



Reprinted
January 29, 2026

SENATE BILL No. 7

DIGEST OF SB 7 (Updated January 28, 2026 2:14 pm - DI 153)

Citations Affected: IC 14-39; IC 36-7.

Synopsis: Carbon sequestration. Provides that a storage operator may not operate a carbon sequestration project that transports or stores carbon dioxide outside the county where the carbon dioxide is generated unless the project is approved by the appropriate county legislative body or plan commission. Exempts certain projects from the provisions of the bill. Makes conforming changes.

Effective: July 1, 2026.

Niemeyer, Deery

December 8, 2025, read first time and referred to Committee on Utilities.
January 14, 2026, reassigned to Committee on Environmental Affairs pursuant to Rule 68(b).
January 27, 2026, reported favorably — Do Pass.
January 28, 2026, read second time, amended, ordered engrossed.

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Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

SENATE BILL No. 7

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 14-39-2-1, AS ADDED BY P.L.163-2022,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 1. (a) Except as otherwise provided in this
4 chapter, this chapter does not apply to extractable mineral resources.
5 (b) Except as otherwise provided in this chapter, this chapter does
6 not preclude the exercise of rights provided by IC 14-37-9.
7 (c) Except as otherwise provided in this chapter, this chapter applies
8 to the underground storage of carbon dioxide.
9 (d) The rights and requirements of this chapter:
10 (1) are subordinate to the rights pertaining to oil, gas, and coal
11 resources; and
12 (2) may not adversely affect oil, gas, and coal resources, except
13 as is strictly necessary to construct and maintain a carbon
14 sequestration project that will provide for the permanent storage
15 of carbon dioxide.
16 (e) **The amendments made to this chapter by SEA 7-2026 do not**
17 **apply to a carbon sequestration project, including the**

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1 **transportation of carbon dioxide associated with the project, that**
 2 **has been authorized to proceed under a UIC Class VI permit issued**
 3 **prior to July 1, 2026.**

4 SECTION 2. IC 14-39-2-2, AS AMENDED BY P.L.25-2025,
 5 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2026]: Sec. 2. (a) The following definitions apply throughout
 7 this chapter.

8 (b) "Carbon dioxide" has the meaning set forth in IC 14-39-1-1.

9 (c) "Carbon dioxide injection well" refers to a well that is used to
 10 inject carbon dioxide into a reservoir for carbon sequestration pursuant
 11 to a UIC Class VI permit.

12 (d) "Carbon dioxide plume" means the extent of an underground
 13 three-dimensional injected carbon dioxide stream.

14 (e) "Carbon sequestration" means the underground storage of carbon
 15 dioxide in a reservoir.

16 (f) "Carbon sequestration project" means any project that involves
 17 the underground storage of carbon dioxide in a reservoir pursuant to at
 18 least one (1) UIC Class VI permit.

19 **(g) "Legislative body" means the following:**

20 **(1) The board of county commissioners, for a county not**
 21 **subject to IC 36-2-3.5 or IC 36-3-1.**

22 **(2) The county council, for a county subject to IC 36-2-3.5.**

23 **(3) The city-county council, for a consolidated city or county**
 24 **having a consolidated city.**

25 ~~(g)~~ **(h)** "Mineral lessee" means a lessee identified by the records of
 26 the recorder of deeds for each county containing a portion of the
 27 proposed reservoir who holds an interest in minerals on real property
 28 that are located above, below, or within the proposed reservoir that has
 29 been severed from the surface estate by:

30 (1) grant;

31 (2) exception;

32 (3) reservation;

33 (4) lease; or

34 (5) any other means.

35 ~~(h)~~ **(i)** "Mineral owner" means an owner identified by the records of
 36 the recorder of deeds for each county containing a portion of the
 37 proposed reservoir who holds an interest in minerals on real property
 38 that are located above, below, or within the proposed reservoir that has
 39 been severed from the surface estate by:

40 (1) grant;

41 (2) exception;

42 (3) reservation;



- 1 (4) lease; or
 2 (5) any other means.
 3 ~~(j)~~ **(j)** "Pore space" means subsurface cavities or voids that can be
 4 used as a storage space for carbon dioxide.
 5 ~~(k)~~ **(k)** "Pore space owner" means:
 6 (1) a person;
 7 (2) a trust;
 8 (3) a corporation; or
 9 (4) another entity;
 10 that has title to, a right to, or an interest in pore space.
 11 ~~(l)~~ **(l)** "Reservoir" means a subsurface:
 12 (1) sedimentary stratum;
 13 (2) formation;
 14 (3) aquifer;
 15 (4) cavity; or
 16 (5) void;
 17 that is naturally or artificially created for the use of, or is capable of
 18 being made suitable for, injecting and storing carbon dioxide.
 19 ~~(m)~~ **(m)** "Storage facility" means the subsurface area consisting of the
 20 extent of a carbon dioxide plume which is required to be delineated on
 21 an approved UIC Class VI permit or an amendment to a UIC Class VI
 22 permit of a storage operator.
 23 ~~(n)~~ **(n)** "Storage operator" means:
 24 (1) a person;
 25 (2) a trust;
 26 (3) a corporation; or
 27 (4) another entity;
 28 that operates a carbon sequestration project.
 29 ~~(o)~~ **(o)** "Surface or subsurface property interest owner" means a
 30 property interest owner identified by the records of the recorder of
 31 deeds for each county containing a portion of the proposed storage
 32 facility who holds a fee simple interest or other freehold interest in the
 33 surface or subsurface of the property, which may include mineral
 34 rights. The term does not include the owner of a right-of-way, an
 35 easement, or a leasehold.
 36 ~~(p)~~ **(p)** "UIC Class VI permit" means a permit issued under the
 37 federal Safe Drinking Water Act's Underground Injection Control
 38 program that allows:
 39 (1) a person;
 40 (2) a trust;
 41 (3) a corporation; or
 42 (4) another entity;



to construct or operate a carbon dioxide injection well.

~~(p)~~ **(q)** "Underground storage of carbon dioxide" means the injection and storage of carbon dioxide into underground strata and formations pursuant to at least one (1) UIC Class VI permit.

SECTION 3. IC 14-39-2-5, AS AMENDED BY P.L.213-2025, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) Carbon sequestration projects are authorized in Indiana for the purposes of:

- (1) injecting carbon dioxide into the pore space of an underground storage facility through at least one (1) carbon dioxide injection well pursuant to a UIC Class VI permit; and
- (2) employing the underground storage of carbon dioxide.

(b) A storage operator may not operate a carbon sequestration project in Indiana without:

- (1) a UIC Class VI permit; ~~and~~
- (2) a valid permit issued by the department; ~~and~~
- (3) if applicable, the proper approval described in section 5.5 of this chapter.**

(c) If a carbon sequestration project is owned by an entity other than the storage operator, the storage operator shall be responsible for obtaining a permit for a carbon sequestration project under subsection (b). A permit for a carbon sequestration project may be transferred or assigned from one (1) storage operator to another storage operator.

(d) An individual may apply to the department for a permit for a carbon sequestration project in a form and manner prescribed by the department.

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

- (1) A filing fee equal to the product of:
 - (A) the given amount of metric tons of carbon dioxide proposed to be injected into the storage facility during the first ten (10) years of the permit for the carbon sequestration project; multiplied by
 - (B) one cent (\$0.01).

The filing fee amount determined under this subdivision shall be collected by the department and deposited in the carbon sequestration project program administrative fund established by section 10.5 of this chapter.

- (2) The signature of the applicant.
- (3) A statement verifying that the information submitted is true, accurate, and complete to the best of applicant's knowledge.
- (4) Information illustrating that the applicant has the financial, managerial, and technical ability to construct, operate, and



maintain a carbon sequestration project.

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

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

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

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

(9) A certified copy of:

(A) the approval of the plan commission under section 5.5(1) of this chapter; or

(B) the ordinance adopted by the legislative body under section 5.5(2) of this chapter.

(f) During the first ten (10) years of the permit for a carbon sequestration project, if the carbon sequestration project injects more metric tons of carbon dioxide into the storage facility than was proposed under the original application under subsection (e), the storage operator shall pay the filing fee under subsection (e) for the additional metric tons of carbon dioxide injected into the storage facility during the first ten (10) years of the permit for the carbon sequestration project.

(g) A fee paid under this section is not refundable by the department.

SECTION 4. IC 14-39-2-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. A storage operator may not operate a carbon sequestration project that transports or stores carbon dioxide outside the county where the carbon dioxide is generated unless the project is approved in a public meeting as follows:**

(1) If the carbon sequestration project is located in an area



that is subject to the jurisdiction of an area plan commission under IC 36-7-4, the carbon sequestration project must be approved by the area plan commission. An area plan commission may not delegate the authority of the area plan commission to approve a carbon sequestration project to an administrator, hearing officer, committee, or staff.

(2) If the carbon sequestration project is located in an area that is not subject to the jurisdiction of an area plan commission under IC 36-7-4, the carbon sequestration project must be approved by an ordinance adopted by the legislative body.

SECTION 5. IC 36-7-4-1016, AS AMENDED BY P.L.130-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1016. (a) Final decisions of the board of zoning appeals under:

- (1) the 900 series of this chapter (administrative appeals, exceptions, uses, and variances); or
- (2) section 1015 of this chapter (appeals of commitment modifications or terminations);

are considered zoning decisions for purposes of this chapter and are subject to judicial review in accordance with the 1600 series of this chapter.

(b) The following decisions of the plan commission are considered zoning decisions for purposes of this chapter and are subject to judicial review in the same manner as that provided for the appeal of a final decision of the board of zoning appeals under subsection (a):

- (1) A final decision under the 700 series of this chapter (subdivision control).
- (2) A final decision under section 1015 of this chapter (appeal of a commitment modification or termination).
- (3) A final decision under the 1400 series of this chapter (development plans).
- (4) A final decision under the 1500 series of this chapter (planned unit development), when authority to make a final decision is delegated to the plan commission by the legislative body under section 1511 of this chapter.

(c) Notwithstanding subsection (b)(2), decisions of a legislative body under section 1015(b)(6) or 1015(b)(10) of this chapter are not considered zoning decisions for purposes of this chapter and are not subject to judicial review in accordance with the 1600 series of this chapter.

(d) Final decisions of preservation commissions under IC 36-7-11,



IC 36-7-11.1, IC 36-7-11.2, or IC 36-7-11.3 (certificates of appropriateness) are considered zoning decisions for purposes of this chapter and are subject to judicial review in the same manner as that provided for the appeal of a final decision of the board of zoning appeals under subsection (a).

(e) Final decisions of zoning administrators under IC 14-28-4-18 (improvement location permits within flood plain areas) are considered zoning decisions for purposes of this chapter and are subject to judicial review in the same manner as that provided for the appeal of a final decision of the board of zoning appeals under subsection (a).

(f) Final decisions of an area plan commission under IC 14-39-2-5.5(1) concerning carbon sequestration projects are considered zoning decisions for purposes of this chapter and are subject to judicial review in the same manner as that provided for the appeal of a final decision of the board of zoning appeals under subsection (a).

(g) The following actions are legislative acts and are not considered zoning decisions for purposes of this chapter:

- (1) Adopting or approving a comprehensive plan under the 500 series of this chapter.
- (2) Certifying with or without a recommendation a proposal under the 600 series of this chapter.
- (3) Adopting, rejecting, or amending a zoning ordinance under the 600 series of this chapter.
- (4) Adopting, rejecting, or amending an impact fee ordinance under the 1300 series of this chapter.
- (5) Designating a zoning district where a development plan is required under the 1400 series of this chapter.
- (6) Adopting, rejecting, or amending a PUD district ordinance under the 1500 series of this chapter.
- (7) Adopting, rejecting, or amending a flood plain zoning ordinance under IC 14-28-4.
- (8) Certifying a recommendation, or modifying or terminating a commitment, under section 1015(b)(6) or 1015(b)(10) of this chapter.



REPORT OF THE PRESIDENT
PRO TEMPORE

Mr. President: Pursuant to Senate Rule 68(b), I hereby report that Senate Bill 7, currently assigned to the Committee on Utilities, be reassigned to the Committee on Environmental Affairs.

BRAY

COMMITTEE REPORT

Mr. President: The Senate Committee on Environmental Affairs, to which was referred Senate Bill No. 7, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 07 as introduced.)

NIEMEYER, Chairperson

Committee Vote: Yeas 7, Nays 3

SENATE MOTION

Mr. President: I move that Senate Bill 7 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 14-39-2-1, AS ADDED BY P.L.163-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) Except as otherwise provided in this chapter, this chapter does not apply to extractable mineral resources.

(b) Except as otherwise provided in this chapter, this chapter does not preclude the exercise of rights provided by IC 14-37-9.

(c) Except as otherwise provided in this chapter, this chapter applies to the underground storage of carbon dioxide.

(d) The rights and requirements of this chapter:

(1) are subordinate to the rights pertaining to oil, gas, and coal resources; and

(2) may not adversely affect oil, gas, and coal resources, except as is strictly necessary to construct and maintain a carbon

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sequestration project that will provide for the permanent storage of carbon dioxide.

(e) The amendments made to this chapter by SEA 7-2026 do not apply to a carbon sequestration project, including the transportation of carbon dioxide associated with the project, that has been authorized to proceed under a UIC Class VI permit issued prior to July 1, 2026."

Renumber all SECTIONS consecutively.

(Reference is to SB 7 as printed January 27, 2026.)

BALDWIN

