

ENROLLED HOUSE
BILL NO. 1192

By: Pope (Clay), Covey,
Sweeden, Roan and Bonny of
the House

and

Price of the Senate

An Act relating to environment and natural resources; creating the Oklahoma Carbon Sequestration Enhancement Act; specifying legislative findings and intent; creating the Carbon Sequestration Advisory Committee; providing for membership and appointment; specifying compensation; providing for space; providing for powers and duties; requiring submission of a written report; specifying contents; requiring the Oklahoma Conservation Commission to assess agricultural and nonagricultural lands in Oklahoma for past and future carbon sequestration; requiring publication of report; authorizing certain contracts and application of and acceptance of gifts; creating the Carbon Sequestration Assessment Cash Fund; providing for expenditures and deposits; providing for codification; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-4-101 of Title 27A, unless there is created a duplication in numbering, reads as follows:

A. This act shall be known and may be cited as the "Oklahoma Carbon Sequestration Enhancement Act".

B. The Oklahoma Legislature finds that:

1. Increasing levels of carbon dioxide in the atmosphere have led to growing interest in national and international forums for implementing measures to slow and reverse the buildup of such atmospheric constituents. These measures may include, but are not limited to, the establishment of systems of trading in carbon dioxide credits or adoption of practices, technologies, or other measures which decrease the concentration of carbon dioxide in the atmosphere;

2. Improved agricultural practices, soil and vegetation including trees, conservation practices, revegetation including reforestation activities and other methods of stewardship of soil and vegetation resources throughout the state have great potential to increase carbon sequestration and help offset the impact of

carbon dioxide emissions on carbon dioxide concentrations in the atmosphere; and

3. It is in the interest of the public that the Oklahoma Conservation Commission document and quantify carbon sequestration associated with improved agricultural practices, soil and vegetation including trees, conservation practices, revegetation including reforestation activities, and other methods of stewardship of soil and vegetation resources, rangeland, and other agricultural and nonagricultural lands occurring on cropland in this state.

C. It is the intent of the Legislature that such efforts to document and quantify carbon sequestration on agricultural and nonagricultural lands within the state will enhance the ability of the state's landowners to participate in any system of carbon dioxide emissions marketing or trading that may be developed in the future.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-4-102 of Title 27A, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Carbon Sequestration Advisory Committee. The Committee shall consist of the following members appointed by the Governor:

1. The Director of the Department of Agriculture or designee;
2. The Director of the Department of Environmental Quality or designee;
3. The Director of the Oklahoma Conservation Commission or designee;
4. One member representing the Natural Resources Conservation Service of the United States Department of Agriculture;
5. One member representing Oklahoma State University;
6. One member representing the Oklahoma Energy Board;
7. One member representing an entity which generates electrical energy and operates facilities/equipment associated with the transmission and distribution of electrical energy;
8. Two members who are producers of field crops at least one of whom actively employs a minimum tillage management system in his or her farming operation;
9. Two members who are producers of livestock at least one of whom is actively involved in range management;
10. One member with expertise in carbon dioxide emissions marketing or trading;
11. One member representing an agri-business that does business and trading with farmers and ranchers and is involved with day-to-day merchandising in agricultural products;
12. One member representing natural resources districts; and

13. One member representing the ethanol industry.

B. Members of the Committee shall serve without compensation but shall be reimbursed for their actual and necessary expenses as provided in the State Travel Reimbursement Act. The Oklahoma Conservation Commission shall, subject to availability of appropriations, provide space for meetings of the Committee and shall provide other assistance and staffing needs of the Committee.

C. The Carbon Sequestration Advisory Committee shall:

1. Advise and assist the Oklahoma Conservation Commission in preparing any reports required by this section and in conducting the assessment pursuant to Section 3 of this act;

2. Identify existing opportunities for Oklahoma agricultural and nonagricultural landowners to participate in any system of carbon dioxide emissions marketing or trading that may be developed in the future, and to optimize the economic benefits to Oklahoma agricultural and nonagricultural landowners who participate in such carbon dioxide emissions trading transactions. Such policies or programs may include, but are not limited to, identifying existing or new nonprofit organizations or other public or private entities capable of serving as assemblers of carbon dioxide emissions credits or as intermediaries on behalf of agricultural and nonagricultural landowners in any carbon dioxide emissions trading or marketing system that may be developed in the future;

3. Encourage the production of educational and advisory materials regarding carbon sequestration and the opportunities to participate in any system of carbon dioxide emissions trading or marketing that may be developed in the future; and

4. Identify and recommend areas of research needed to better understand and quantify the processes of carbon sequestration on agricultural and nonagricultural lands within the state.

D. On or before December 1, 2002, the Oklahoma Conservation Commission, in consultation with the Carbon Sequestration Advisory Committee, shall prepare a report to the Legislature. The report shall include, but not be limited to:

1. The potential economic impact from utilizations of a voluntary system of carbon dioxide emissions trading or marketing for carbon sequestered on agricultural or nonagricultural lands in the state that could be used in the event carbon dioxide emissions regulations are adopted in the future;

2. Improved agricultural practices, soil and vegetation including trees, conservation practices, revegetation including reforestation activities, and other methods of stewardship of soil and vegetation resources which occur on agricultural and nonagricultural lands and which increase stored soil carbon and/or minimize carbon dioxide emissions associated with agricultural practices and other types of activities that may generate carbon dioxide emissions;

3. Methods for measuring and modeling net carbon sequestration associated with improved agricultural practices, soil and vegetation

including trees, conservation practices, revegetation including reforestation activities and other methods of stewardship of soil and vegetation resources which occur on agricultural and nonagricultural lands;

4. Areas of scientific uncertainty with respect to quantifying and understanding sequestration associated with improved agricultural practices, soil and vegetation conservation practices, revegetation activities, and other methods of stewardship of soil and vegetation resources occurring on agricultural and nonagricultural lands; and

5. Any recommendations of the Carbon Sequestration Advisory Committee developed pursuant to the Oklahoma Carbon Sequestration Enhancement Act.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-4-103 of Title 27A, unless there is created a duplication in numbering, reads as follows:

A. 1. The Oklahoma Conservation Commission shall, subject to availability of appropriations, in consultation with the Carbon Sequestration Advisory Committee, assess agricultural and nonagricultural lands in this state for past carbon sequestration and future carbon sequestration potential.

2. The assessment shall seek to quantify carbon sequestration associated with improved agricultural practices, soil and vegetation including trees, conservation practices, revegetation including reforestation activities, and other methods of stewardship of soil and vegetation resources occurring on agricultural and nonagricultural lands in this state.

3. On or before January 1, 2003, the Commission shall publish a report of the findings. The Commission may, from time to time, update such findings as advancements in understanding of the processes of carbon sequestration and new data become available.

B. The assessment required in subsection A of this section shall be conducted in a manner that provides a means for owners of land in this state to estimate past and future net carbon sequestration resulting from improved agricultural practices, soil and vegetation including trees, conservation practices, revegetation including reforestation activities, and other methods of stewardship of soil and vegetation resources occurring on their property.

C. The Commission may contract and cooperate with the Natural Resources Conservation Service of the United States Department of Agriculture to conduct assessment activities provided for in this section.

D. The Commission may apply for and accept grants, gifts, or other sources of public and private funds to carry out the purposes of the Oklahoma Carbon Sequestration Enhancement Act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-4-104 of Title 27A, unless there is created a duplication in numbering, reads as follows:

The "Carbon Sequestration Assessment Cash Fund" is hereby created. The fund shall be used by the Oklahoma Conservation Commission to carry out the Oklahoma Carbon Sequestration Enhancement Act. The State Treasurer shall credit to the fund any money appropriated to the fund by the Legislature and any money received as gifts, grants, or other contributions from public or private sources obtained for the purposes of the Oklahoma Carbon Sequestration Enhancement Act.

SECTION 5. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 9th day of April, 2001.

Presiding Officer of the House of
Representatives

Passed the Senate the 2nd day of April, 2001.

Presiding Officer of the Senate