

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEARS

TO: CSHB 50(RES), Draft Version "S"

1 Page 6, line 8, following "licensing":

2 Insert "and leasing"

3  
4 Page 6, line 9, following "exploration":

5 Insert "and the leasing of state land for carbon storage"

6  
7 Page 6, line 14, following "terms.":

8 Insert "If the lease holder sells carbon credits on the lease, the fee for an annual lease  
9 rental must be at least four percent of the lease holder's gross revenue from carbon credit sales  
10 on the lease plus four percent of the value of carbon oxide sequestration credits the lease  
11 holder is allowed for the lease under 26 U.S.C. 45Q (Internal Revenue Code). If the lease  
12 holder does not sell carbon credits on the lease, the fee for an annual lease rental must, for  
13 each ton of carbon injected, be at least equal to four percent of the average sale price of a  
14 California Carbon Allowance over the preceding 30 days on the New York Mercantile  
15 Exchange plus four percent of the value of carbon oxide sequestration credits the lease holder  
16 is expected to be allowed for the lease under 26 U.S.C. 45Q (Internal Revenue Code)."

17  
18 Page 6, line 30:

19 Delete "of at least \$20 an acre"

20 Insert "applicable to a carbon storage exploration license under regulations adopted  
21 under AS 38.05.700(c)"

22  
23 Page 7, lines 4 - 6:

1 Delete "provide for the posting of a bond or other security acceptable to the  
2 department and in favor of the state"

3 Insert "meet the requirements of regulations adopted under AS 38.05.700(c)"  
4

5 Page 7, lines 23 - 26:

6 Delete all material.