

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 ENGROSSED SENATE
5 BILL NO. 1569

 By: Rader of the Senate

 and

 Boles and **Archer** of the
7 House

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10 An Act relating to the Oklahoma Carbon Sequestration
11 Enhancement Act; amending 27A O.S. 2021, Sections 3-
12 4-101, 3-4-102, and 3-4-105, which relate to duties
13 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.

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

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

19 Section 3-4-101. A. This article shall be known and may be
20 cited as the "Oklahoma Carbon Sequestration Enhancement Act".

21 B. The Oklahoma Legislature finds that:

22 1. Increasing levels of carbon dioxide and other gases in the
23 atmosphere have led to growing interest in national and
24 international forums for implementing measures to slow and reverse

1 the buildup of such atmospheric constituents. These measures may
2 include, but are not limited to, the establishment of systems of
3 trading in carbon dioxide credits or adoption of practices,
4 technologies, or other measures which decrease the concentration of
5 carbon dioxide in the atmosphere and improve air quality;

6 2. Carbon sequestration practices have great potential to
7 increase carbon sequestration and help offset the impact of carbon
8 dioxide emissions on carbon dioxide concentrations in the
9 atmosphere; and

10 3. It is in the interest of the citizens of this state that the
11 Oklahoma Conservation Commission document and quantify carbon
12 sequestration associated with terrestrial and agricultural carbon
13 sequestration practices. The provisions of this act shall not
14 include geologic carbon sequestration occurring in Underground
15 Injection Control (UIC) Class II or Class VI projects.

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

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

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

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

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

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

14 ~~5.~~ 4. Other terrestrial and agricultural methods of
15 sequestering, displacing, or avoiding carbon dioxide emissions
16 approved by the Oklahoma Conservation Commission.

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

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

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

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

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

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

21 B. The Commission, in consultation with the Department of
22 Environmental Quality and with the advice of the terrestrial and
23 agricultural carbon sequestration stakeholder groups appointed by
24 the Commission, shall develop and promulgate rules as necessary to

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

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

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

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

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

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

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

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19 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES,
20 dated 04/04/2024 - DO PASS, As Coauthored.

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