

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7024

BILL NUMBER: HB 1209

NOTE PREPARED: Jan 19, 2022

BILL AMENDED: Jan 18, 2022

SUBJECT: Carbon Sequestration Projects.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill provides for the mechanism for underground storage of carbon dioxide in Indiana. It makes conforming changes.

Effective Date: July 1, 2022.

Explanation of State Expenditures: (Revised) The bill will increase the workload of the Department of Natural Resources (DNR) to review and issue permits for underground carbon dioxide storage. The bill may also increase workload for the DNR if pore space owners do not agree to integrate their interests and the DNR intervenes. The DNR would need to make findings that the storage operator has made a good faith effort to obtain consent of all pore space owners, that the storage operator has obtained the consent of the owners representing at least 60% of the estimated storage volume, and that all pore space owners are equitably compensated, before issuing an order requiring the owners to integrate their interests.

The DNR is to issue a certificate of completion if a storage operator demonstrates that certain requirements have been met. The bill provides that after a certificate of completion is issued, the state of Indiana will assume ownership of and responsibility for the storage facility, assume responsibility for all regulatory requirements, and assume any potential liability associated with the storage facility.

Explanation of State Revenues: The bill establishes an application fee of \$1,000 for a carbon sequestration project permit which would go to the DNR. The bill also establishes a fee of \$0.08 per ton of carbon dioxide stored which would be deposited into the new Carbon Dioxide Storage Facility Trust Fund. The fund may be used only to defray the costs incurred by the DNR for the long term monitoring and management of a carbon sequestration facility.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected:

Information Sources:

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