

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1411

By: Representative M. Shepherd

By: Senator Stone

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE OIL AND GAS COMMISSION; TO CLARIFY THE REGULATION OF CARBON CAPTURE AND SEQUESTRATION; TO ESTABLISH THE CARBON DIOXIDE STORAGE FUND; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE REGULATION OF CARBON CAPTURE AND SEQUESTRATION; AND TO ESTABLISH THE CARBON DIOXIDE STORAGE FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 15-71-110, concerning the powers and duties of the Oil and Gas Commission, is amended to add an additional subsection to read as follows:

(g) The commission has the following specific powers and duties in administering the underground storage of carbon dioxide, the Underground Injection Control program regarding Class VI wells, and the Carbon Dioxide Storage Fund:

(1) To adopt rules to govern the underground storage of carbon dioxide and to implement the Underground Injection Control program regarding Class VI wells, in accordance with applicable provisions of the Safe Drinking Water Act, 42 U.S.C. §300f et seq., as it existed on January 1, 2025;

(2) To require financial assurance conditioned on the performance of the duty to comply with all rules governing the underground storage of carbon dioxide and the Underground Injection Control program



regarding Class VI wells;

(3) To determine, after notice and hearing, when a project for the underground storage of carbon dioxide is issued a Certificate of Closure that shall not be less than ten (10) years after the cessation of carbon dioxide injection operations;

(4) To collect the fees assessed by the commission under this subchapter and make deposits into the Oil and Gas Commission Fund or the Carbon Dioxide Storage Fund;

(5) To require the payment of a carbon dioxide storage permit application fee not to exceed fifty thousand dollars (\$50,000) to be deposited into the Oil and Gas Commission Fund;

(6) To require an annual well fee of one thousand dollars (\$1,000) per Class VI injection well permitted in the carbon dioxide storage facility to be deposited into the Oil and Gas Commission Fund; and

(7) To require a fee of ten cents (\$0.10) on each ton of carbon dioxide injected for storage with funds to be deposited as follows:

(A) Three Cents (\$0.03) shall be paid into the Oil and Gas Commission Fund; and

(B) Seven Cents (\$0.07) shall be paid into the Carbon Dioxide Storage Fund to be utilized by the commission for:

(i) The testing, monitoring, and long-term inspection of underground carbon dioxide storage wells;

(ii) Expenses incurred to remediate post-closure emergencies;

(iii) The plugging of leaking wells; and

(iv) Other remedial response activities associated with the carbon dioxide storage facility.

SECTION 2. Arkansas Code § 19-6-301, concerning the enumeration of special revenues, is amended to add an additional subdivision to read as follows:

(276) Fees and revenue collected under § 15-71-110(g).

SECTION 3. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended to add an additional section to read as follows:

19-6-845. Carbon Dioxide Storage Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Carbon Dioxide Storage Fund".

(b)(1) The fund shall consist of:

(A) Fees assessed by the Oil and Gas Commission on each ton of carbon dioxide injected for storage under § 15-71-110(g);

(B) Gifts or grants; and

(C) Any other revenue as may be authorized by law.

(2) All moneys collected under the fund shall be deposited into the State Treasury to the credit of the fund as special revenues.

(c)(1) The fund shall be used by the commission to:

(A) Make expenditures through contracts to plug abandoned Class VI wells, to monitor wells, and to remediate associated production facilities;

(B) Make expenditures for emergency repairs to Class VI wells, monitoring wells, or production facilities remaining after post closure which are endangering the public health and safety;

(C) Make expenditures for testing, monitoring, and long-term inspection of underground carbon dioxide storage wells and facilities after post closure; and

(D) Following the issuance of a Certificate of Closure and release of all financial assurance instruments, cover costs associated with the leakage of carbon dioxide from underground carbon dioxide storage facilities or any other operations and activities deemed necessary by the commission to protect underground sources of drinking water and for public health and safety.

(2) Expenditures from the fund may be authorized by the commission through contracts or direct payments.