

1 **SEC. _____. ENVIRONMENTAL BANKS.**

2 (a) ESTABLISHMENT.—Not later than 180 days after
3 the date of enactment of this Act, the Chairperson of the
4 Gulf Coast Ecosystem Restoration Council, with the con-
5 currence of two-thirds of the Council, shall issue such reg-
6 ulations as are necessary for the establishment of proce-
7 dures and processes for the use, maintenance, and over-
8 sight of environmental banks for purposes of mitigating
9 adverse environmental impacts sustained by construction
10 or other activities as required by law or regulation.

11 (b) REQUIREMENTS.—The regulations issued pursu-
12 ant to subsection (a) shall—

13 (1) set forth procedures for certification of envi-
14 ronmental banks, including criteria for adoption of
15 an environmental banking instrument;

16 (2) provide a mechanism for the transfer of en-
17 vironmental credits;

18 (3) provide for priority certification to environ-
19 mental banks that enhance the resilience of coastal
20 resources to inundation and coastal erosion, includ-
21 ing the restoration of resources within the scope of
22 a project authorized for construction;

23 (4) ensure certification is given only to banks
24 with secured adequate financial assurance and ap-

1 appropriate legally-enforceable protection for restored
2 lands or resources;

3 (5) stipulate conditions under which cross-cred-
4 iting of environmental services may occur and pro-
5 vide standards for the conversion of such crediting;

6 (6) establish performance criteria for environ-
7 mental banks;

8 (7) establish criteria for the operation and mon-
9 itoring of environmental banks; and

10 (8) establish a framework whereby the purchase
11 of credit from an environmental bank may be used
12 to offset or satisfy past, current, or future adverse
13 environmental impacts or liability under law to wet-
14 lands, water, wildlife or other natural resource.

15 (c) CONSIDERATION.—In developing the regulations
16 required under subsection (a), the Chairperson shall take
17 into consideration habitat equivalency analysis.

18 (d) MODIFICATIONS.—The Chairperson may modify
19 or update the regulations issued pursuant to this section,
20 subject to appropriate consultation and public participa-
21 tion, provided that two-thirds of the Gulf Coast Ecosystem
22 Restoration Council approves the modification or update.

23 (e) DEFINITION OF ENVIRONMENTAL BANK.—In this
24 section, the term “environmental bank” means a project,
25 project increment, or projects for purposes of restoring,

- 1 creating, enhancing, or preserving natural resources in a
- 2 designated site to provide for credits to offset adverse envi-
- 3 ronmental impacts.