

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1411

5 By: Representative M. Shepherd
6 By: Senator Stone
7

For An Act To Be Entitled

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

15 TO CLARIFY THE REGULATION OF CARBON
16 CAPTURE AND SEQUESTRATION; AND TO
17 ESTABLISH THE CARBON DIOXIDE STORAGE
18 FUND.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 15-71-110, concerning the powers and duties
24 of the Oil and Gas Commission, is amended to add an additional subsection to
25 read as follows:

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

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

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



1 regarding Class VI wells;

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

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

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

12 (6) To require an annual well fee of one thousand dollars
13 (\$1,000) per Class VI injection well permitted in the carbon dioxide storage
14 facility to be deposited into the Oil and Gas Commission Fund; and

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

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

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

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

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

25 (iii) The plugging of leaking wells; and

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

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

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

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

36 19-6-845. Carbon Dioxide Storage Fund.

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

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

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

7 (B) Gifts or grants; and

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

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

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

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

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

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

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

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

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