

BILL SUMMARY

1st Session of the 60th Legislature

Bill No.:	SB269
Version:	Engrossed
Request Number:	
Author:	Rep. Luttrell
Date:	4/2/2025
Impact:	FY-26: None
	FY-27 and Beyond: See Analysis Below

Research Analysis

SB 269 updates state law regarding carbon sequestration. The measure provides the Corporation Commission with exclusive jurisdiction for implementing the Oklahoma Carbon Capture and Geologic Sequestration Act, and therefore provides the Commission with exclusive jurisdiction for overseeing Class VI CO₂ injection wells and the injection of CO₂ for carbon sequestration. The Commission is authorized to enter into MOUs with any governmental agency to implement the Act.

Further, the measure authorizes the Commission to approve the creation of a CO₂ storage unit as part of a CO₂ sequestration facility and lists the requirements of the process. Anyone with the rights to inject and store CO₂ in at least 63 percent of the land that will constitute the proposed storage unit may apply to create a CO₂ storage unit. The measure lists the application and notification requirements. A certificate of completion shall be issued to the owner of a site within 50 years after the cessation of all injections if the owner maintained mechanical integrity of the site and complied with applicable regulations.

The Corporation Commission is authorized to levy fees for each ton of CO₂ injected into the storage unit. The fees will be deposited into the Class VI Carbon Sequestration Storage Facility Revolving Fund, created in the measure. If a facility or storage unit deposits more than \$5 million into the Fund, fees assessed to the facility will cease until the money is spent, or until the fees collected by the facility have fallen below \$4 million. The measure lists how the fees can be spent, and directs the Corporation Commission to send legislative leaders a report assessing the effectiveness of the Fund.

Prepared By: Emily Byrne

Fiscal Analysis

Engrossed SB 269 establishes the Corporation Commission as the sole agency with jurisdiction over Class VI CO₂ injection wells as well as the injection of CO₂ for carbon sequestration. The Corporation Commission believes that implementation of this measure would not occur until FY-27 at best; therefore, there is no fiscal impact to FY-26 budgetary resources.

The Corporation Commission has provided the following cost breakdown per year of implementation of this measure:

FY-27: up to \$40,000 towards the development of rules and processes regarding the program as well as preparation of application with the federal Environmental Protection Agency (EPA). These costs may be absorbable in the agency's current budget.

FY-28: up to \$50,000 towards operational procedure development and initial staffing/evaluation of outsourcing as appropriate.

FY-29: up to \$869,354, which includes the costs of six FTE and the development and implementation of database and IT systems. The agency believes that the program could be funded through fees as some point, but it is unknown at this time how many potential projects may be proposed and approved.

Prepared By: Jay St Clair, House Fiscal Staff

Other Considerations

None.