

An Act

ENROLLED SENATE
BILL NO. 1569

By: Rader of the Senate

and

Boles, Archer, and Davis of
the House

An Act relating to the Oklahoma Carbon Sequestration Enhancement Act; amending 27A O.S. 2021, Sections 3-4-101, 3-4-102, and 3-4-105, which relate to duties of the Oklahoma Conservation Commission; clarifying jurisdiction of the Commission as it relates to carbon sequestration; conforming language; updating statutory reference; and providing an effective date.

SUBJECT: Oklahoma Carbon Sequestration Enhancement Act

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

SECTION 1. AMENDATORY 27A O.S. 2021, Section 3-4-101, is amended to read as follows:

Section 3-4-101. A. This article 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 and other gases 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 and improve air quality;

2. Carbon sequestration practices 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 citizens of this state that the Oklahoma Conservation Commission document and quantify carbon sequestration associated with terrestrial and agricultural carbon sequestration practices. The provisions of this act shall not include geologic carbon sequestration occurring in Underground Injection Control (UIC) Class II or Class VI projects.

C. It is the intent of the Legislature that such efforts to document and quantify carbon sequestration associated with terrestrial and agricultural carbon sequestration practices will enhance the ability of the state's landowners, ~~well owners and mineral owners~~ to participate in any system of carbon dioxide emissions marketing or trading that may be developed in the future.

D. For purposes of ~~this act~~ the Oklahoma Carbon Sequestration Enhancement Act, "carbon sequestration practices" and "carbon capture and storage practices" shall mean and include:

1. Improved agricultural practices, including, but not limited to, decreasing soil tillage, planting and managing vegetation, growing agricultural crops, or managing any existing vegetated area;

2. Improved natural resources conservation practices, including, but not limited to, vegetation, revegetation, forestation, afforestation, and reforestation on rangeland and other agricultural and nonagricultural lands;

3. ~~Practices involving the capture and sequestration or storage of carbon dioxide emissions through carbon dioxide injection in producing oil or gas wells, abandoned oil or gas wells, or other wells;~~

~~4.~~ Other improved methods of stewardship for the natural resources of ~~Oklahoma~~ this state; and

~~5.~~ 4. Other terrestrial and agricultural methods of sequestering, displacing, or avoiding carbon dioxide emissions approved by the Oklahoma Conservation Commission.

SECTION 2. AMENDATORY 27A O.S. 2021, Section 3-4-102, is amended to read as follows:

Section 3-4-102. The Oklahoma Conservation Commission shall:

1. Encourage the production of educational and advisory materials regarding terrestrial and agricultural carbon sequestration and storage and the opportunities to participate in ~~any~~ a related system of carbon dioxide emissions trading or marketing that may be developed in the future; and

2. Identify areas of research needed to better understand and quantify terrestrial and agricultural carbon sequestration and storage involved in terrestrial and agricultural carbon sequestration practices within the state.

SECTION 3. AMENDATORY 27A O.S. 2021, Section 3-4-105, is amended to read as follows:

Section 3-4-105. A. The Oklahoma Conservation Commission is hereby authorized to establish and administer the terrestrial and agricultural carbon sequestration certification program. The purposes of the program are to provide a mechanism for creating and preserving carbon reserves in this state by encouraging voluntary practices that protect or improve natural resources, to enable Oklahomans to participate in market-based programs for natural resource protection, to provide a mechanism for Oklahomans to benefit from the ecosystem services they provide, to verify carbon sequestration or storage associated with terrestrial and agricultural carbon sequestration practices, and to issue carbon sequestration certificates associated with terrestrial and agricultural carbon sequestration practices that the Commission determines qualify for such certificates.

B. The Commission, in consultation with the Department of Environmental Quality and with the advice of the terrestrial and agricultural carbon sequestration stakeholder groups appointed by

the Commission, shall develop and promulgate rules as necessary to administer, implement, and enforce the provisions of ~~this act~~ Section 3-4-101 et seq. of this title, including, but not limited to, developing and implementing uniform standards and criteria for verifying carbon sequestration and storage associated with terrestrial and agricultural carbon sequestration practices and issuing carbon sequestration certificates associated with approved terrestrial and agricultural carbon sequestration practices. In promulgating the rules, the Commission shall develop the program to be as consistent as possible with other governmental programs designed to create carbon reserves for the purpose of voluntarily reducing greenhouse gases or designed to certify terrestrial and agricultural carbon sequestration practices.

C. In order for terrestrial and agricultural carbon sequestration to be verified and certified under this section, an applicant shall file an application with the Commission. Along with the application, the applicant shall submit a resource management plan, or a project plan as applicable, detailing activities that will increase or maintain existing trapped carbon including, but not limited to, improved forest management, alteration of or changes in silviculture practices, and growing of designated crops and any other such terrestrial and agricultural carbon sequestration practices ~~including, but not limited to, the capture and sequestration of carbon dioxide emissions through injection of carbon dioxide underground.~~

D. The Commission shall require applicants to submit such information, forms, and reports as are necessary to properly and efficiently administer the program.

E. Prior to granting a carbon sequestration certificate, the Commission shall adopt criteria associated with the approved terrestrial and agricultural carbon sequestration practice for which an application is submitted. In addition, the Commission shall determine, based upon compliance with the site criteria, the volume or numerical amount of credits or offsets achievable by the specific terrestrial and agricultural carbon sequestration practice.

F. Applications for a terrestrial and agricultural carbon sequestration certificate shall be approved or denied in accordance with criteria promulgated by the Commission.

G. The Commission is authorized to establish fees associated with the terrestrial and agricultural carbon sequestration certification program.

SECTION 4. This act shall become effective November 1, 2024.

Passed the Senate the 7th day of March, 2024.

Presiding Officer of the Senate

Passed the House of Representatives the 15th day of April, 2024.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____