

HOUSE BILL No. 1104

DIGEST OF INTRODUCED BILL

Citations Affected: IC 14-39-2.

Synopsis: Carbon sequestration. Provides that, as a prerequisite for the department of natural resources (department) to issue an integration order in regard to the underground storage of carbon dioxide, a storage operator must obtain the consent of: (1) the owners of the pore space underlying at least 85% of the surface area above the proposed storage facility or amended proposed storage facility; and (2) the county executive of each county in which the storage facility is proposed to be located. Limits the length of a pipeline for purposes of a carbon sequestration project to 30 total miles. Increases the annual injection fee a storage operator must pay to the department from \$0.08 to \$0.15 per ton of carbon dioxide estimated to be injected into a storage facility.

Effective: July 1, 2025.

Commons

January 8, 2025, read first time and referred to Committee on Natural Resources.



First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1104



A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 14-39-2-4, AS ADDED BY P.L.163-2022,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 4. (a) If at least two (2) pore space owners own
4 pore space located within a proposed carbon dioxide storage area of a
5 storage facility, the owners may agree to integrate their interests to
6 develop the pore space as a proposed storage facility for the
7 underground storage of carbon dioxide.
8 (b) If all of the owners of the pore space under subsection (a) do not
9 agree to integrate their interests, the department may issue an order
10 requiring the owners to integrate their interests and to develop the pore
11 space as a proposed storage facility for the underground storage of
12 carbon dioxide to serve the public interest subject to the findings under
13 subsection (c).
14 (c) Before issuing an order under subsection (b), the department
15 must make the following findings:
16 (1) That a storage operator has been issued a UIC Class VI permit
17 or an amended UIC Class VI permit.



- 1 (2) That the storage operator has made a good faith effort to
 2 obtain the consent of all pore space owners located within the
 3 proposed storage facility.
- 4 (3) That the storage operator has obtained the consent of the
 5 owners of the pore space underlying at least ~~seventy percent~~
 6 ~~(70%)~~ **eighty-five percent (85%)** of the surface area above the
 7 proposed storage facility or amended proposed storage facility.
- 8 (4) That all pore space owners who do not agree to integrate their
 9 interests to develop the pore space as a proposed storage facility
 10 for the underground storage of carbon dioxide are equitably
 11 compensated.
- 12 **(5) That the storage operator has obtained the consent of the**
 13 **county executive of each county in which the storage facility**
 14 **is proposed to be located.**
- 15 (d) A right to pore space granted by this section does not confer a
 16 right to enter upon, or otherwise use, the surface of the land which is
 17 integrated under this section unless provided in an order requiring the
 18 owners to integrate their interests and to develop the pore space as a
 19 proposed storage facility for the underground storage of carbon
 20 dioxide.
- 21 SECTION 2. IC 14-39-2-5, AS ADDED BY P.L.163-2022,
 22 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2025]: Sec. 5. (a) Carbon sequestration projects are authorized
 24 in Indiana for the purposes of:
- 25 (1) injecting carbon dioxide into the pore space of an underground
 26 storage facility through at least one (1) carbon dioxide injection
 27 well pursuant to a UIC Class VI permit; and
 28 (2) employing the underground storage of carbon dioxide.
- 29 **However, if a carbon sequestration project uses a pipeline as part**
 30 **of the project, the pipeline may not be more than thirty (30) miles**
 31 **in total length.**
- 32 (b) A storage operator may not operate a carbon sequestration
 33 project in Indiana without:
- 34 (1) a UIC Class VI permit; and
 35 (2) a valid permit issued by the department.
- 36 (c) If a carbon sequestration project is owned by an entity other than
 37 the storage operator, the storage operator shall be responsible for
 38 obtaining a permit for a carbon sequestration project under subsection
 39 (b). A permit for a carbon sequestration project may be transferred or
 40 assigned from one (1) storage operator to another storage operator.
- 41 (d) An individual may apply to the department for a permit for a
 42 carbon sequestration project in a form and manner prescribed by the



1 department.

2 (e) An application under subsection (d) must include the following:

3 (1) A filing fee of one thousand dollars (\$1,000).

4 (2) The signature of the applicant.

5 (3) A statement verifying that the information submitted is true,
6 accurate, and complete to the best of applicant's knowledge.

7 (4) Information illustrating that the applicant has the financial,
8 managerial, and technical ability to construct, operate, and
9 maintain a carbon sequestration project.

10 (5) Information illustrating that the applicant or the contractors or
11 subcontractors of the applicant have the requisite expertise in
12 constructing, operating, and maintaining a carbon sequestration
13 project.

14 (6) Documentation to the department describing the scope of the
15 proposed carbon sequestration project.

16 (7) A statement describing how the applicant will construct,
17 operate, and maintain the proposed carbon sequestration project
18 in accordance with applicable local, state, and federal law,
19 including federal and state safety regulations and rules governing
20 the construction, operation, and maintenance of the carbon
21 sequestration project, and related facilities and equipment, to
22 ensure the safety of the carbon sequestration project employees
23 and the public.

24 (8) A statement that the interests of a mineral lessee or mineral
25 owner will not be adversely affected. If a mineral owner or
26 mineral lessee is adversely affected, the adversely affected
27 mineral owner or mineral lessee and the applicant may enter into
28 an agreement under section 4 of this chapter.

29 SECTION 3. IC 14-39-2-9, AS ADDED BY P.L.163-2022,
30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2025]: Sec. 9. (a) A storage operator shall pay the department
32 a fee for every ton of carbon dioxide injected for storage.

33 (b) The storage operator shall provide the department with an
34 estimate of the amount of carbon dioxide to be injected into a storage
35 facility for the period of the permit at the time of application for a
36 carbon sequestration project permit.

37 (c) A storage operator shall pay annually to the department a fee of
38 ~~eight cents (\$0.08)~~ **fifteen cents (\$0.15)** per ton of carbon dioxide
39 estimated to be injected into a storage facility.

40 (d) A storage operator shall reconcile the previous calendar year's
41 payment with the volume of carbon dioxide actually injected into the
42 storage facility the previous calendar year. The storage operator shall



- 1 submit payment for the amount of carbon dioxide injected into a
- 2 storage facility less the amount paid the previous calendar year.
- 3 (e) The department shall refund a storage operator any overpayment
- 4 in the current year from the previous calendar year.

