

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6088
BILL NUMBER: SB 7

NOTE PREPARED: Jan 29, 2026
BILL AMENDED: Jan 28, 2026

SUBJECT: Carbon Sequestration.

FIRST AUTHOR: Sen. Niemeyer
FIRST SPONSOR: Rep. Commons

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill 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. It exempts certain projects from the provisions of the bill. It makes conforming changes.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The bill may minimally increase one-time workload for the Department of Natural Resources to update applications for certain carbon sequestration projects. If a project involves transporting carbon generated in one county to be stored in another county, the application would need to include the requirement for a certified copy of the approval from an area plan commission or the adopted ordinance from the county legislative body. The bill's provisions do not apply to a carbon sequestration project that has been authorized to proceed under a UIC Class VI permit issued before July, 1, 2026, including the transportation of carbon dioxide associated with the project.

[The bill's provisions do not apply to the carbon sequestration pilot project per IC 14-39-2-14.]

Explanation of State Revenues:

Explanation of Local Expenditures: The bill may increase workload and minimally increase expenditures for an area plan commission or a county legislative body to hold a public meeting to adopt an ordinance approving of a carbon sequestration project that transports carbon dioxide generated outside the county into that county to be stored. Any increase in workload or expenditures should be minimal. The bill's provisions do not apply to a carbon sequestration project that has been authorized to proceed under a UIC Class VI permit issued before July, 1, 2026, including the transportation of carbon dioxide associated with the project.

[The bill's provisions do not apply to the carbon sequestration pilot project per IC 14-39-2-14.]

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected: County legislative bodies; area plan commissions.

Information Sources:

<https://indiana.planning.org/resources/citizen-planners-guide/>;
<https://planning-org-uploaded-media.s3.amazonaws.com/documents/FINAL-CitizenPlannersGuide-3.20.17-Ch.1-PlanCommissionBasics.pdf>;
<https://www.extension.purdue.edu/extmedia/id/id-235.pdf>.

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