

7 § 19-1305. Implementation of fees.

8 1. Not later than two years after the effective date of this title,  
9 the commissioner shall institute a system of compliance fees that  
10 reflect the index established under section 19-1303 of this title. All  
11 covered sources shall be required to pay the fee for each regulated air  
12 contaminant emitted.

13 2. Notwithstanding any inconsistent provisions of the state adminis-  
14 trative procedure act, such fee shall be established as a rule by publi-  
15 cation in the environmental notice bulletin no later than thirty days  
16 after the budget bills making appropriations for the support of govern-  
17 ment are enacted or July first, whichever is later, of the year such fee  
18 will be effective.

19 3. Bills issued for the fee shall be based on actual emissions for the  
20 prior calendar year, as demonstrated to the department's satisfaction,  
21 or in the absence of such demonstration, on permitted emissions, or,  
22 where there is no applicable permit, on potential to emit. Persons  
23 required to submit an emissions statement to the department shall use  
24 such statement to demonstrate actual emissions under this section.

25 4. Any person required to pay fees imposed pursuant to this section  
26 may elect to base such fees on the level of permitted emissions set  
27 forth in a permit, certificate or approval issued pursuant to section  
28 19-0311 of this article.

29 5. If a city or county is delegated the authority to administer the  
30 operating permit program established pursuant to section 19-0311 of this  
31 article, it may collect the fees established pursuant to this section  
32 and no additional liability for fees under this section shall accrue for  
33 any such source.

34 § 19-1307. Allocation of revenues.

35 1. The commissioner shall establish a trust fund to be known as the  
36 "air pollution pricing fund", consisting of such amounts as may be  
37 appropriated or credited to such fund as provided in this section.

38 2. (a) There is hereby appropriated to the air pollution pricing fund  
39 for each fiscal year following the effective date of this title, the  
40 total amount of fees received under this title during such year, and  
41 such amounts shall be allocated accordingly:

42 (i) forty percent of funds shall go to the environmental justice  
43 office of the department;

44 (ii) twenty percent of funds shall go to improving and maintaining the  
45 New York state Title V emissions inventory;

46 (iii) twenty percent of funds shall go to improving air quality moni-  
47 toring, including ambient air quality monitoring and point source moni-  
48 toring; and

49 (iv) twenty percent of funds shall be allocated at the discretion of  
50 the commissioner, based on the needs of the department.

51 (b) The air pollution pricing fund shall be administered by the  
52 commissioner.

53 § 19-1309. Inventory.

54 Not later than eighteen months after the effective date of this title,  
55 the commissioner shall update and publish the inventory of emissions  
56 from Title V sources to:

1 1. assess the extent to which given regulated air contaminants, espe-  
2 cially air contaminants that have highly adverse health impacts, are  
3 co-emitted with greenhouse gas emissions;

4 2. assess the extent to which regulated air contaminants that have  
5 especially adverse health impacts are likely to be reduced over time as  
6 a result of:

7 (a) the fee established in section 3040 of the tax law; and

8 (b) the investment programs established in title 9-B of article 8 of  
9 the public authorities law;

10 3. identify and analyze emissions hotspots and cumulative burdens,  
11 pertaining to regulated air contaminants in order to prioritize emis-  
12 sions reductions in these areas;

13 4. assess emissions and pollution-related health impacts associated  
14 with the transportation sector; and

15 5. make the Title V emissions inventory more accessible to the public.  
16 § 19-1311. Transportation pollution.

17 1. Not later than one year after the effective date of this title, the  
18 commissioner shall prepare and approve a scoping plan outlining the  
19 department's recommendations for accelerating the reduction of regulated  
20 air contaminants from mobile sources.

21 2. The draft scoping plan shall be developed in consultation with the  
22 working group and other stakeholders.

23 (a) The department shall provide meaningful opportunities for public  
24 comment from all persons who will be impacted by the plan, including  
25 persons living in disadvantaged communities.

26 (b) On or before one year after the effective date of this title, the  
27 department shall submit the final scoping plan to the governor, the  
28 speaker of the assembly and the temporary president of the senate and  
29 post such plan on its website.

30 3. The measures and actions considered in such scoping plan shall at a  
31 minimum include:

32 (a) performance-based standards for mobile sources of regulated air  
33 contaminants;

34 (b) market-based mechanisms to reduce emissions from mobile sources,  
35 including:

36 (i) the imposition of fees per unit of regulated air contaminant;

37 (ii) a zoned surcharge system on trucking and ports; and

38 (iii) congestion pricing;

39 (c) the creation of low emission zones and the policies to promote  
40 zero-emission and low-emission transportation options, including the  
41 electrification of port facilities and freight transportation; and

42 (d) land-use and transportation planning measures aimed at reducing  
43 emissions from mobile sources.

44 4. No later than three years after the effective date of this title,  
45 the department, after public workshops and consultation with the working  
46 group, representatives of regulated entities, and other stakeholders,  
47 and not less than two public hearings, shall promulgate rules and regu-  
48 lations to accelerate the reduction of regulated air contaminants from  
49 mobile sources.

50 (a) The regulations promulgated by the department pursuant to this  
51 subdivision may include legally enforceable emissions limits, perform-  
52 ance standards, market-based mechanisms or measures or other require-  
53 ments to control regulated air contaminant emissions from mobile sourc-  
54 es. The commissioner is hereby authorized to establish any such policies  
55 pursuant to this section.

56 (b) In promulgating these regulations, the department shall:



1 (i) design and implement all regulations in a manner that seeks to be  
2 equitable, to minimize costs and to maximize the total benefits to the  
3 state;

4 (ii) ensure that emissions reductions achieved are real, quantifiable,  
5 verifiable, and enforceable by the department;

6 (iii) ensure that activities undertaken to comply with the regulations  
7 do not disproportionately burden disadvantaged communities;

8 (iv) prioritize measures to maximize net reductions of emissions in  
9 disadvantaged communities;

10 (v) prioritize measures that encourage early action to reduce emis-  
11 sions; and

12 (vi) minimize emissions leakage.

13 5. If any of the policies implemented by the department pursuant to  
14 this section generate state revenue, the department shall ensure that,  
15 at a minimum, forty percent of any funds collected are invested in a  
16 manner which will benefit disadvantaged communities, consistent with the  
17 purposes of this title. The department shall consult with the working  
18 group in developing and carrying out such investments.

19 § 19-1313 Reporting.

20 1. Not later than three years following the effective date of this  
21 title, and every two years thereafter, the commissioner, in partnership  
22 with the working group, shall produce a report on the implementation of  
23 the policies established under this title. Such report shall include,  
24 but not be limited to:

25 (a) the effectiveness of the fees established in section 19-1305 of  
26 this title to reduce regulated air contaminants statewide and within  
27 geographic subdivisions of the state;

28 (b) the effectiveness of the policies established under section  
29 19-1311 of this title to reduce regulated air contaminants from mobile  
30 sources statewide and within geographic subdivisions of the state;

31 (c) an overview of social benefits from the regulations or other meas-  
32 ures established pursuant to this title, including reductions in regu-  
33 lated air contaminants, and other benefits to the economy, environment,  
34 and public health, including women's health;

35 (d) an overview of compliance costs for regulated entities;

36 (e) an overview of administrative costs for the department and other  
37 state agencies;

38 (f) whether the fees established in this title are equitable, minimize  
39 costs and maximize the total benefits to the state;

40 (g) recommendations as to changes that should be made to any policy  
41 promulgated pursuant to this title, including the methodology estab-  
42 lished under section 19-1303 of this title, and the implementation of  
43 the fees established under section 19-1305 of this title; and

44 (h) recommendations for future regulatory actions pertaining to reduc-  
45 ing regulated air contaminants from mobile and stationary sources.

46 2. Before finalizing the report described in subdivision 1 of this  
47 section, the commissioner shall ensure that there are meaningful oppor-  
48 tunities for public participation, including by:

49 (a) allowing at least one hundred twenty days for the submission of  
50 public comment, following the date of the publication of a draft report;  
51 and

52 (b) holding at least four regional public hearings, including two  
53 meetings in the upstate region and two meetings in the downstate region,  
54 with emphasis on maximizing participation and accessibility for members  
55 of disadvantaged communities.



3. The final report shall be submitted to the governor, the temporary president of the senate, the speaker of the assembly, the minority leader of the senate and the minority leader of the assembly, and shall be posted on the website of the department.

§ 4. The environmental conservation law is amended by adding a new article 74 to read as follows:

ARTICLE 74  
CLIMATE CHANGE

Section 74-0101. Definitions.

74-0103. Climate justice working group.

§ 74-0101. Definitions.

For the purposes of this article the following terms shall have the following meanings:

1. "Climate justice working group" or "working group" shall mean the body created under section 74-0103 of this article.

2. "Department" means the department of environmental conservation.

3. "Disadvantaged communities" means communities that bear burdens of negative public health effects, environmental pollution, and impacts of climate change, and possess certain socioeconomic criteria, as identified pursuant to section 74-0103 of this article.

4. "Greenhouse gas" shall have the same meaning as in subdivision 8 of section 19-1301 of this chapter.

5. "Regulated air contaminant" shall have the same meaning as in subdivision 22 of section 19-0107 of this chapter.

§ 74-0103. Climate justice working group.

1. (a) There is hereby created within the department, no later than six months after the effective date of this article, a climate justice working group. Such working group will be comprised of representatives from: environmental justice communities, the department, the department of health, the New York state energy research and development authority, and the department of labor. In addition to any other functions assigned to the working group in this article, the working group shall also perform the functions assigned to the working group as set forth in title 13 of article 19 of this chapter, article 25-D of the labor law, title 9-B of article 8 of the public authorities law, and articles 42 and 43 of the tax law.

(b) Environmental justice community representatives shall be members of communities of color, low-income communities, and communities bearing disproportionate pollution and climate change burdens, or shall be representatives of community-based organizations with experience and a history of advocacy on environmental justice issues, and shall include at least five representatives from New York city communities, three representatives from upstate urban communities, three representatives from upstate rural and suburban communities, and three representatives from Nassau, Suffolk, Westchester and Rockland counties. The department, in consultation with the working group, shall establish draft criteria to identify disadvantaged communities.

(c) Disadvantaged communities shall be identified based on geographic, public health, environmental hazards, and socioeconomic criteria, which shall include, but are not limited to:

(i) areas burdened by cumulative environmental pollution and other hazards that can lead to negative public health effects;

(ii) areas with concentrations of people that are low income, high unemployment, have high rent burdens, have low levels of home ownership, have low levels of educational attainment, or are members of groups that

1 have historically experienced discrimination on the basis of race or  
2 ethnicity; and

3 (iii) areas vulnerable to the impacts of climate change such as flood-  
4 ing, storm surges, and urban heat island effects.

5 2. Before finalizing the criteria for identifying disadvantaged commu-  
6 nities, the department shall publish draft criteria and a draft list of  
7 disadvantaged communities and make such information available on its  
8 website.

9 (a) The department shall hold at least seven regional public hearings  
10 on the draft criteria and the draft list of disadvantaged communities,  
11 including three hearings in the upstate region, three hearings in the  
12 downstate region, and one meeting in either Nassau or Suffolk counties  
13 and shall allow at least one hundred twenty days for the submission of  
14 public comment. For the purposes of this paragraph, the term "downstate  
15 region" shall mean the counties of Richmond, Kings, Queens, New York,  
16 Bronx and Westchester, and the term "upstate region" shall mean all  
17 other New York state counties other than Nassau and Suffolk.

18 (b) The department shall ensure that there are meaningful opportu-  
19 nities for public comment for all persons who will be impacted by the  
20 criteria, including persons living in areas that may be identified as  
21 disadvantaged communities under the proposed criteria.

22 3. After following the procedures set forth in subdivisions 1 and 2 of  
23 this section, the department shall establish final criteria and the  
24 final list of disadvantaged communities, and make such information  
25 available on its website.

26 4. The working group will meet at least annually to review the method-  
27 ology used to identify disadvantaged communities by, among other things,  
28 incorporating new data and scientific findings. The working group may  
29 advise the department to modify its methodology, criteria or list.  
30 Following a meeting of the working group, the department may modify its  
31 methodology, criteria or list. Before the department modifies its meth-  
32 odology, criteria or list, it shall provide for meaningful opportunities  
33 for public comment as to any such modification.

34 § 5. The labor law is amended by adding a new article 8-B to read as  
35 follows:

#### 36 ARTICLE 8-B

#### 37 LABOR AND JOB STANDARDS AND WORKER PROTECTION

#### 38 Section 228. Labor and job standards and worker protection.

39 § 228. Labor and job standards and worker protection. 1. All state  
40 agencies involved in implementing the climate and community investment  
41 act shall assess and implement strategies to increase employment oppor-  
42 tunities and improve job quality. Within one hundred twenty days of the  
43 effective date of this article, all state agencies, offices, authori-  
44 ties, and divisions shall report to the legislature on:

45 (a) Steps they will take to ensure compliance with this section; and

46 (b) Regulations necessary to ensure that they prioritize the statewide  
47 goal of creating good jobs and increasing employment opportunities.

48 2. In considering and issuing permits, licenses, regulations,  
49 contracts, and other administrative approvals and decisions pursuant to  
50 the climate and community investment act and in otherwise dispersing any  
51 proceeds from the fee established in section three thousand forty of the  
52 tax law, all state agencies, offices, authorities, and divisions shall  
53 apply the following labor, training, and job quality standards to public  
54 works projects in receipt of more than one hundred thousand dollars in  
55 total financial assistance; projects with a total value of more than ten  
56 million dollars; and privately-financed projects on public property:

1 (a) the payment of no less than prevailing wages for all employees in  
2 construction and building, consistent with article eight of this chap-  
3 ter, and building services, consistent with article nine of this chap-  
4 ter;

5 (b) the inclusion of contract language requiring contractors to estab-  
6 lish labor harmony policies; dispute resolution mechanisms; prevailing  
7 wage compliance; safety policies; workers compensation insurance  
8 (including review of contractor experience rating and other factors);  
9 and apprenticeship programs appropriate for crafts employed. Procurement  
10 rules should encourage bundling of small contracts and projects to  
11 improve the efficiency of compliance;

12 (c) a requirement that all contractors and subcontractors, including  
13 those that participate in power purchase agreements, energy performance  
14 contracts, or other similar programs, participate in apprenticeship  
15 programs in the trades in which they are performing work; that there  
16 shall be the maximum use of apprentices as per department of labor  
17 approved ratios; that there shall be encouragement of affiliated pre-ap-  
18 prentice direct entry programs, including, but not limited to, EJM  
19 construction skills, New York city Helmets to Hardhats, and Nontradi-  
20 tional Employment for Women (NEW) for the recruitment of local and/or  
21 disadvantaged workers; and that existing workforce development programs,  
22 including those at the New York state energy research and development  
23 authority, should be made to conform to these standards.

24 3. The commissioner, the fiscal officer and other relevant agencies  
25 shall promulgate such regulations as are necessary to implement and  
26 administer compliance with the provisions of this article. The depart-  
27 ment and the fiscal officer shall coordinate with labor organizations  
28 and local and county level governments to implement a system to track  
29 compliance, accept reports of non-compliance for enforcement action, and  
30 report annually on the adoption of these standards to the legislature  
31 starting one year from the effective date of this section. For the  
32 purposes of this subdivision, "fiscal officer" shall mean the industrial  
33 commissioner, except for construction and building service work  
34 performed by or on behalf of a city, in which case "fiscal officer"  
35 shall mean the comptroller or other analogous officer of such city.

36 (a) The provisions of any contract by the recipient of financial  
37 assistance pertaining to prevailing wages are to be considered a  
38 contract for the benefit of construction and building service workers,  
39 upon which such workers shall have the right to maintain action for the  
40 difference between the prevailing wage rate of pay, benefits, and paid  
41 leave and the rates of pay, benefits, and paid leave actually received  
42 by them, including attorneys' fees.

43 (b) (i) Where a recipient of financial assistance contracts building  
44 service work to a building service contractor, the contractor is held to  
45 the same obligations with respect to prevailing wages as the recipient.  
46 The recipient must include terms establishing this obligation within any  
47 contract signed with a contractor.

48 (ii) Where a recipient of financial assistance contracts for  
49 construction, excavation, demolition, rehabilitation, repair, reno-  
50 vation, alteration or improvement to a subcontractor, the subcontractor  
51 shall be held to the same obligations with respect to prevailing wages  
52 as the recipient. The recipient must include terms establishing this  
53 obligation within any contract signed with a subcontractor.

54 4. For the purposes of this section, "financial assistance" means any  
55 provision of public funds to any person, individual, proprietorship,  
56 partnership, joint venture, corporation, limited liability company,

1 trust, association, organization, or other entity that receives finan-  
2 cial assistance, or any assignee or successor in interest of real prop-  
3 erty improved or developed with financial assistance, for economic  
4 development within the state, including but not limited to cash payments  
5 or grants, bond financing, tax abatements or exemptions, including but  
6 not limited to abatements or exemptions from real property, mortgage  
7 recording, sales and use taxes, or the difference between any payments  
8 in lieu of taxes and the amount of real property or other taxes that  
9 would have been due if the property were not exempted from such taxes,  
10 tax increment financing, filing fee waivers, energy cost reductions,  
11 environmental remediation costs, write-downs in the market value of  
12 buildings or land, or the cost of capital improvements related to real  
13 property for which the state would not pay absent the development  
14 project, and includes both discretionary and as of right assistance. The  
15 provisions of this section shall only apply to projects receiving more  
16 than one hundred thousand dollars in total financial assistance,  
17 projects with a total project value of more than ten million dollars and  
18 privately-financed projects on public property.

19 5. The commissioner shall evaluate whether there are additional stand-  
20 ards that could be applied to increase wage and benefit standards or to  
21 encourage a safe, well-trained, and adequately compensated workforce.

22 6. The commissioner, in consultation with the regional economic devel-  
23 opment councils, shall promulgate such regulations and enter into such  
24 agreements as are necessary to enforce community workforce agreements,  
25 project labor agreements or community benefits agreements that include:

26 (a) local and targeted hiring standards;

27 (b) the utilization of minority- or women-owned business enterprises;  
28 and

29 (c) any relevant additional standards provided for in this section.  
30 For the purposes of this subdivision, a "minority- or woman-owned enter-  
31 prise" shall have the same meaning as subdivision five of section nine-  
32 teen hundred five of the public authorities law.

33 7. The department shall develop agreements in the region and ensure  
34 that the standards under this article are applied to all projects in the  
35 region receiving financial assistance from any program pursuant to the  
36 climate and community investment act. The regulations promulgated in  
37 such article shall provide that projects over one million dollars may  
38 negotiate their own project labor agreements or community benefits  
39 agreements with municipalities and constituency based organizations as  
40 parties.

41 8. Nothing set forth in this section shall be construed to impede,  
42 infringe, or diminish the rights and benefits which accrue to employees  
43 through bona fide collective bargaining agreements, or otherwise dimin-  
44 ish the integrity of the existing collective bargaining relationship.

45 9. Nothing set forth in this section shall preclude a local government  
46 from setting additional standards that expand on these statewide stand-  
47 ards.

48 § 6. The labor law is amended by adding a new article 25-D to read as  
49 follows:

#### 50 ARTICLE 25-D

#### 51 CLIMATE CHANGE JUST TRANSITION FOR IMPACTED WORKERS AND

#### 52 COMMUNITY ASSURANCE

#### 53 Section 863. Definitions.

54 863-a. Worker and community assurance board.

55 863-b. Establishment of worker and community assurance program.

56 863-c. Administration by the commissioner.

863-d. Allocation of funds.

863-e. Selection process.

863-f. Designation of significant impact.

863-g. Reporting.

§ 863. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Authority" shall have the same meaning as in subdivision two of section eighteen hundred fifty-one of the public authorities law.

2. "Board" means the worker and community assurance board established under this article.

3. "Chair" means the chair of the authority.

4. "Commissioner" means the commissioner of the department of labor.

5. "Constituency-based organization" shall have the same meaning as in subdivision three of section eighteen hundred ninety-one of the public authorities law.

6. "Department" means the department of labor.

7. "Director" means the director of the office of climate and community investment established under title nine-B of article eight of the public authorities law.

8. "Disadvantaged communities" means communities that bear burdens of negative public health effects, environmental pollution and impacts of climate change, and possess certain socioeconomic criteria, as identified pursuant to section 74-0103 of the environmental conservation law.

9. "Displaced worker" means an individual who is a resident of New York state and has been terminated or has received a notice of termination as a result of a permanent facility closure.

10. "Eligible applicant" means a municipality, labor union, community college, local school district, or constituency-based organization located in an impacted community.

11. "Greenhouse gas" shall have the same meaning as in subdivision eight of section 19-1301 of the environmental conservation law.

12. "Labor organization" means any organization which exists and is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning grievances, terms or conditions of employment, or of other mutual aid or protection and which is not a company union as defined herein.

13. "Permanent facility closure" means the permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, if the shutdown results in an employment loss at the single site of employment during any thirty-day period.

14. "Program" means the worker and community assurance program established under this article.

15. "Trust" means the worker and community assurance trust established under subdivision four of section three thousand forty-six of the tax law.

16. "Working group" means the climate justice working group created pursuant to section 74-0103 of the environmental conservation law.

§ 863-a. Worker and community assurance board. There is hereby created no later than six months after the effective date of this article, a "worker and community assurance board". Such board will be comprised of: the commissioner, the state comptroller, the commissioner of environmental conservation, the chair, two members of constituency-based organizations, two representatives of labor organizations, and one representative expert in economic development. The board shall be chaired by the commissioner.



1     § 863-b. Establishment of worker and community assurance program.  
2     There is hereby established within the department, a program, to be  
3     implemented by the commissioner. The purpose of the program is to:

4         1. disburse funds from the trust, pursuant to this section and  
5         sections eight hundred sixty-three-d and eight hundred sixty-three-e of  
6         this article;

7         2. provide support for displaced workers, either directly, or through  
8         programs administered by eligible applicants, for up to five years  
9         including, but not limited to: employment guarantees; retraining and  
10        placement in public or private sector positions; income support; pension  
11        support; early retirement; transitional support including but not limit-  
12        ed to skills training, job counseling, tuition support, and on-the-job  
13        training; and support for impacted workers to start employee-owned busi-  
14        nesses. Early retirement or income support, at a comparable level to  
15        their lost wages, shall be offered whenever possible. Each individual  
16        displaced worker will receive at least one form of such assistance.

17        3. provide support for communities either through local government  
18        entities or non-profits to replace lost payment in-lieu-of taxes (PILOT)  
19        and local tax revenue, revenue raised by or paid by the state or an  
20        employer to municipalities or school districts (including, but not  
21        limited to, central school districts and city school districts), and  
22        other public funding that is being lost as a result of the displaced  
23        facilities; and

24        4. facilitate the expansion of existing economic development programs  
25        to enable communities to respond to permanent facility closure and/or  
26        major reductions in property taxes or PILOT payments. This can include,  
27        but is not limited to: support for incumbent impacted workers to start  
28        employee-owned businesses in host communities; and support for other  
29        elements of the clean, renewable energy transition, such as deployment  
30        of energy storage, renewable energy generation, electrical transmission  
31        facilities, resiliency measures, and other infrastructure projects in  
32        communities where energy-intensive facilities are closing.

33     § 863-c. Administration by the commissioner. Within six months of the  
34     effective date of this article, the commissioner is hereby authorized  
35     and directed to establish the worker and community assurance program.  
36     The commissioner shall implement the program in consultation with the  
37     board and shall:

38         1. use monies made available for the program pursuant to section eight  
39         hundred sixty-three-b of this article to achieve the purposes of the  
40         program;

41         2. enter into contracts with eligible applicants and other entities  
42         through the competitive selection process authorized by this article;

43         3. enter into contracts with one or more program implementers to  
44         perform such functions as the authority deems appropriate; and

45         4. exercise such other powers as are necessary for the proper adminis-  
46         tration of the program.

47     § 863-d. Allocation of funds. Funds from the trust shall be disbursed  
48     under the program and be used to ensure a stable transition for workers  
49     and communities impacted by the transition to a carbon free economy.

50     § 863-e. Selection process. The director is authorized, within amounts  
51     appropriated, to disburse funds from the trust on a competitive basis  
52     for approved projects to eligible applicants and partners.

53         1. The director, in partnership with the working group, shall develop  
54         criteria and a process for selecting project proposals submitted by  
55         eligible applicants under this article.

1     2. Proposals should clearly articulate: the programs to be supported;  
2     the number of workers impacted; overall expected funding level; a plan  
3     to engage the people most affected by the transition, including workers  
4     and community members; a plan for any necessary site remediation and  
5     economic development; and a plan to ensure that funding is time limited  
6     to no more than ten years of direct support from the trust.

7     3. The commissioner shall give priority to proposals from eligible  
8     applicants that address workers in energy intensive industries that have  
9     significant employment and tax base impacts in affected communities,  
10    pursuant to title nine-B of article eight of the public authorities law.

11    4. In developing the criteria, the commissioner and the board shall  
12    attempt to maximize: the number of people from affected communities that  
13    will benefit from any implemented project and from the suite of projects  
14    across the program; the degree of direct benefits delivered to affected  
15    communities; greenhouse gas and emissions reductions for regulated air  
16    contaminants; and, to the extent possible, the leveraging of private  
17    capital.

18    5. The commissioner shall encourage eligible applicants to propose  
19    projects in partnership with other eligible applicants, and in partner-  
20    ship with third-party entities.

21    6. Where possible, the commissioner shall aim to distribute funds in  
22    an equitable manner by region of the state.

23    7. If adequate funding is available, the commissioner may consider  
24    proposals related to other impacts associated with climate change that  
25    have the effect of causing job losses, including climate-related natural  
26    disasters.

27    8. The commissioner shall allocate funding annually, or as determined  
28    appropriate by the commissioner for ensuring continuous funding for the  
29    needs of the chosen programs and projects.

30    § 863-f. Designation of significant impact. 1. The commissioner, in  
31    cooperation with the board and working group, shall establish criteria  
32    to determine when an industry has become significantly impacted as a  
33    direct result of policies to reduce greenhouse gas emissions in New York  
34    state. The commissioner shall identify an initial set of industries that  
35    are significantly impacted as a direct result of emissions reduction  
36    policies for the purposes of implementing this section.

37    2. In designing the criteria and listing the industries described in  
38    subdivision one of this section, the commissioner shall consider factors  
39    such as:

40    (a) permanent facility closures or the closure of businesses as a  
41    result of regulatory changes related to the climate and community  
42    investment act;

43    (b) significant job losses across an industry as a result of techno-  
44    logical change in order to achieve greenhouse gas emission reductions;  
45    or

46    (c) loss of property tax or school tax revenue that would lead to  
47    local layoffs or service reductions as a result of regulatory changes  
48    related to such act.

49    3. Before finalizing the criteria for identifying industries that are  
50    significantly impacted as a direct result of climate change policy and  
51    identifying a list of significantly impacted industries pursuant to  
52    subdivision one of this section, the commissioner shall ensure that  
53    there are meaningful opportunities for public comment, including by  
54    persons working in potentially significantly impacted industries and  
55    persons that may be identified as part of affected communities pursuant



1 to title nine-B of article eight of the public authorities law, includ-  
2 ing by:

3 (a) publishing draft criteria and a draft list of significantly  
4 impacted industries, and making such information available on the inter-  
5 net;

6 (b) holding at least six regional public hearings on the draft crite-  
7 ria and the draft list of significantly impacted industries, including  
8 at least three meetings in the upstate region and three meetings in the  
9 downstate region; and

10 (c) allowing at least one hundred twenty days for the submission of  
11 public comment, following the date of the publication of draft criteria  
12 described in paragraph (a) of this subdivision.

13 4. The commissioner, in cooperation with the board and the working  
14 group shall meet no less than annually to review the criteria and meth-  
15 ods used to identify significantly impacted industries, and may modify  
16 such methods to incorporate new data and scientific findings, subject to  
17 the same process requirements listed under subdivision three of this  
18 section.

19 5. An industry that has been significantly impacted as a direct result  
20 of climate change policy, or workers in an industry that has been  
21 significantly impacted as a direct result of climate change policy may  
22 also be identified based on a petition from a municipality, labor union,  
23 or constituency-based organization located in or adjacent to an impacted  
24 community.

25 § 863-g. Reporting. 1. No later than two years following the effective  
26 date of this article, and every two years thereafter, the commissioner,  
27 in partnership with the working group, shall produce a report on the  
28 implementation of the program established under this article and the  
29 extent to which program implementation is meeting stated program goals  
30 and priorities. Such report shall include but not be limited to:

31 (a) reporting on the effectiveness of the policies established under  
32 this article to the legislature and public on the job creation and  
33 retention impacts;

34 (b) an overview of social benefits pursuant to the implementation of  
35 this section, including benefits to the economy, environment, and public  
36 health, including women's health;

37 (c) an overview of administrative costs for the department and other  
38 state agencies;

39 (d) recommendations for future policy pertaining to transition assist-  
40 ance; and

41 (e) data identifying both who submitted petitions and who received  
42 support from the program and why.

43 2. Before finalizing the report described in subdivision one of this  
44 section, the commissioner shall ensure that there are meaningful oppor-  
45 tunities for public participation, including by:

46 (a) allowing at least one hundred twenty days for the submission of  
47 public comment, following the date of the publication of a draft report;  
48 and

49 (b) holding at least four regional public hearings, including two  
50 meetings in the upstate region and two meetings in the downstate region,  
51 with emphasis on maximizing participation and accessibility for members  
52 of disadvantaged communities.

53 3. The final report shall be submitted to the governor, the temporary  
54 president of the senate, the speaker of the assembly, the minority lead-  
55 er of the senate and the minority leader of the assembly, and shall be  
56 posted on the website of the department.

§ 7. Article 8 of the public authorities law is amended by adding a new title 9-B to read as follows:

TITLE 9-B  
CLIMATE CHANGE JUST TRANSITION  
SUBTITLE I  
GENERAL PROVISIONS

Section 1901. Definitions.

- 1902. Coordination of programs.
- 1903. Transparency and accountability.
- 1904. Report on community ownership.

SUBTITLE II  
COMMUNITY JUST TRANSITION

Section 1905. Definitions.

- 1906. Office of climate and community investment.
- 1907. Establishment of community just transition program.
- 1908. Administration by the authority.
- 1909. Allocation of funds.
- 1910. Selection process.
- 1911. Identification of disadvantaged community needs.
- 1912. Community decision-making and accountability mechanisms.
- 1913. Criteria for implementing community accountability mechanisms.
- 1914. Consultation with the working group.

SUBTITLE III  
CLIMATE JOBS AND INFRASTRUCTURE

Section 1915. Definitions.

- 1916. Establishment of climate jobs and infrastructure program.
- 1917. Administration by the authority.
- 1918. Allocation of funds.
- 1919. Funding instruments.
- 1920. Selection process and criteria.
- 1921. Consultation with the advisory council.
- 1922. Comprehensive approach to existing structures.

§ 1901. Definitions. For the purposes of this subtitle, the following terms shall have the following meanings:

- 1. "Advisory council" means the advisory council established under title nine-A of this article.
- 2. "Authority" shall have the same meaning as in subdivision two of section eighteen hundred fifty-one of this article.
- 3. "Constituency-based organization" shall have the same meaning as in subdivision three of section eighteen hundred ninety-one of this article.
- 4. "Regulated air contaminant" shall have the same meaning as in subdivision twenty-two of section 19-0107 of the environmental conservation law.
- 5. "Director" means the director of the office of climate and community investment established under this title.
- 6. "Disadvantaged communities" means communities that bear burdens of negative public health effects, environmental pollution, and impacts of climate change, and possess certain socioeconomic criteria, as identified pursuant to section 74-0103 of the environmental conservation law.

1 7. "Emissions leakage" means an increase in emissions outside of the  
2 state, as a result of, or in correlation with, the implementation of  
3 measures within the state to limit such emissions.

4 8. "Greenhouse gas" shall have the same meaning as in subdivision  
5 eight of section 19-1301 of the environmental conservation law.

6 9. "Office" means the office of climate and community investment  
7 established under this title.

8 10. "Municipality" shall have the same meaning as in subdivision six  
9 of section four hundred eighty-one of the executive law.

10 11. "President" means the president of the authority.

11 12. "Tribal nation" means those tribes, nations or other organized  
12 groups of persons having origins in any of the original peoples of North  
13 America recognized in the state or considered by the federal secretary  
14 of the interior to be a tribal nation, including the following New York  
15 state tribal nations: Cayuga Nation, Oneida Nation of New York, Onondaga  
16 Nation, Poospatuck or Unkechauge Nation, Saint Regis Mohawk Tribe, Sene-  
17 ca Nation of Indians, Shinnecock Indian Nation, Tonawanda Band of Seneca  
18 and Tuscarora Nation.

19 13. "Working group" means the climate justice working group created  
20 pursuant to section 74-0103 of the environmental conservation law.

21 14. "Community ownership" means projects, businesses and legal models  
22 in regard to renewable energy assets and services that allow for one or  
23 more of the following:

24 (a) the flow of benefits from energy generation and conservation goes  
25 directly to communities and utility customers while minimizing the  
26 extraction of benefits and profit by third-parties;

27 (b) access to energy infrastructure ownership, including energy effi-  
28 ciency measures and savings, by renters, non-profit organizations, and  
29 individuals with a broader spectrum of income and credit profiles than  
30 traditional financing allows for;

31 (c) creation of cooperative and cooperative-like structures for the  
32 development and ownership of energy infrastructure; and

33 (d) ownership by individuals or organizations that are located where a  
34 project is sited.

35 § 1902. Coordination of programs. The authority shall undertake  
36 actions to ensure maximum coordination between each of the programs  
37 created under section three thousand forty-six of the tax law, includ-  
38 ing:

39 1. conducting each program such that all three programs together:

40 (a) maximize the total economic and social benefits to New York;

41 (b) maximize administrative efficiency;

42 (c) achieve the most cost-effective and the greatest amount of  
43 reductions in greenhouse gas emissions and regulated air contaminants;

44 (d) achieve an equitable distribution of funds;

45 (e) maximize benefits to disadvantaged communities;

46 (f) encourage early action to reduce emissions; and

47 (g) minimize emissions leakage.

48 2. Not less frequently than two times annually, the authority shall  
49 convene a meeting that includes the director, the working group, and the  
50 advisory council, to discuss options for improving the coordination of  
51 the three programs.

52 3. In consulting with the working group and the advisory council  
53 pursuant to this section, the authority shall adhere to the following  
54 procedures:

1 (a) The authority shall provide, to all working group and advisory  
2 council members, notice of meetings not less than thirty days before the  
3 date of the meeting; and

4 (b) The authority shall provide, to all working group and advisory  
5 council members, electronic copies or hard copies of any written or  
6 other informational materials to be discussed at a given meeting not  
7 less than thirty days prior to the date of that meeting.

8 § 1903. Transparency and accountability. 1. No later than two years  
9 following the effective date of this title, and every two years there-  
10 after, the director, in partnership with the working group, shall  
11 produce a report on the implementation of the programs established under  
12 this title and the extent to which program implementation is meeting  
13 stated program goals and priorities. Such report shall include but not  
14 be limited to:

15 (a) For the program under subtitle two of this title:

16 (i) the extent to which needs identified in the needs assessment are  
17 being met;

18 (ii) the effectiveness of projects funded under the program in reduc-  
19 ing emissions of greenhouse gas and regulated air contaminants;

20 (iii) the effectiveness of projects funded under the program in reduc-  
21 ing the energy burdens of households in disadvantaged communities;

22 (iv) the geographic distribution of grants made under the program;

23 (v) barriers reported by eligible applicants in developing competitive  
24 proposals and receiving funding;

25 (vi) the jobs created as a result of funds distributed under the  
26 program;

27 (vii) the number of projects funded that are community-owned or incor-  
28 porate community ownership, including an assessment of continued barri-  
29 ers to community ownership.

30 (b) For the program under subtitle three of this title:

31 (i) the number of jobs created by the program;

32 (ii) the effectiveness of projects funded under the program in reduc-  
33 ing emissions of greenhouse gas and regulated air contaminants;

34 (iii) the extent to which projects funded under the program leveraged  
35 additional private investment;

36 (iv) the number of minority and women-owned businesses involved in  
37 projects funded under the program as lead contractors or subcontractors,  
38 and barriers to involvement by such businesses;

39 (v) the effectiveness of projects funded under the program in reducing  
40 energy burdens of households, including households in disadvantaged  
41 communities.

42 (c) For the program under articles forty-two and forty-three of the  
43 tax law:

44 (i) the actual costs of the fee as compared to the amount of the  
45 rebate;

46 (ii) the overall net cost to households;

47 (iii) the rate of participation in the program by eligible households  
48 and the barriers to participation, if any.

49 2. Before finalizing the report described in subdivision one of this  
50 section, the director shall ensure that there are meaningful opportu-  
51 nities for public participation, including by:

52 (a) allowing at least one hundred twenty days for the submission of  
53 public comment, following the date of the publication of a draft report;  
54 and

55 (b) holding at least four regional public hearings, including two  
56 meetings in the upstate region and two meetings in the downstate region,

1 with emphasis on maximizing participation and accessibility for members  
2 of disadvantaged communities.

3 3. The final report shall be submitted to the governor, the temporary  
4 president of the senate, the speaker of the assembly, the minority lead-  
5 er of the senate and the minority leader of the assembly, and shall be  
6 posted on the website of the authority.

7 § 1904. Report on community ownership. 1. Not later than two years  
8 following the effective date of this subtitle, and every two years ther-  
9 eafter, the authority, with input from the working group, the state  
10 energy planning board and the department of environmental conservation,  
11 shall produce a report on barriers to, and opportunities for, community  
12 ownership, including:

13 (a) a study of contractual and pricing mechanisms that make siting and  
14 ownership of renewable energy assets and services in disadvantaged  
15 communities more viable and scalable.

16 (b) recommendations on how to increase community ownership in disad-  
17 vantaged communities of the following services and commodities:

18 (i) distributed renewable energy generation;  
19 (ii) utility scale renewable energy generation;  
20 (iii) energy efficiency and weatherization investments; and  
21 (iv) electric grid investments, including energy storage and smart  
22 meters.

23 2. Before finalizing the report described in subdivision one of this  
24 section, the director shall ensure that there are meaningful opportu-  
25 nities for public participation, including by:

26 (a) allowing at least one hundred twenty days for the submission of  
27 public comment, following the date of the publication of a draft report;  
28 and

29 (b) holding at least four regional public hearings, including two  
30 meetings in the upstate region and two meetings in the downstate region,  
31 with emphasis on maximizing participation and accessibility for members  
32 of disadvantaged communities.

33 3. The final report shall be submitted to the governor, the temporary  
34 president of the senate, the speaker of the assembly, the minority lead-  
35 er of the senate and the minority leader of the assembly, and shall be  
36 posted on the website of the authority.

37 § 1905. Definitions. For the purposes of this subtitle, the following  
38 terms shall have the following meanings:

39 1. "Disadvantaged communities" shall have the same meaning as in  
40 subdivision three of section 74-0101 of the environmental conservation  
41 law.

42 2. "Eligible lead applicant" means a constituency-based organization,  
43 a tribal nation, or a municipality or county in cases where there is not  
44 a constituency-based organization in or serving the disadvantaged commu-  
45 nity or communities.

46 3. "Eligible sub-applicants" means private sector entities, academic  
47 institutions, non-profit organizations, other stakeholders, and munici-  
48 palities and counties in cases where there is a constituency-based  
49 organization in the disadvantaged community or communities.

50 4. "Fund" means the community just transition fund established under  
51 subdivision one of section three thousand forty-six of the tax law.

52 5. "Minority- or women-owned business enterprise" means either a  
53 "minority-owned business enterprise" as defined in subdivision seven of  
54 section three hundred ten of the executive law, or a "women-owned busi-  
55 ness enterprise", as defined in subdivision fifteen of such section.



1     6. "Working group" means the climate justice working group established  
2     under section 74-0103 of the environmental conservation law.

3     7. "Program" means the community just transition program established  
4     under this subtitle.

5     8. "Community ownership" shall have the same meaning as set forth in  
6     subdivision fourteen of section nineteen hundred one of this title.

7     § 1906. Office of climate and community investment. 1. The authority  
8     shall establish, not later than six months after the effective date of  
9     this subtitle, the "office of climate and community investment". Such  
10    office will administer the fund and the program, among other duties.  
11   Such office shall be responsible for implementing new, progressive and  
12   equitable grant opportunities that support disadvantaged communities  
13   transitioning to a regenerative renewable energy economy. The office  
14   will collaborate with the working group to develop and assess programs  
15   and, as needed, with the office of environmental justice of the depart-  
16   ment of environmental conservation.

17    2. The office will abide by the principles of environmental justice,  
18    including the 1994 federal executive order 12898 (in relation to envi-  
19    ronmental justice) and the Jemez Principles of Democratic Organizing.  
20    Such principles shall include: being inclusive; placing an emphasis on  
21    bottom-up organizing; letting people speak for themselves; working  
22    together in solidarity and mutuality; building just relationships among  
23    ourselves; and making a commitment to self-transformation.

24    3. The office shall be led by a director. Not later than six months  
25    after the formation of the working group, the working group shall nomi-  
26    nate not less than three candidates for the position of director. Not  
27    later than three months after the working group has nominated candi-  
28    dates, the president shall select the director from this group of candi-  
29    dates.

30    § 1907. Establishment of community just transition program. There is  
31    hereby established within the authority, a community just transition  
32    program, to be implemented by the director. The purpose of the program  
33    is to disburse funds from the community just transition fund pursuant to  
34    section nineteen hundred nine of this subtitle.

35    § 1908. Administration by the authority. Within six months of the  
36    effective date of this subtitle, the authority is hereby authorized and  
37    directed to establish and administer the community just transition  
38    program. The authority shall implement the program in consultation with  
39    the working group. The authority is authorized and directed to:

40    1. use monies made available for the program, pursuant to sections  
41    nineteen hundred nine and nineteen hundred ten of this subtitle;

42    2. enter into contracts with eligible lead applicants and sub-appli-  
43    cants through a competitive selection process;

44    3. recover from the monies made available for the program, not in  
45    excess of two percent of annual fund proceeds, its own necessary and  
46    documented costs incurred in administering the program, including  
47    program evaluation, compensation for members of the working group,  
48    compensation for at least one full-time authority staff person dedicated  
49    to supporting the working group; and

50    4. exercise such other powers as are necessary for the proper adminis-  
51    tration of the program.

52    § 1909. Allocation of funds. 1. Funds from the community just transi-  
53    tion fund shall be disbursed through direct grants to eligible lead  
54    applicants serving disadvantaged communities. Such funds shall be  
55    disbursed in accordance with subdivisions two and three of this section.

1     2. At least seventy-five percent of funds from the community just  
2 transition fund shall be for projects physically located within a desig-  
3 nated disadvantaged community, and shall achieve one or more of the  
4 goals in paragraph (a), (b) or (c) of this subdivision:

5     (a) maximizing greenhouse gas emissions reductions, including through  
6 the completion of projects, including but not limited to: energy effi-  
7 ciency and energy demand reduction; renewable energy; energy storage;  
8 renewable energy-powered microgrids; energy resiliency; demand response;  
9 and reducing urban heat island effects through various means, such as  
10 through the completion of urban forestry, urban agriculture, or green  
11 infrastructure projects;

12     (b) the reduction of other regulated air contaminants in conjunction  
13 with greenhouse gas emissions reductions; and

14     (c) community ownership and governance, including through the funding  
15 of planning, design and construction of community solar installation and  
16 other projects listed under paragraph (a) of this subdivision.

17     3. Up to twenty-five percent of funds from the community justice tran-  
18 sition fund may be used for projects located outside of designated  
19 disadvantaged communities, but must provide at least one of the follow-  
20 ing benefits to one or more designated disadvantaged communities:

21     (a) reducing emissions from stationary sources, including the perma-  
22 nent closure of fossil fuel-fired power plants, including peaker-plants,  
23 or waste-to-energy plants, with priority given to reducing emissions  
24 from sources that emit pollution into the airshed of disadvantaged  
25 communities;

26     (b) reducing the financial burden of energy expenses for disadvantaged  
27 communities, including the reducing energy costs through the creation of  
28 community-owned solar assets; and

29     (c) increasing and supporting opportunities for community ownership of  
30 energy projects by residents of disadvantaged communities, including  
31 ownership of the type of energy projects specified under subdivision two  
32 of this section and by establishing community-owned energy cooperatives.

33     § 1910. Selection process. 1. The director, in consultation with the  
34 working group, shall develop criteria and a process for competitively  
35 selecting project proposals under this subtitle, in accordance with this  
36 section and section nineteen hundred nine of this subtitle.

37     2. The director, in consultation with the working group, shall compet-  
38 itively select project proposals according to the criteria and process  
39 established under subdivision three of this section.

40     3. In selecting projects and distributing funds, the director shall  
41 meet the standards in paragraphs (a), (b), (c), (d), (e) and (f) of this  
42 subdivision.

43     (a) All projects shall be led by an eligible lead applicant; provide  
44 benefits to designated disadvantaged communities; comply with section  
45 nineteen hundred nine of this subtitle; incorporate community decision-  
46 making, pursuant to section nineteen hundred twelve of this subtitle,  
47 throughout project planning and implementation; and provide a community  
48 accountability mechanism, pursuant to section nineteen hundred thirteen  
49 of this subtitle.

50     (b) Program funds as a whole shall be equitably distributed to members  
51 of disadvantaged communities, with roughly an even distribution of funds  
52 per capita among disadvantaged communities across the state.

53     (c) Communities shall be targeted in areas where energy costs are  
54 particularly high in relation to a measure of median household income as  
55 determined by the authority; or which have been designated as a nonat-



1 tainment area for one or more pollutants pursuant to section 107 of the  
2 federal Clean Air Act (42 U.S.C. section 7407).

3 (d) The director shall give preference in awards to applicants that  
4 include significant participation by minority- or women-owned business  
5 enterprises.

6 (e) The director shall give preference in awards to applicants that  
7 implement mechanisms to maximize community ownership, pursuant to the  
8 findings of the latest report mandated by section nineteen hundred four  
9 of this title.

10 (f) The director shall give preference in awards to projects that  
11 would not otherwise likely be completed without the support of the  
12 program.

13 4. The director shall encourage eligible lead applicants to propose  
14 projects in collaboration with eligible sub-applicants.

15 5. The director shall annually issue at least one and not more than  
16 four program opportunity notices or requests for proposals to solicit  
17 applications from eligible lead applicants.

18 6. The director shall prioritize creating a streamlined and simplified  
19 application and disbursement process for eligible lead applicants,  
20 including but not limited to, quarterly available grant opportunities,  
21 at least quarterly information webinars, and providing opportunities for  
22 technical assistance to navigate the application process.

23 7. To the extent otherwise permitted by law, the director shall  
24 distribute funds in a manner that provides at least seventy-five percent  
25 of each award up-front, to ensure that eligible lead applicants with  
26 limited existing budgets are able to implement projects effectively.

27 8. The director shall consult with the division of housing and commu-  
28 nity renewal and the working group to develop strategies to: mitigate  
29 any adverse economic impact of the program on tenants and homeowners,  
30 including, but not limited to, residents of rent-regulated housing or  
31 recipients of housing subsidies and rent-burdened households; and  
32 enhance long-term community cohesion.

33 § 1911. Identification of disadvantaged community needs. 1. The direc-  
34 tor, in cooperation with the working group and the commissioners of  
35 health, labor and environmental conservation, shall identify disadvan-  
36 tagged community needs for the purposes of implementing this section.

37 2. Disadvantaged community needs shall be identified, with the input  
38 of experts, local government representatives, public utility represen-  
39 tatives, and other local stakeholders, for each disadvantaged community  
40 or set of disadvantaged communities.

41 3. Before finalizing the list of identified disadvantaged community  
42 needs pursuant to subdivision one of this section, the director shall  
43 ensure that there are meaningful opportunities for public comment for  
44 all persons who will be impacted by the identified needs, including  
45 persons living in areas that may be identified as disadvantaged communi-  
46 ties, including by:

47 (a) publishing draft identified disadvantaged community needs, and  
48 making such information available on the internet;

49 (b) holding at least six regional public hearings on the draft identi-  
50 fied disadvantaged community needs, including three meetings in upstate  
51 regions and three meetings in downstate regions; and

52 (c) allowing at least one hundred twenty days for the submission of  
53 public comment, following the date of the publication of draft identi-  
54 fied disadvantaged community needs described under paragraph (a) of this  
55 subdivision.

1     4. The director, in cooperation with the working group, and the  
2 commissioners of health, labor and environmental conservation or their  
3 designees, shall meet no less than annually to review the identi-  
4 fied disadvantaged community needs and methods used to identify such  
5 needs, and may modify such methods to incorporate new data and scientifi-  
6 c findings, subject to the same process requirements listed under  
7 subdivision three of this section.

8     § 1912. Community decision-making and accountability mechanisms. 1.  
9 The director, in cooperation with the working group and the commission-  
10 ers of health, labor and environmental conservation, shall establish  
11 criteria for appropriate community decision-making practices for the  
12 purposes of implementing this section.

13     2. Community decision-making practices shall be identified based on  
14 consultations with constituency-based organizations, members of disad-  
15 vantaged communities, and other stakeholders identified by the director.

16     3. Before finalizing the criteria for appropriate community decision-  
17 making practices pursuant to subdivision one of this section, the direc-  
18 tor shall ensure that there are meaningful opportunities for public  
19 comment for all persons who will be impacted by the criteria, including  
20 persons living in areas that may be identified as disadvantaged communi-  
21 ties, including by:

22     (a) publishing draft criteria, and making such information available  
23 on the internet;

24     (b) holding at least six regional public hearings on the draft crite-  
25 ria, including three meetings in the upstate region and three meetings  
26 in the downstate region; and

27     (c) allowing at least one hundred twenty days for the submission of  
28 public comment, following the date of the publication of draft criteria  
29 described under paragraph (a) of this subdivision.

30     4. The director, in cooperation with the working group, and the  
31 commissioners of health, labor and environmental conservation, shall  
32 meet no less than annually to review the criteria and methods used to  
33 identify appropriate community decision-making practices, and may modify  
34 such methods to incorporate new data and scientific findings, subject to  
35 the same process requirements listed under subdivision three of this  
36 section.

37     § 1913. Criteria for implementing community accountability mechanisms.  
38 The director, in cooperation with the working group, and the commission-  
39 ers of health, labor and environmental conservation, shall establish  
40 criteria for implementing community accountability mechanisms for the  
41 purposes of implementing this section.

42     1. Criteria for implementing community accountability mechanisms shall  
43 be based on input from the working group.

44     2. Before finalizing the criteria for implementing community account-  
45 ability mechanisms pursuant to subdivision one of this section, the  
46 director shall ensure that there are meaningful opportunities for public  
47 comment for all persons who will be impacted by the criteria, including  
48 persons living in areas that may be identified as disadvantaged communi-  
49 ties, including by:

50     (a) publishing draft criteria, and making such information available  
51 on the internet;

52     (b) holding at least six regional public hearings on the draft crite-  
53 ria, including three meetings in the upstate region and three meetings  
54 in the downstate region; and

1 (c) allowing at least one hundred twenty days for the submission of  
2 public comment, following the date of the publication of draft criteria  
3 described under paragraph (a) of this subdivision.

4 3. The director, in cooperation with the working group, and the  
5 commissioners of health, labor and environmental conservation, shall  
6 meet no less than annually to review the criteria and methods used to  
7 identify community accountability mechanisms, and may modify such meth-  
8 ods to incorporate new data and scientific findings, subject to the same  
9 process requirements listed under subdivision two of this section.

10 § 1914. Consultation with the working group. In consulting with the  
11 working group in the course of implementing the program established  
12 under this subtitle, the authority shall adhere to the following proce-  
13 dures:

14 1. The director shall convene consultation meetings with the working  
15 group not less frequently than four times annually;

16 2. The director shall provide, to all working group members, notice of  
17 working group meetings not less than one month before the date of the  
18 meeting; and

19 3. The director shall provide, to all working group members, electron-  
20 ic copies or hard copies of any written or other informational materials  
21 to be discussed at a given working group meeting not less than one month  
22 prior to the date of the meeting.

23 § 1915. Definitions. For the purposes of this subtitle, the following  
24 terms shall have the following meanings:

25 1. "Advisory council" means the body established under section eigh-  
26 teen hundred ninety-eight of this article.

27 2. "Eligible applicant" means a constituency-based organization,  
28 tribal nation, municipality, transit agency, port authority, metropol-  
29 itan planning organizations, small business, minority- or women-owned  
30 business enterprise or any other entity deemed appropriate by the  
31 authority.

32 3. "Fund" means the climate jobs and infrastructure fund established  
33 under subdivision two of sections three thousand forty-six of the tax  
34 law.

35 4. "Minority- or women-owned business enterprise" means either a  
36 "minority-owned business enterprise" as defined in subdivision seven of  
37 section three hundred ten of the executive law, or a "women-owned busi-  
38 ness enterprise", as defined in subdivision fifteen of such section.

39 5. "Program" means the climate jobs and infrastructure program estab-  
40 lished under this subtitle.

41 6. "Third-party entities" means private sector entities, academic  
42 institutions, non-profit organizations and other stakeholders that are  
43 not eligible applicants.

44 § 1916. Establishment of climate jobs and infrastructure program.  
45 There is hereby established within the authority, a climate jobs and  
46 infrastructure program, which shall disburse funds from the climate jobs  
47 and infrastructure fund pursuant to the goals established under section  
48 nineteen hundred eighteen of this subtitle.

49 § 1917. Administration by the authority. Within six months of the  
50 effective date of this subtitle, the authority is hereby authorized and  
51 directed to establish and administer the climate jobs and infrastructure  
52 program. The authority shall implement the program in consultation with  
53 the advisory council, the public service commission, the New York inde-  
54 pendent system operator, and the departments of transportation, environ-  
55 mental conservation, health and labor. The authority is authorized and  
56 directed to take the following steps:

1 1. using monies made available from the fund to achieve the goals of  
2 the program outlined in section nineteen hundred eighteen of this subti-  
3 tle;

4 2. entering into contracts with eligible applicants and other entities  
5 through the competitive selection process authorized by this subtitle;

6 3. using from the monies made available for the program, not in excess  
7 of two percent of annual fund proceeds, its own necessary and documented  
8 costs incurred in administering the program, including program evalu-  
9 ation; compensation, at any amount to be determined by the authority,  
10 for members of the advisory council; and compensation for at least one  
11 full-time authority staff person dedicated to supporting the advisory  
12 council; and

13 4. exercising such other powers as are necessary for the proper admin-  
14 istration of the program.

15 § 1918. Allocation of funds. 1. Funds from the climate jobs and  
16 infrastructure fund shall be disbursed under the climate jobs and  
17 infrastructure program to achieve quantifiable, verifiable, and signif-  
18 icant reductions in greenhouse gas emissions and of regulated air  
19 contaminants while achieving the general goals specified in subdivision  
20 two of this section.

21 2. In addition to meeting the goals specified in subdivision one of  
22 this section, funds shall be disbursed to meet the following goals:

23 (a) job creation, pursuant to the standards established under article  
24 eight-B of the labor law, including opportunities for new entrants into  
25 the state's workforce, and the long-term unemployed or displaced work-  
26 ers, and the development of an in-state manufacturing and supply chain  
27 for clean energy technologies;

28 (b) funding large-scale projects, including those that may span multi-  
29 ple communities or regions;

30 (c) reducing greenhouse gas emissions and energy costs through  
31 improvements in energy efficiency, energy conservation, load balancing,  
32 energy storage and the installation of clean energy technologies;

33 (d) achieving advancements in social equity, including promoting  
34 community ownership and governance of energy production, and supporting  
35 sustainable local economic development;

36 (e) electrification of equipment and appliances for residential,  
37 commercial and industrial applications;

38 (f) promoting the participation of private capital, municipal govern-  
39 ments and tribal nations in achieving the goals stated in this section  
40 and the use of innovative financing mechanisms to finance energy effi-  
41 ciency improvements through energy cost savings; and

42 (g) encouraging the development of programs to support communities  
43 with high cumulative environmental burden, high peak energy load, and  
44 aging housing stock in order to preserve affordable housing.

45 3. Every five years, the authority, in consultation with the advisory  
46 council, shall designate priority project types for investments based on  
47 capital funding needs, the potential for greenhouse gas emission  
48 reductions, and the potential for regional job creation. These priori-  
49 ties shall guide the authority in soliciting proposals and selecting  
50 projects. The first five years of funding shall prioritize investment  
51 in:

52 (a) public transit, with special priority for intra-city transit  
53 modes, in upstate regions and in other underserved regions of the state,  
54 including through: subsidizing transit rate reductions, the establish-  
55 ment of new transit routes, and improvements in transit service (includ-  
56 ing increased frequency, accessibility and safety), especially to better

1 serve low- to moderate-income individuals; creating "journey to work"  
2 routes, dedicated to creating access to major areas of employment in  
3 both urban and non-urban areas, especially routes connecting non-urban  
4 areas without necessitating a trip through the central city; directing  
5 infrastructure funding, including through various approaches to support-  
6 ing bonding, revolving loan funds and other financing mechanisms; and  
7 subsidizing electric and zero-emissions vehicles and infrastructure,  
8 including charging infrastructure and energy storage technologies;

9 (b) energy efficiency and conservation projects, including projects in  
10 public buildings, and incentives for new private buildings that achieve  
11 high efficiency or net-zero status and for retrofits of existing build-  
12 ings, providing that landlords who receive retrofit funds or financial  
13 assistance of any kind under this program not be allowed to include such  
14 investments as major capital improvements or individual apartment  
15 assessments in order to raise rents to recoup costs in rent-regulated  
16 housing;

17 (c) large scale renewable energy projects, community-owned renewable  
18 energy projects, such as community solar and community wind projects,  
19 and publicly-owned renewable energy projects, including projects on  
20 public buildings and land;

21 (d) port facility electrification and sustainability measures, includ-  
22 ing at the port of Albany, the port of Buffalo, and the New York city  
23 waterfront including Hunts Point and Sunset Park; and

24 (e) electric grid upgrades within New York, including the construction  
25 of electricity transmission, energy storage and smart grid infrastruc-  
26 ture, and including support for establishing electric vehicle infras-  
27 tructure and systems to optimize distributed energy resources.

28 4. In addition to allocating funds under the program to achieve the  
29 goals and priorities outlined in this section, the authority shall allo-  
30 cate funds for the purposes of providing technical assistance to eligi-  
31 ble applicants. Such technical assistance shall include assistance with:  
32 developing project proposals; implementing project proposals; conducting  
33 analysis and reporting on projects implemented under the program; and  
34 other needs identified by the authority.

35 § 1919. Funding instruments. The authority, in consultation with the  
36 advisory council, shall determine the appropriate instrument, or variety  
37 of instruments, including grants, loan guarantees, incentives, bond  
38 payments, loan programs, and other mechanisms for achieving the goals  
39 stated in section nineteen hundred eighteen of this subtitle.

40 § 1920. Selection process and criteria. The authority is authorized,  
41 within amounts appropriated, to disburse funds from the fund to eligible  
42 applicants on a competitive basis.

43 1. The authority, in consultation with the advisory council, shall  
44 develop criteria and a process for selecting project proposals submitted  
45 by eligible applicants under this subtitle.

46 2. In selecting projects and distributing funds, the authority shall  
47 include the following criteria:

48 (a) the extent to which the project meets each of the goals set forth  
49 in subdivisions one and two of section nineteen hundred eighteen of this  
50 subtitle;

51 (b) whether the project falls under a priority area for investment for  
52 the five-year period;

53 (c) whether the project will benefit geographic areas where energy  
54 costs are particularly high in relation to a measure of median household  
55 income as determined by the authority; or which have been designated as



1 a nonattainment area for one or more pollutants pursuant to section 107  
2 of the federal Clean Air Act (42 U.S.C. section 7407);

3 (d) whether the applicants include significant participation by minor-  
4 ity- and women-owned business enterprises; and

5 (e) the extent to which projects would not otherwise be completed  
6 without the support of the program.

7 3. In allocating funds, the authority shall also, where possible, aim  
8 to geographically distribute funds in an equitable manner across the  
9 state, taking into account population density.

10 4. The authority shall encourage eligible applicants to propose  
11 projects in partnership with other eligible applicants, and with third-  
12 party entities.

13 § 1921. Consultation with the advisory council. In consulting with the  
14 advisory council in the course of implementing the program established  
15 under this subtitle, the authority shall:

16 1. convene consultation meetings with the advisory council not less  
17 frequently than four times annually;

18 2. provide notice of advisory council meetings to all advisory council  
19 members not less than thirty days before the date of the meeting; and

20 3. provide electronic copies or hard copies of any written or other  
21 informational materials to be discussed at a given advisory council  
22 meeting to all advisory council members not less than thirty days prior  
23 to the date of the meeting.

24 § 1922. Comprehensive approach to existing structures. In consultation  
25 with the advisory council, the department of state, department of homes  
26 and community renewal, the department of environmental conservation, and  
27 other relevant stakeholders, the authority shall:

28 1. develop a master plan to:

29 (a) ensure a comprehensive approach exists to improve building energy  
30 efficiency that includes all of the state's existing buildings;

31 (b) ensure that the state meets its energy efficiency goals;

32 (c) reduces energy use in all existing structures and new buildings;

33 (d) improves and protects housing affordability; and

34 (e) incorporates health and safety assessments and improvements.

35 2. The master plan will specifically include recommendations for coor-  
36 dated changes to the building and energy codes, energy efficiency  
37 programs administered by the state and others, and spending pursuant to  
38 the climate and community investment act, in order to ensure that most  
39 buildings receive deep energy efficiency retrofits that include assess-  
40 ment and improvements to health and safety.

41 3. To prepare the master plan, the authority shall convene relevant  
42 stakeholders in each region of the state at least once giving at least  
43 ninety days' notice of the proposed meeting in order for the public to  
44 attend.

45 § 8. The tax law is amended by adding two new articles 42 and 43 to  
46 read as follows:

47 ARTICLE 42

48 CLIMATE POLLUTION FEE

49 Section 3039. Definitions.

50 3040. Imposition of carbon pollution fee.

51 3041. Amount of fee.

52 3042. Applicable entities.

53 3043. Calculation of emissions factors.

54 3044. Exemptions and deductions.

55 3045. Emissions leakage mitigation policy.

56 3046. Creation of trust funds.

3047. Reporting.

§ 3039. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Authority" shall have the same meaning as in subdivision two of section eighteen hundred fifty-one of the public authorities law.

2. "Border carbon adjustment" means a policy measure to address emissions leakage that adjusts the price of a good, at the point of the importation into the state of goods that require emissions of greenhouse gases for their production or operation, or export from the state, to reflect the known or estimated greenhouse gas emissions quantities associated with the production of such good.

3. "Carbon-based fuel" means coal, a petroleum product, natural gas, methane, municipal solid waste (or any other feedstocks used for waste-to-energy conversions), or biomass that may be a source of greenhouse gas emissions through combustion and fugitive emissions.

4. "Carbon dioxide equivalent" and "CO<sub>2</sub>e" mean the amount of carbon dioxide by mass that would produce the same global warming impact as a given mass of another greenhouse gas over an integrated twenty-year timeframe after emission, based on the best available science.

5. "Regulated air contaminant" shall have the same meaning as in subdivision twenty-two of section 19-0107 of the environmental conservation law.

6. "Commissioner" means the commissioner of taxation and finance.

7. "Disadvantaged communities" means communities that bear burdens of negative public health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, as identified pursuant to section 74-0103 of the environmental conservation law.

8. "Downstate region" means the counties of Richmond, Kings, Queens, New York, Bronx, Westchester, Nassau and Suffolk.

9. "Emissions leakage" means an increase in emissions outside of the state, as a result of, or in correlation with, the implementation of measures within the state to limit such emissions.

10. "Fugitive emissions" means those emissions of a greenhouse gas that are released during extraction, transportation of fuel, during processing, and due to leaks during industrial processes or at solid waste and wastewater management sites.

11. "Greenhouse gas" shall have the same meaning as in subdivision eight of section 19-1301 of the environmental conservation law.

12. "Greenhouse gas emission source" or "source" means any anthropogenic source or category of anthropogenic sources of greenhouse gas emissions.

13. "Industrial processes" means those processes that include fossil fuel extraction, the operation of fuel processing plants, pipeline operations and other fuel transport, the operation of fuel refineries, and other processes involved in the extraction, refinement or transport of carbon-based fuels.

14. "Life cycle analysis" means a method for calculating greenhouse gas emissions that encompasses emissions that are released or sequestered during all phases of a fuel or other product's life, including those emissions released during extraction, processing, transport, distribution, combustion (or some other form of consumption), and disposal. Such term shall include CO<sub>2</sub>e that is sequestered during biological processes, pertaining to biomass fuel.

15. "Petroleum product" means all petroleum derivatives, whether in bond or not, which are commonly burned to produce heat, electricity, or motion, or which are commonly processed to produce synthetic gas for



1 burning, including without limitation, propane, gasoline, unleaded gaso-  
2 line, kerosene, heating oil, diesel fuel, kerosene based jet fuel, and  
3 number 4, number 5 and residual oil for utility and non-utility uses,  
4 but not including, petroleum feedstocks to plastics production or other  
5 manufacturing.

6 16. "Upstate region" means all New York counties other than Nassau,  
7 Suffolk, Richmond, Kings, Queens, New York, Bronx and Westchester.

8 17. "Working group" means the climate justice working group created  
9 pursuant to section 74-0103 of the environmental conservation law.

10 § 3040. Imposition of carbon pollution fee. There is hereby imposed  
11 upon any applicable entity, as specified under section three thousand  
12 forty-two of this article, a fee, in an amount determined under section  
13 three thousand forty-one of this article, on:

14 1. any carbon-based fuel sold, used, or brought into the state by an  
15 applicable entity as defined in section three thousand forty-two of this  
16 article; and

17 2. any fugitive emissions of methane emitted in the state by an appli-  
18 cable entity.

19 § 3041. Amount of fee. 1. The amount of the fee imposed by section  
20 three thousand forty of this article, per short ton of carbon dioxide  
21 equivalent content that would be emitted through the combustion of such  
22 product, as determined by the commissioner in consultation with the  
23 commissioner of environmental conservation, pursuant to this article,  
24 shall be equal to:

25 (a) for any carbon-based fuel sold, used, or entered into the state  
26 during calendar year two thousand nineteen, thirty-five dollars;

27 (b) for any carbon-based fuel sold, used, or entered into the state  
28 during any calendar year after two thousand nineteen and before two  
29 thousand twenty-three, an amount equal to the sum of:

30 (i) the product of the amount in effect under this subdivision for the  
31 preceding calendar year and one hundred five percent, and

32 (ii) the product of the amount determined under subparagraph (i) of  
33 this paragraph for such year and a cost-of-living, or inflation, adjust-  
34 ment using the United States Bureau of Labor Statistics Consumer Price  
35 Index or, if that index is not available, another index adopted by the  
36 commissioner;

37 (c) for any carbon-based fuel sold, used, or entered into the state  
38 during any calendar year after two thousand twenty-two and before two  
39 thousand thirty-three, an amount equal to the sum of:

40 (i) the product of the amount in effect under this subdivision for the  
41 preceding calendar year, and:

42 (A) one hundred two percent if the most recent five-year environmental  
43 integrity metric, described under paragraph (a) of subdivision two of  
44 this section, is less than minus five percent;

45 (B) one hundred five percent if the most recent five-year environ-  
46 mental integrity metric, described under paragraph (a) of subdivision  
47 two of this section, is greater than or equal to minus five percent and  
48 less than five percent;

49 (C) one hundred seven percent if the most recent five-year environ-  
50 mental integrity metric, described under paragraph (a) of subdivision  
51 two of this section, is greater than or equal to five percent and less  
52 than ten percent;

53 (D) one hundred ten percent if the most recent five-year environmental  
54 integrity metric, described under paragraph (a) of subdivision two of  
55 this section, is greater than or equal to ten percent; and

1 (ii) the product of the amount determined under subparagraph (i) of  
2 this paragraph for such year and a cost-of-living, or inflation, adjust-  
3 ment using the United States Bureau of Labor Statistics Consumer Price  
4 Index or, if that index is not available, another index adopted by the  
5 commissioner;

6 (d) for any carbon-based fuel sold, used, or entered into the state  
7 during any calendar year after two thousand thirty-two and before two  
8 thousand fifty-two, an amount equal to the sum of:

9 (i) the product of the amount in effect under this subdivision for the  
10 preceding calendar year, and:

11 (A) one hundred two percent if the most recent five-year environmental  
12 integrity metric, described under paragraph (a) of subdivision two of  
13 this section, is less than minus five percent, and the most recent cumu-  
14 lative environmental integrity metric, described under paragraph (b) of  
15 subdivision two of this section, is less than minus one percent;

16 (B) one hundred five percent if:

17 I. the most recent five-year environmental integrity metric, described  
18 under paragraph (a) of subdivision two of this section, is greater than  
19 or equal to minus five percent and less than five percent, and the most  
20 recent cumulative environmental integrity metric, described under para-  
21 graph (b) of subdivision two of this section, is less than two percent;  
22 or

23 II. the most recent cumulative environmental integrity metric,  
24 described under paragraph (b) of subdivision two of this section, is  
25 greater than or equal to minus one percent and less than two percent,  
26 and the most recent five-year environmental integrity metric, described  
27 under paragraph (a) of subdivision two of this section, is less than  
28 five percent; and

29 (C) one hundred seven percent if:

30 I. the most recent five-year environmental integrity metric, described  
31 under paragraph (a) of subdivision two of this section, is greater than  
32 or equal to five percent and less than ten percent, and if the most  
33 recent cumulative environmental integrity metric, described under para-  
34 graph (b) of subdivision two of this section, is less than three  
35 percent; or

36 II. the most recent cumulative environmental integrity metric,  
37 described under paragraph (b) of subdivision two of this section, is  
38 greater than or equal to two percent and less than three percent, and  
39 the most recent five-year environmental integrity metric, described  
40 under paragraph (a) of subdivision two of this section, is less than ten  
41 percent; and

42 (D) one hundred ten percent if:

43 I. the most recent five-year environmental integrity metric, described  
44 under paragraph (a) of subdivision two of this section, is greater than  
45 or equal to ten percent; or

46 II. the most recent cumulative environmental integrity metric,  
47 described under paragraph (b) of subdivision two of this section, is  
48 greater than or equal to three percent; and

49 (ii) the product of the amount determined under subparagraph (i) of  
50 this paragraph for such year and a cost-of-living, or inflation, adjust-  
51 ment using the United States Bureau of Labor Statistics Consumer Price  
52 Index or, if that index is not available, another index adopted by the  
53 commissioner;

54 (e) for any carbon-based fuel sold, used, or entered into the state  
55 during any calendar year after two thousand fifty-one, an amount equal  
56 to the sum of:

1 (i) the amount in effect under this subdivision for the preceding  
2 calendar year; and

3 (ii) the product of the amount determined under subparagraph (i) of  
4 this paragraph for such year and a cost-of-living, or inflation, adjust-  
5 ment using the United States Bureau of Labor Statistics Consumer Price  
6 Index or, if that index is not available, another index adopted by the  
7 commissioner.

8 2. In two thousand twenty-two, and every five years thereafter, the  
9 commissioner shall, in consultation with the department of environmental  
10 conservation:

11 (a) calculate the five-year environmental integrity metric, which  
12 shall equal a fraction, expressed as a percentage:

13 (i) the numerator of which is:

14 (A) the sum of the quantity of actual statewide greenhouse gas emis-  
15 sions, measured in short tons CO<sub>2</sub>e, in each of the preceding five years,  
16 minus

17 (B) the sum of the quantity of target statewide greenhouse gas emis-  
18 sions, measured in short tons CO<sub>2</sub>e, in each of the preceding five years,  
19 pursuant to subdivision four of this section; and

20 (ii) the denominator of which is the sum of the quantity of target  
21 statewide greenhouse gas emissions, measured in short tons CO<sub>2</sub>e, in each  
22 of the preceding five years, pursuant to subdivision four of this  
23 section; and

24 (b) calculate the cumulative environmental integrity metric, which  
25 shall equal a fraction, expressed as a percentage:

26 (i) the numerator of which is:

27 (A) the sum of the quantity of actual statewide greenhouse gas emis-  
28 sions, measured in short tons CO<sub>2</sub>e, in each of the preceding years that  
29 are after two thousand eighteen, minus

30 (B) the sum of the quantity of target statewide greenhouse gas emis-  
31 sions, measured in short tons CO<sub>2</sub>e, in each of the preceding years that  
32 are after two thousand eighteen, pursuant to subdivision four of this  
33 section; and

34 (ii) the denominator of which is the sum of the quantity of target  
35 statewide greenhouse gas emissions, measured in short tons CO<sub>2</sub>e, in each  
36 of the preceding years that are after two thousand eighteen, pursuant to  
37 subdivision four of this section; and

38 (c) publish the amounts calculated in paragraphs (a) and (b) of this  
39 subdivision not later than July first in that year.

40 3. The commissioner shall calculate and publish the amount of the fee  
41 in current dollars for each year, no later than July first in that year.

42 4. For the purposes of calculating the five-year environmental integ-  
43 riety metric and the cumulative environmental integrity metric under  
44 subdivision two of this section, the commissioner shall refer to the  
45 following statewide greenhouse gas emissions targets:

46 (a) for the year two thousand twenty-one, eighty-five percent of emis-  
47 sions;

48 (b) for each year after two thousand twenty-one and before two thou-  
49 sand twenty-seven, four percent less than the previous year; and

50 (c) for each year after two thousand twenty-six and before two thou-  
51 sand forty-two, three percent less than the previous year; and

52 (d) for each year after two thousand forty-one, two percent less than  
53 the previous year.

54 § 3042. Applicable entities. For the purposes of this article, the  
55 term "applicable entity" means:

56 1. for the purposes of any coal sold, used, or entered into the state:

1 (a) the vendor of such coal at the first point of sale, in cases where  
2 the sale of coal occurs in the state; and

3 (b) the purchaser of such coal, in cases where the sale of coal occurs  
4 outside of the state;

5 2. for the purposes of any petroleum product sold, used, or entered  
6 into the state;

7 (a) the vendor, including a petroleum business as defined by section  
8 three hundred of this chapter, of such petroleum product at the first  
9 point of sale, in cases where the sale of the petroleum product occurs  
10 in the state; and

11 (b) the purchaser of such petroleum product, in cases where the sale  
12 of the petroleum product occurs outside of the state;

13 3. for the purposes of any natural gas sold, used, or entered into the  
14 state;

15 (a) the vendor (including a natural gas distribution company or whole-  
16 sale natural gas vendors) of such natural gas at the first point of  
17 sale, in cases where the sale of natural gas occurs in the state; and

18 (b) the purchaser of such natural gas, in cases where the sale of the  
19 natural gas occurs outside of the state;

20 4. for the purposes of any electricity sold, used, or entered into the  
21 state;

22 (a) the vendor (including a local electricity distribution company, a  
23 wholesale electricity vendor and all competitive suppliers of electric-  
24 ity to end users) of such electricity at the first point of sale, in  
25 cases where the sale of electricity occurs in the state; and

26 (b) the purchaser of such electricity, in cases where the sale of the  
27 electricity occurs outside of the state;

28 5. for the purposes of any municipal solid waste (or any other feeds-  
29 stocks used for waste-to-energy conversions) sold, used, or entered into  
30 the state;

31 (a) the vendor of such municipal solid waste (or any other feedstocks  
32 used for waste-to-energy conversions) at the first point of sale, in  
33 cases where the sale of municipal solid waste (or any other feedstocks  
34 used for waste-to-energy conversions) occurs in the state; and

35 (b) the purchaser of such municipal solid waste (or any other feeds-  
36 stocks used for waste-to-energy conversions), in cases where the sale of  
37 the municipal solid waste (or any other feedstocks used for waste-to-en-  
38 ergy conversions) occurs outside of the state;

39 6. for the purposes of any biomass sold, used, or entered into the  
40 state,

41 (a) the vendor of such biomass at the first point of sale, in cases  
42 where the sale of biomass occurs in the state; and

43 (b) the purchaser of such biomass, in cases where the sale of the  
44 biomass occurs outside of the state; and

45 7. for the purposes of any fugitive emissions of methane released in  
46 the state, the owner of the property that is the source of such fugitive  
47 emissions, including stationary sources and mobile sources, and includ-  
48 ing pipeline operators, fuel distributors, transportation companies and  
49 other entities.

50 § 3043. Calculation of emissions factors. 1. Not later than one year  
51 after the effective date of this article, the commissioner of environ-  
52 mental conservation, in collaboration with the commissioner, shall, for  
53 each carbon-based fuel identified in this article and for various sourc-  
54 es of electricity consumed in the state, calculate greenhouse gas emis-  
55 sions factors, in carbon dioxide equivalent.

2. Emissions factors associated with combustion or other consumption of the carbon-based fuels identified in this article shall be calculated according to life-cycle analysis methods, which at a minimum shall incorporate:

(a) any greenhouse gases released at the point of combustion or other consumption; and

(b) up-steam fugitive emissions of methane released during the extraction, processing, refining, transport, or distribution of natural gas products and petroleum products before the point of consumption in New York.

3. The commissioner of environmental conservation, in collaboration with the commissioner, shall calculate, for various sources of electricity consumed in the state, greenhouse gas emissions factors, in carbon dioxide equivalent per kilowatt-hour, associated with the combustion of each carbon-based fuel identified in this article for the purposes of generating electricity. This calculation should take into account the best available information and science regarding power plant heat rates and other operational parameters that may determine efficiency in the conversion of thermal energy to electrical energy. The CO<sub>2</sub>e of each kilowatt-hour of electricity delivered in the state shall be determined by taking the weighted average of the coal, petroleum product, natural gas, municipal solid waste (or any other feedstocks used for waste-to-energy conservations), or biomass portions of the fuel mix and multiplying each of those portions separately by the amount of carbon dioxide equivalent emissions created per kilowatt-hour of electricity produced by each such fuel. The calculation of emissions factors under this subdivision shall take into account all electricity consumed in the state, which shall include any electricity produced within the state and outside of the state.

§ 3044. Exemptions and deductions. 1. Any applicable entity covered by the regional greenhouse gas initiative shall be entitled to deduct from the fee imposed by this article an amount equal to the amount it paid for the same year on account of the regional greenhouse gas initiative; provided, however, that the amount so deducted may be no greater than the total amount of the fee as calculated in this article.

2. Any applicable entity subject to a fee under this article, shall be entitled to deduct from the fee imposed by this article an amount equal to the amount it paid for the same year on account of a federal law or regulation that imposes a direct price (including through cap-and-trade, or a carbon tax or carbon fee mechanisms) on the same greenhouse gas emissions from carbon-based fuels; provided, however, that the amount so deducted may be no greater than the total amount of the fee as calculated in this article.

3. The commissioner, in partnership with the commissioner of environmental conservation, may exempt certain sources of greenhouse gas emissions found to produce de minimis quantities of such emissions. In order to exempt sources of greenhouse gas emissions under this subdivision, the commissioner, in partnership with the commissioner of environmental conservation, shall first promulgate a rule, or rules, outlining the specific requirements for being classified as a de minimis source, including, at a minimum, identifying the quantities of greenhouse gases that would make a source a de minimis source. In promulgating such rule, or rules, the commissioner shall provide meaningful opportunities for public comment, including from persons living in disadvantaged communities.



1     § 3045. Emissions leakage mitigation policy. 1. Not later than one  
2 year after the effective date of this article, the commissioner, in  
3 partnership with the commissioners of environmental conservation and  
4 labor and the president of the authority, shall prepare and approve a  
5 scoping plan outlining recommendations for policy measures to reduce  
6 emissions leakage associated with the implementation of this article.

7     (a) The draft scoping plan shall be developed in consultation with the  
8 working group and other stakeholders.

9     (b) The department shall provide meaningful opportunities for public  
10 comment from all persons who will be impacted by the plan, including  
11 persons working in energy intensive and trade exposed industries and  
12 persons living in disadvantaged communities.

13     (c) The measures and actions considered in such scoping plan shall at  
14 a minimum include:

15     (i) the implementation of a border carbon adjustment for vulnerable  
16 industries and companies;

17     (ii) the implementation of an output-based carbon pollution fee rebate  
18 program for vulnerable industries and companies;

19     (iii) quantitative methods for designating vulnerable industries or  
20 companies, such as energy intensive and trade exposed industries; and

21     (iv) policies for mitigating any impacts to consumers and workers  
22 caused by the implementation of policies under this section, including  
23 through the use of revenues from a possible border carbon adjustment for  
24 reducing such impacts.

25     (d) Not later than one year after the effective date of this article,  
26 the department shall submit the final scoping plan to the governor, the  
27 speaker of the assembly and the temporary president of the senate and  
28 post such plan on its website.

29     2. Not later than two years after the effective date of this article,  
30 the department, after public workshops and consultation with the working  
31 group, representatives of regulated entities, and other stakeholders,  
32 shall, after no less than two public hearings, promulgate rules and  
33 regulations to implement a policy to reduce emissions leakage associated  
34 with the implementation of this article.

35     (a) The regulations promulgated may include:

36     (i) a border carbon adjustment for vulnerable industries and compa-  
37 nies;

38     (ii) an output-based carbon pollution fee rebate program for vulner-  
39 able industries and companies;

40     (iii) quantitative methods for designating vulnerable industries or  
41 companies, such as energy intensive and trade exposed industries; and

42     (iv) policies for mitigating any impacts to consumers and workers  
43 caused by the implementation of policies under this section, including  
44 through the use of revenues from a possible border carbon adjustment for  
45 reducing such impacts.

46     (b) In promulgating these regulations, the department shall:

47     (i) design and implement all regulations in a manner that seeks to be  
48 equitable, to minimize costs and to maximize the total benefits to New  
49 York state;

50     (ii) ensure that activities undertaken to comply with the regulations  
51 do not disproportionately burden disadvantaged communities; and

52     (iii) minimize emissions leakage.

53     § 3046. Creation of trust funds. 1. The commissioner shall establish  
54 a trust fund to be known as the "community just transition fund",  
55 consisting of such amounts as may be appropriated or credited to such  
56 fund.

1 (a) There is hereby appropriated to the community just transition fund  
2 for each fiscal year following the effective date of this article, thirty-  
3 three percent of the total amount of fees received under:

4 (i) section three thousand forty of this article during such year, and  
5 (ii) section three thousand forty-five of this article during such  
6 year, to the extent that the policies promulgated pursuant to such  
7 section generate revenue during such year.

8 (b) The community just transition fund shall be administered by the  
9 director of the office of climate and community investment within the  
10 authority.

11 2. The commissioner shall establish a trust fund to be known as the  
12 "climate jobs and infrastructure fund", consisting of such amounts as  
13 may be appropriated or credited to such fund.

14 (a) There is hereby appropriated to the climate jobs and infrastruc-  
15 ture fund for each fiscal year following the effective date of this  
16 article, thirty percent of the total amount of fees received under:

17 (i) section three thousand forty of this article during such year, and  
18 (ii) section three thousand forty-five of this article during such  
19 year, to the extent that the policies promulgated pursuant to such  
20 section generate revenue during such year.

21 (b) The climate jobs and infrastructure fund shall be administered by  
22 the director of the office of climate and community investment within  
23 the authority.

24 3. The commissioner shall establish a trust fund to be known as the  
25 "low-income and small business energy rebate fund", consisting of such  
26 amounts as may be appropriated or credited to such fund.

27 (a) There is hereby appropriated to the low-income and small business  
28 energy rebate fund for each fiscal year following the effective date of  
29 this article, thirty percent of the total amount of fees received under:

30 (i) section three thousand forty of this article during such year, and  
31 (ii) section three thousand forty-five of this article during such  
32 year, to the extent that the polices promulgated pursuant to such  
33 section generate revenue during such year.

34 (b) The low-income and small business energy rebate fund shall be  
35 administrated by the director of the office of climate and community  
36 investment within the authority.

37 4. The commissioner shall establish a trust fund to be known as the  
38 "worker and community assurance trust", consisting of such amounts as  
39 may be appropriated or credited to such trust.

40 (a) In the first fiscal year in which any fees under this article are  
41 collected, no less than five hundred million dollars shall be trans-  
42 ferred to the worker and community assurance trust.

43 (b) There is hereby appropriated to the worker and community assurance  
44 trust for each fiscal year following the effective date of this article,  
45 seven percent of the total amount of fees received under:

46 (i) section three thousand forty during such year; and  
47 (ii) section three thousand forty-five during such year, to the extent  
48 that the policies promulgated pursuant to such section generate revenue  
49 during such year.

50 (c) The worker and community assurance trust shall be administered by  
51 the board of the worker and community assurance trust.

52 5. No proceeds received through the implementation of the fee estab-  
53 lished under this article shall fund government operations of the state,  
54 other than to pay for reasonable administrative costs associated with  
55 implementing the climate and community investment act.



1     § 3047. Reporting. 1. No later than three years following the effec-  
2 tive date of this article, and every two years thereafter, the commis-  
3 sioner, in partnership with the commissioner of environmental conserva-  
4 tion, shall produce a report on the implementation of this article. Such  
5 report shall include but not be limited to:

6     (a) the total annual revenues associated with the implementation of  
7 this article;

8     (b) the effectiveness of the fee established under section three thou-  
9 sand forty of this article to reduce greenhouse gas emissions statewide,  
10 including an analysis of reductions by geographic subdivisions of the  
11 state;

12     (c) the amount of estimated emissions leakage that may be occurring in  
13 correlation with the implementation of the fee established under section  
14 three thousand forty of this article, the effectiveness of any policies  
15 that have been implemented to address emissions leakage, and recommenda-  
16 tions for improving policies to mitigate emissions leakage;

17     (d) an overview of social benefits from the fees and other policies  
18 established pursuant to this article, including benefits to the economy,  
19 environment, and public health, including women's health;

20     (e) an overview of the distribution of costs and benefits of the poli-  
21 cies promulgated under this article, across different communities and  
22 sectors of the state economy;

23     (f) an overview of compliance costs for regulated entities;

24     (g) an overview of administrative costs for the department and other  
25 state agencies; and

26     (h) recommendations for future regulatory and policy action, and, in  
27 general, pertaining to measures for reducing greenhouse emissions in the  
28 state.

29     2. Before finalizing the report described in subdivision one of this  
30 section, the commissioner shall ensure that there are meaningful oppor-  
31 tunities for public participation, including by:

32     (a) allowing at least one hundred twenty days for the submission of  
33 public comment, following the date of the publication of a draft report;  
34 and

35     (b) holding at least four regional public hearings, including two  
36 meetings in the upstate region and two meetings in the downstate region,  
37 with emphasis on maximizing participation and accessibility for members  
38 of disadvantaged communities.

39     3. The final report shall be submitted to the governor, the temporary  
40 president of the senate, the speaker of the assembly, the minority lead-  
41 er of the senate and the minority leader of the assembly, and shall be  
42 posted on the website of the department.

#### 43             ARTICLE 43

#### 44             LOW-INCOME AND SMALL BUSINESS ENERGY REBATE

#### 45     Section 3050. Definitions.

46         3051. Establishment of the low-income and small business energy  
47         rebate program.

48         3052. Administration by the department.

49         3053. Allocation of funds.

50         3054. Qualifying households.

51         3055. Rebate amount and report.

52         3056. Delivery of funds.

53         3057. Reassessment of allocations.

54         3058. Small business tax credit.

55     § 3050. Definitions. For the purposes of this article, the following  
56 terms shall have the following meanings:

1 1. "Authority" shall have the same meaning as in subdivision two of  
2 section eighteen hundred fifty-one of the public authorities law.

3 2. "Commissioner" means the commissioner of taxation and finance.

4 3. "Department" means the department of taxation and finance.

5 4. "Eligible low-income household" means, with respect to a given  
6 calendar year, any household whose gross income does not exceed one  
7 hundred fifty percent of the poverty line.

8 5. "Eligible moderate-income household" means, with respect to a given  
9 calendar year, any household whose gross income exceeds one hundred  
10 fifty percent of the poverty line, but does not exceed the median house-  
11 hold income for the county in which they reside.

12 6. "Eligible small business" means a business, cooperative, or not-  
13 for-profit corporation which is resident in this state, and employs  
14 fifty or less persons (including a solo proprietorship), and with  
15 respect to businesses, is independently owned and operated and not domi-  
16 nant in its field.

17 7. "Fund" or "rebate fund" means the low-income and small business  
18 energy rebate fund established under subdivision three of section three  
19 thousand forty-six of this chapter.

20 8. "Poverty line" shall have the same meaning as in section 673(2) of  
21 the federal community services block grant act (46 USC section 9902).

22 9. "Program" means the low-income and small business energy rebate  
23 program established under this article.

24 10. "Working group" means the climate justice working group created  
25 pursuant to section 74-0103 of the environmental conservation law.

26 § 3051. Establishment of the low-income and small business energy  
27 rebate program. There is hereby established within the department, the  
28 "low-income and small business energy rebate program". The purposes of  
29 the program include:

30 1. disbursement of funds from the "low-income and small business ener-  
31 gy rebate fund; for the benefit of the most vulnerable populations, to  
32 offset the increased cost of living associated with the implementation  
33 of the fee and other regulatory measures established as part of the  
34 state's climate mitigation efforts; and

35 2. reducing the already severe energy burden on low- and moderate-in-  
36 come families.

37 § 3052. Administration by the department. Within six months of the  
38 effective date of this article, the department is hereby authorized and  
39 directed to establish and operate the program. The commissioner shall  
40 implement the program in consultation with the authority, the office of  
41 temporary and disability assistance, and the departments of health and  
42 labor. The commissioner shall be authorized and directed to: use monies  
43 made available for the program pursuant to article forty-two of this  
44 chapter to achieve the purposes of the program; and exercise such other  
45 powers as are necessary for the proper administration of such program,  
46 including issuing rules and regulations consistent with this article.

47 § 3053. Allocation of funds. Funds from the low-income and small busi-  
48 ness energy rebate fund shall be disbursed under the program to eligible  
49 households and small businesses. The department shall collect and then  
50 distribute directly to eligible households the entire amount of funds  
51 dedicated to the rebate fund. Eligible households shall be notified that  
52 they are automatically being enrolled based on their tax filing status.  
53 The department will make determinations as to which households and small  
54 businesses are eligible for the rebate and establish an appeals process  
55 within the department as to such determinations. The department shall  
56 also establish an opportunity for individual residents of the state who

1 are not required to file income taxes to apply for rebates under this  
2 article.

3 § 3054. Qualifying households. A rebate will be available to eligible  
4 low-income households, moderate income households, and additional house-  
5 holds, provided that rebates shall only be provided to such additional  
6 households upon a determination by the commissioner that there are  
7 adequate funds. Notwithstanding the preceding sentence, the rebate shall  
8 be available to a maximum of sixty percent of the households in New York  
9 state. The department will cooperate with the office of temporary and  
10 disability assistance to identify households and place them in the  
11 following four household categories:

12 1. eligible moderate-income households containing New York city resi-  
13 dents;

14 2. eligible low-income households containing New York city residents  
15 in which the household income is below one hundred fifty percent of the  
16 poverty line or who are receiving any means-tested government assistance  
17 aimed at low-income individuals or households;

18 3. eligible moderate-income households containing residents outside of  
19 New York city; and

20 4. eligible low-income households containing residents outside of New  
21 York city with a household income below one hundred fifty percent of the  
22 poverty line or receiving any means-tested government assistance  
23 programs aimed at low-income individuals or households.

24 § 3055. Rebate amount and report. 1. The department, in consultation  
25 with the working group, shall determine the appropriate amount of the  
26 rebate, consistent with the standards set forth in this section. Each  
27 eligible household will receive a share of the total allocated rebate  
28 funds so that:

29 (a) all eligible households in New York city shall receive the same  
30 amount,

31 (b) all eligible households outside of New York city shall receive the  
32 same amount and that amount shall be at least fifty percent more than  
33 the rebate amount applicable to New York city households, and

34 (c) the total amount provided for rebates must not exceed the annual  
35 revenue in the rebate fund.

36 2. The department shall annually assess and report to the legislature  
37 and the governor at least the following information: the number of  
38 households in each rebate category in section three thousand fifty-four  
39 of this article; the number of households who select each delivery mech-  
40 anism set forth in section three thousand fifty-six of this article; and  
41 how the number of households compare to:

42 (a) the incremental increase in the cost of living associated with the  
43 implementation of the fee established pursuant to article forty-two of  
44 this chapter and other regulatory measures established under article  
45 forty-two of this chapter;

46 (b) other estimated increases in the cost of living associated with  
47 the transition to a low-carbon economy; and

48 (c) existing energy burdens.

49 § 3056. Delivery of funds. 1. The department, in partnership with the  
50 working group, the authority and the office of temporary and disability  
51 assistance shall determine appropriate mechanisms for delivering rebates  
52 under this article. That mechanism shall ensure that:

53 (a) Eligible moderate-income households in the first and third house-  
54 hold categories set forth in section three thousand fifty-four of this  
55 article shall receive a redeemable tax credit, through a single annual  
56 payment.

1 (b) Eligible low-income households in the second and fourth household  
2 categories set forth in section three thousand fifty-four of this arti-  
3 cle shall receive their rebate through mechanisms that will not consti-  
4 tute income for purposes of any means-tested government assistance  
5 programs that they may be receiving. Unless an eligible low-income  
6 household opts out of such benefit under this section, the benefit shall  
7 be:

8 (i) a transit voucher for use receiving services through the Metropol-  
9 itan Transportation Authority, Access-a-Ride, or other public transit  
10 service for households in the second household category under section  
11 three thousand fifty-four of this article.

12 (ii) utility assistance or a weatherization grant for the fourth  
13 household category under section three thousand fifty-four of this arti-  
14 cle.

15 2. All qualifying households may opt out of the default option for  
16 delivery of the rebate, and can choose to receive their benefit amount  
17 in the form of one of the following four options: (a) utility assist-  
18 ance; (b) a weatherization grant; (c) a voucher for use with their local  
19 transit authority; or (d) a redeemable tax credit.

20 § 3057. Reassessment of allocations. 1. Beginning in two thousand  
21 twenty-one and every five years thereafter, the department, in coordi-  
22 nation with the authority, the office of temporary and disability  
23 assistance, the public service commission, and the department of envi-  
24 ronmental conservation shall perform an assessment, which shall include,  
25 at a minimum, the following information: (a) the state-wide energy  
26 burden for small businesses, and households by geography and income; (b)  
27 whether such energy burden has stayed level or decreased since the  
28 effective date of this section; (c) the uptake of energy efficiency and  
29 renewable energy in each income category; and (d) an estimated impact on  
30 energy burden or another equivalent estimate of the proportion of house-  
31 hold income spent on energy. Based on such information and any addi-  
32 tional information that the department determines is appropriate, the  
33 department shall determine whether the present rebate amount is appro-  
34 priate or whether it is appropriate to reduce the rebate benefit amount.

35 2. Following any assessment under subdivision one of this section  
36 where the impact of the fee established is found not to increase house-  
37 hold spending, or where the energy burden has fallen, the rebate shall  
38 be reduced by at least ten percent and the funds reallocated in equal  
39 amounts to the community just transition fund established pursuant to  
40 subdivision one of section three thousand forty-six of this chapter and  
41 the climate jobs and infrastructure fund established pursuant to subdivi-  
42 sion two of such section.

43 § 3058. Small business tax credit. 1. Eligible small businesses shall  
44 receive a redeemable tax credit to reduce any incremental increase in  
45 the cost of doing business associated with the implementation of the fee  
46 established pursuant to article forty-two of this chapter and other  
47 regulatory measures established under the climate and community invest-  
48 ment act or the transition to a low-carbon economy in New York state.

49 2. Any eligible small business that incurs energy or fuel costs in the  
50 course of its business, shall be allowed a credit, to be computed as  
51 provided in subdivision three of this section, against business income  
52 for each year that the fee established pursuant to article forty-two of  
53 this chapter is collected.

54 3. The credit authorized by this section shall equal the higher of  
55 five hundred dollars a year, or the amount computed for a household  
56 rebate.

1     4. The credit created under this section may be claimed even if no  
2     taxes are owed by the eligible small business. Such credit may be used  
3     to reduce the tax liability of the credit claimant below zero.

4     § 9. Severability. If any word, phrase, clause, sentence, paragraph,  
5     section, or part of this act shall be adjudged by any court of competent  
6     jurisdiction to be invalid, such judgement shall not affect, impair, or  
7     invalidate the remainder thereof, but shall be confined in its operation  
8     to the word, phrase, clause, sentence, paragraph, section, or part ther-  
9     eof directly involved in the controversy in which such judgement shall  
10    have been rendered.

11    § 10. This act shall take effect on the one hundred eightieth day  
12    after it shall have become a law and shall apply to any grants, loans,  
13    contracts and financial assistance awarded or renewed on or after such  
14    effective date. Effective immediately, the addition, amendment and/or  
15    repeal of any rule or regulation necessary for the implementation of  
16    this act on its effective date are authorized to be made and completed  
17    on or before such date.