

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.



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.**



(b) The director may make expenditures from the fund for emergency purposes under section 6 of this chapter without the prior approval of the budget agency or the governor. An expenditure under this subsection may not exceed fifty thousand dollars (\$50,000).

(c) The director may establish a program to reimburse an applicant for the reasonable expenses of remedial action incurred under IC 14-37-8-15. The director may make expenditures from the fund for this purpose and may establish any necessary guidelines and procedures to administer the program.

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



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

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

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

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

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

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

(c) The applicant shall:

- (1) upon receipt of a notice under subsection (b):
 - (A) place for public inspection a copy of the application in a public library located in each county in which the carbon dioxide transmission pipeline is proposed to be located; and
 - (B) publish notice, in the same manner that would be required if the applicant were subject to IC 5-3-1, in each county in which the carbon dioxide transmission pipeline is proposed to be located, of:
 - (i) the name and address of each library in which a copy of the application is placed under clause (A); and
 - (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



chapter shall:

(1) compensate the property owner by making a payment to the owner equal to:

(A) one hundred twenty-five percent (125%) of the fair market value of the interest in the property acquired, if the right-of-way or easement involves agricultural land; or

(B) one hundred fifty percent (150%) of the fair market value of the interest in the property acquired, if the right-of-way or easement involves a parcel of property occupied by the owner as a residence; and

(2) pay to the property owner:

(A) any damages determined under IC 32-24-1; and

(B) any loss incurred in a trade or business;

that are attributable to the exercise of eminent domain.

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

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

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

(1) the estimate provided under section 4(a)(5) of this chapter; or

(2) another document provided to the department by the operator.

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

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



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

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

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

(1) may only be used to monitor or manage carbon sequestration pilot projects approved under this chapter; and

(2) may not be considered for purposes of calculating the total amount of money in the carbon sequestration project program administrative fund under IC 14-39-2-10.5.

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

(1) the carbon dioxide stored in underground strata and formations; and

(2) the underground strata and formations in which the carbon dioxide is stored;

from the operator of the carbon sequestration pilot project.

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

(1) after the operator, through the carbon sequestration pilot project, has injected carbon dioxide into underground strata and formations for at least twelve (12) years; or

(2) after the operator of the carbon sequestration pilot project ceases to inject carbon dioxide into underground strata and formations, if the injection ceases less than twelve (12) years after it began.

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

SECTION 7. IC 14-39-1-19 IS ADDED TO THE INDIANA CODE 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



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

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

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

10 **(ii) Consent from the owners of at least seventy percent**
 11 **(70%) of the total amount of pore space determined**
 12 **under STEP ONE.**

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

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

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

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

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

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

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

39 (1) land subsurface strata or formations;

40 (2) other necessary land rights;

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



(4) the use and occupation of land subsurface strata or formations; for constructing, maintaining, drilling, utilizing, and operating an underground gas storage reservoir.

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

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

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

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

(2) To install and operate pipelines.

(3) To install and operate equipment, machinery, fixtures, and communication facilities.

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

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

(6) To exclusively use any subsurface strata condemned.

(7) To remove and reinstall pipe and other equipment used in connection with rights condemned under subdivisions (1) through (6).

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

~~(e)~~ (f) Except with respect to 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;

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

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

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

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

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

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

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

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

~~(f)~~ **(h)** A tract under which the stratum or formation sought to be condemned is owned by two (2) or more persons, firms, limited 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.

