

SENATE BILL No. 260

DIGEST OF INTRODUCED BILL

Citations Affected: IC 14-37-10-5; IC 14-39; IC 32-24-5-2.

Synopsis: Carbon dioxide. Specifies that an application for a carbon dioxide transmission pipeline certificate of authority must include: (1) a risk assessment; and (2) a carbon dioxide injection estimate. Provides that when determining compensation in certain eminent domain proceedings, the perceived risk of certain hazardous conditions must be taken into account. Establishes a carbon sequestration pilot project fee program, and specifies certain conditions in relation to the fee money. Provides that a transfer of ownership in regard to a carbon sequestration pilot project does not relieve a prior operator from liability for any negligence or willful misconduct that occurred before the transfer. Requires the department of natural resources to inspect a carbon sequestration pilot project. Alters the threshold of consent one must obtain in order to use eminent domain or integration in relation to carbon sequestration.

Effective: July 1, 2026.

Deery, Niemeyer

January 8, 2026, read first time and referred to Committee on Utilities.



Introduced

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. 260

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 14-37-10-5, AS AMENDED BY P.L.150-2011,
2 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 5. (a) Money paid into the fund shall be
4 appropriated for the following purposes:

5 (1) To supplement the cost required to abandon a well that has
6 had a permit revoked under IC 14-37-13-1.
7 (2) To cover the costs of remedial plugging and repairing of wells
8 under IC 14-37-8, including the expenses of remedial action
9 under IC 14-37-8-15.
10 (3) To cover the cost to:
11 (A) mitigate environmental damage; or
12 (B) protect public safety against harm;
13 caused by a well regulated under this article **or the carbon**
14 **sequestration pilot project established under IC 14-39-1.**
15 (4) Pipeline safety.
16 (5) **To monitor or manage the carbon sequestration pilot**
17 **project established under IC 14-39-1.**



10 SECTION 2. IC 14-39-1-4, AS AMENDED BY P.L.213-2025,
11 SECTION 132, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) A carbon dioxide
13 transmission pipeline company that seeks to construct, operate, and
14 maintain a carbon dioxide pipeline in Indiana must apply to the
15 department for issuance of a carbon dioxide transmission pipeline
16 certificate of authority. The department shall prescribe the form of the
17 application, which must:

- (1) include a filing fee of one thousand dollars (\$1,000);
- (2) be signed by a responsible officer of the company;
- (3) include a statement verifying that the information submitted is true, accurate, and complete to the best of that responsible officer's knowledge and belief; and
- (4) include a risk assessment with respect to the proposed carbon dioxide transmission pipeline that includes scenario modeling;**
- (5) include an estimate of the amount of carbon dioxide to be injected into underground strata and formations for the period of the certificate of authority; and**
- (4) (6) include all information necessary for the department to find the following:**
 - (A) That the applicant, or the contractor or subcontractor of the applicant, has the financial, managerial, and technical ability to construct, operate, and maintain a carbon dioxide transmission pipeline in Indiana.
 - (B) That the applicant, or the contractor or subcontractor of the applicant, has the requisite experience constructing, operating, and maintaining a transmission pipeline.
 - (C) That the applicant has entered into a contract to transport carbon dioxide by pipeline in Indiana with:
 - (i) at least one (1) producer of carbon dioxide located in Indiana; and
 - (ii) unless all of the carbon dioxide to be transported in the



1 proposed carbon dioxide transmission pipeline is for the
2 applicant's own use or account, at least one (1) end user or
3 storer of carbon dioxide.

4 (D) That the applicant has provided documentation to the
5 department showing the proposed length, diameter, and
6 location of the proposed carbon dioxide transmission pipeline
7 in Indiana.

8 (E) That the applicant will construct, operate, and maintain the
9 proposed carbon dioxide transmission pipeline in accordance
10 with applicable local, state, and federal law, including federal
11 and state safety regulations and rules governing the
12 construction, operation, and maintenance of carbon dioxide
13 transmission pipelines, and related facilities and equipment, to
14 ensure the safety of pipeline employees and the public.

15 (F) That the applicant has signed a statement indicating that
16 the applicant agrees to construct a proposed carbon dioxide
17 transmission pipeline in a manner compliant with the
18 guidelines adopted under IC 8-1-22.6-8 by the pipeline safety
19 division of the Indiana utility regulatory commission.

20 (b) The department shall review an application filed under
21 subsection (a). Subject to subsection (f), if the department determines
22 that the application is incomplete or inaccurate, or both, the department
23 shall return the application to the applicant, informing the applicant in
24 writing of the applicant's right to file a corrected application with the
25 department. If the department determines that the application is
26 complete and accurate, the department shall provide notice to the
27 applicant of:

28 (1) that determination; and
29 (2) the date, time, and location of the public information meeting
30 to be held under subsection (d).

31 (c) The applicant shall:

32 (1) upon receipt of a notice under subsection (b):

33 (A) place for public inspection a copy of the application in a
34 public library located in each county in which the carbon
35 dioxide transmission pipeline is proposed to be located; and
36 (B) publish notice, in the same manner that would be required
37 if the applicant were subject to IC 5-3-1, in each county in
38 which the carbon dioxide transmission pipeline is proposed to
39 be located, of:

40 (i) the name and address of each library in which a copy of
41 the application is placed under clause (A); and
42 (ii) the date, time, and location of the public information



1 meeting to be held under subsection (d);
2 (2) provide to the department proof of publication of notice under
3 subdivision (1)(B); and
4 (3) have a representative present at the public information
5 meeting held under subsection (d).

6 (d) The department shall:
7 (1) conduct a public information meeting in the county seat of one
8 (1) of the counties, as determined by the department, in which the
9 proposed carbon dioxide transmission pipeline will be located;
10 and
11 (2) provide an opportunity at the meeting for members of the
12 public to be briefed and to ask questions about the proposed
13 carbon dioxide transmission pipeline.

14 (e) Not later than ninety (90) days after the public information
15 meeting held under subsection (d), the department shall notify the
16 applicant in writing that:
17 (1) the department:
18 (A) has made the findings described in subsection (a)(4);
19 (a)(6); and
20 (B) has approved the application; or
21 (2) the department:
22 (A) has determined that the department is unable to make the
23 findings described in subsection (a)(4); (a)(6); and
24 (B) has disapproved the application.

25 (f) The department shall process a corrected application that is filed
26 as permitted under subsection (b) in the same manner the department
27 processes an initially filed application under subsection (a).

28 (g) If the department fails to act under subsection (e) not later than
29 ninety (90) days after the public information meeting held under
30 subsection (d), the application is considered to be approved by the
31 department.

32 (h) If:
33 (1) the department approves the application under subsection
34 (e)(1); or
35 (2) the application is considered to be approved as described in
36 subsection (g);
37 the department shall issue to the applicant a carbon dioxide
38 transmission pipeline certificate of authority.

39 SECTION 3. IC 14-39-1-9, AS AMENDED BY P.L.291-2019,
40 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2026]: Sec. 9. (a) A carbon dioxide transmission pipeline
42 company that exercises the authority set forth in section 7(a) of this



1 chapter shall:

2 (1) compensate the property owner by making a payment to the
3 owner equal to:
4 (A) one hundred twenty-five percent (125%) of the fair market
5 value of the interest in the property acquired, if the
6 right-of-way or easement involves agricultural land; or
7 (B) one hundred fifty percent (150%) of the fair market value
8 of the interest in the property acquired, if the right-of-way or
9 easement involves a parcel of property occupied by the owner
10 as a residence; and
11 (2) pay to the property owner:
12 (A) any damages determined under IC 32-24-1; and
13 (B) any loss incurred in a trade or business;
14 that are attributable to the exercise of eminent domain.

15 **(b) In determining the compensation to be paid to the owner of**
16 **property condemned under this chapter, proof may be offered and**
17 **consideration must be given to the present day diminution in value**
18 **of the residue of the property, if any, caused by the perceived risk**
19 **of a hazardous condition related to the carbon sequestration pilot**
20 **project.**

21 SECTION 4. IC 14-39-1-11.5 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2026]: **Sec. 11.5. (a) An operator of a carbon**
24 **sequestration pilot project shall pay the department a fee for every**
25 **ton of carbon dioxide injected into underground strata and**
26 **formations.**

27 **(b) An operator of a carbon sequestration pilot project shall pay**
28 **annually to the department a fee of eight cents (\$0.08) per ton of**
29 **carbon dioxide estimated to be injected into underground strata**
30 **and formations by:**

31 (1) the estimate provided under section 4(a)(5) of this chapter;
32 or
33 (2) another document provided to the department by the
34 operator.

35 **(c) An operator of a carbon sequestration pilot project shall**
36 **reconcile the previous calendar year's payment with the volume of**
37 **carbon dioxide actually injected into underground strata and**
38 **formations in the previous calendar year. The operator of the**
39 **carbon sequestration pilot project shall submit payment for the**
40 **amount of carbon dioxide injected into underground strata and**
41 **formations less the amount paid the previous calendar year.**

42 **(d) The department shall refund an operator of a carbon**



1 **sequestration pilot project any overpayment in the current year
2 from the previous calendar year.**

3 SECTION 5. IC 14-39-1-12, AS AMENDED BY P.L.213-2025,
4 SECTION 134, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2026]: Sec. 12. **(a)** The department shall
6 deposit fee revenue received under ~~section~~ **sections 4(a)(1) and 11.5**
7 of this chapter in the carbon sequestration project program
8 administrative fund established by IC 14-39-2-10.5.

9 **(b) Fee revenue collected under section 11.5 of this chapter:**

10 **(1) may only be used to monitor or manage carbon
11 sequestration pilot projects approved under this chapter; and
12 (2) may not be considered for purposes of calculating the total
13 amount of money in the carbon sequestration project
14 program administrative fund under IC 14-39-2-10.5.**

15 SECTION 6. IC 14-39-1-14, AS ADDED BY P.L.291-2019,
16 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2026]: Sec. 14. **(a)** Because the public interest would be
18 served by the state of Indiana succeeding to the rights of a person that
19 has conducted the underground storage of carbon dioxide, the state of
20 Indiana, upon the recommendation of the director of the department
21 and review by the state budget committee, may obtain ownership of:

22 **(1) the carbon dioxide stored in underground strata and
23 formations; and
24 (2) the underground strata and formations in which the carbon
25 dioxide is stored;**

26 from the operator of the carbon sequestration pilot project.

27 **(b) The state of Indiana may obtain ownership of the carbon dioxide
28 stored in underground strata and formations and the underground strata
29 and formations in which the carbon dioxide is stored under this section:**

30 **(1) after the operator, through the carbon sequestration pilot
31 project, has injected carbon dioxide into underground strata and
32 formations for at least twelve (12) years; or
33 (2) after the operator of the carbon sequestration pilot project
34 ceases to inject carbon dioxide into underground strata and
35 formations, if the injection ceases less than twelve (12) years after
36 it began.**

37 **(c) A transfer of ownership under this section does not relieve
38 the operator of the carbon sequestration pilot project from liability
39 for any negligence or willful misconduct related to the carbon
40 sequestration pilot project that occurred before the transfer.**

41 SECTION 7. IC 14-39-1-19 IS ADDED TO THE INDIANA CODE
42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY



1, 2026]: **Sec. 19. The department shall inspect the carbon sequestration pilot project at reasonable times and to the extent reasonably necessary to ensure the safety of the carbon sequestration pilot project.**

SECTION 8. IC 14-39-2-4, AS AMENDED BY P.L.213-2025, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) If at least two (2) pore space owners own pore space located within a proposed carbon dioxide storage area of a storage facility, the owners may agree to integrate their interests to develop the pore space as a proposed storage facility for the underground storage of carbon dioxide.

(b) If all of the owners of the pore space under subsection (a) do not agree to integrate their interests, the department may issue an order requiring the owners to integrate their interests and to develop the pore space as a proposed storage facility for the underground storage of carbon dioxide to serve the public interest, prevent waste, protect correlative rights, and facilitate the efficient and effective use of natural resources subject to the findings under subsection (c).

(c) Before issuing an order under subsection (b), the department must make the following findings:

(1) That a storage operator:

(A) filed a complete application for a UIC Class VI permit or a complete application for an amended UIC Class VI permit; and

(B) submitted all the necessary information to the United States Environmental Protection Agency for the agency to process the storage operator's permit application.

(2) That the storage operator has made a good faith effort to obtain the consent of all pore space owners located within the proposed storage facility.

(3) That the storage operator has obtained the consent of the owners of the pore space underlying at least seventy percent (70%) of the surface area above the proposed storage facility or amended proposed storage facility.

(3) That the storage operator has obtained both the consent required under STEP THREE (i) and the consent required under STEP THREE (ii) of the following formula:

STEP ONE: Determine the total amount of pore space located within the proposed storage facility or amended proposed storage facility.

STEP TWO: Determine the amount of pore space that is:

(i) located within the proposed storage facility or



amended proposed storage facility; and
(ii) owned by a resident of the county in which the proposed storage facility or amended proposed storage facility is located.

STEP THREE: The storage operator must obtain both of the following:

(i) Consent from county resident owners of at least seventy percent (70%) of the pore space determined under STEP TWO.

(ii) Consent from the owners of at least seventy percent (70%) of the total amount of pore space determined under STEP ONE.

(4) That all pore space owners who do not agree to integrate their interests to develop the pore space as a proposed storage facility for the underground storage of carbon dioxide are equitably compensated.

(d) A right to pore space granted by this section does not confer a right to enter upon, or otherwise use, the surface of the land which is integrated under this section unless provided in an order requiring the owners to integrate their interests and to develop the pore space as a proposed storage facility for the underground storage of carbon dioxide.

(e) An involuntary integration order issued by the department takes effect fifteen (15) days after the applicant is issued a UIC Class VI permit or an amended UIC Class VI permit, as applicable.

SECTION 9. IC 32-24-5-2, AS AMENDED BY P.L.291-2019, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) **As used in this section, "favored proceeding"** means a proceeding under this chapter to:

(1) acquire the right to explore and examine a subsurface stratum or formation in land; and

(2) create the right of ingress and egress for operations connected to the acquisition.

(a) (b) A person, firm, limited liability company, municipal corporation, or other corporation authorized to do business in Indiana and engaged in the business of transporting or distributing gas by means of pipelines into, within, or through Indiana for ultimate public use may condemn:

(1) land subsurface strata or formations;

(2) other necessary land rights;

(3) land improvements and fixtures, in or on land, except buildings of any nature; and



4 **(b) (c)** The operator of the carbon sequestration pilot project
5 established under IC 14-39-1 may exercise the power of eminent
6 domain to obtain:

7 (1) ownership of such underground strata and formations located
8 under the surface of the owner's property as may be necessary or
9 useful for underground storage of carbon dioxide in the strata or
10 formations; and

(2) ownership or other rights to one (1) or more areas of the surface of the owner's property, including but not limited to one (1) or more rights-of-way or easements, as may be necessary or useful for constructing, maintaining, using, operating, and gaining access to monitoring facilities required by the United States Environmental Protection Agency for the underground storage of carbon dioxide.

18 (e) (d) The following rights in land may be condemned for use in
19 connection with the underground storage of gas:

20 (1) To drill and operate wells in and on land.

21 (2) To install and operate pipelines.

24 (4) To create ingress and egress to explore and examine
25 subsurface strata or underground formations.

26 (5) To create ingress and egress to construct, alter, repair,
27 maintain, and operate an underground storage reservoir.

28 (6) To exclusively use any subsurface strata condemned.
29 (7) To remove and reinstall pipe and other equipment used in

connection with rights condemned under subdivisions (1) through (6).

32 (d) (e) Acquisition of subsurface rights in land for gas storage
33 purposes or for purposes of the carbon sequestration pilot project
34 established under IC 14-39-1 by condemnation under this section must
35 be without prejudice to any subsequent proceedings that may be
36 necessary under this section to acquire additional subsurface rights in
37 the same land for use in connection with the underground storage.
38 Surface rights in land necessary for the accomplishment of the
39 purposes set forth in this section may be condemned.

40 (e) (f) Except with respect to a proceeding under this chapter to:

41 (1) acquire the right to explore and examine a subsurface stratum
42 or formation in land; and



1 (2) create the right of ingress and egress for operations connected
 2 to the acquisition;

3 **favored proceeding** and subject to subsection (f), (h), as a condition
 4 precedent to the exercise of the right to condemn any underground
 5 stratum, formation, or interest reasonably expected to be used or useful
 6 for underground gas storage, or for purposes of the carbon
 7 sequestration pilot project established under IC 14-39-1, a condemnor
 8 first must have acquired by purchase, option, lease, or other a method
 9 not involving condemnation, the right, or right upon the exercise of an
 10 option, if any, to store gas in at least sixty **per cent percent** (60%) of
 11 the stratum or formation. This must be computed in relation to the total
 12 surface acreage overlying the entire stratum or formation considered
 13 useful for the purpose.

14 (g) Except with respect to a favored proceeding and subject to
 15 subsection (h), as a condition precedent to the exercise of the right
 16 to condemn any underground stratum, formation, or interest
 17 reasonably expected to be used for purposes of the carbon
 18 sequestration pilot project established under IC 14-39-1, a
 19 condemnor first must have obtained both the consent required
 20 under STEP THREE (A) and the consent required under STEP
 21 THREE (B) of the following formula:

22 STEP ONE: Determine the total size of the stratum or
 23 formation.

24 STEP TWO: Determine the percentage of stratum or
 25 formation that is owned by a resident of the county in which
 26 the stratum or formation is located.

27 STEP THREE: The condemnor must obtain both of the
 28 following by a method not involving condemnation:

29 (A) Consent from county resident owners of at least sixty
 30 percent (60%) of the stratum or formation determined
 31 under STEP TWO to store gas in the stratum or
 32 formation.

33 (B) Consent from the owners of at least sixty percent
 34 (60%) of the total stratum or formation determined under
 35 STEP ONE to store gas in the stratum or formation.

36 In making a calculation under this subsection, the percentage of
 37 stratum or formation acquired must be computed in relation to the
 38 total surface acreage overlying the entire stratum or formation
 39 considered useful for the purpose.

40 (f) (h) A tract under which the stratum or formation sought to be
 41 condemned is owned by two (2) or more persons, firms, limited
 42 liability companies, or corporations must be credited to the condemnor



1 as acquired by it for the purpose of computing the percentage of
2 acreage acquired by the condemnor in complying with the requirement
3 of subsection (e) **subsections (f) and (g)** if the condemnor acquires
4 from the owner or owners of an undivided three-fourths (3/4) part or
5 interest or more of the underground stratum or formation, by purchase,
6 option, lease, or other method not involving condemnation, the right,
7 or right upon the exercise of an option, if any, to store gas in the
8 stratum or formation. It is not necessary for the condemnor to have
9 acquired any interest in the property in which the condemnee has an
10 interest before instituting a proceeding under this chapter.

