ALASKA STATE LEGISLATURE
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Official Business

CS for Senate Bill 48: Carbon Offsets
Summary of Changes from Resources Committee Version ("S" to "U")

Fund Status of Carbon Revenues

Removed the creation of a separate "carbon offset revenue fund." Carbon revenues are presumptively UGF but separately accounted for and may be used by the legislature to make appropriations to support the program.

Use of Procurement Code

The blanket procurement code waiver is now limited to only contracts between the state and the "registries." Other contracts related to carbon projects would be subject to the code.

Removed the requirement for legislative approval of certain contracts, and replaced with a limitation that contracts not pay the contractor more than a 30% commission.

Solicitation of Competitive Interest

When there is an application to lease state land for carbon management, DNR must issue public notice and solicit competing application on that same land.

Examining Monetary Proposals

For both leases and contracts, clarifies that the revenue potential to the state should be a criterion when evaluating competing proposals.

Ensuring Other Resources Not Impacted

A variety of clarifying amendments were made to ensure any carbon projects consider the potential impacts to mining, timber, and other resource development sectors. State land used for carbon management must remain open to mineral exploration.

Class 6 Well Primacy

Authorizes AOGCC to take enforcement responsibility for underground injection in Class VI wells. This is a provision from the carbon storage bill, but will take several years to implement. This ensures Alaska projects are able to make maximum use of federal carbon tax credits.

Other Technical Changes

Replaced certain terms such as "validate," "verify," and other current industry terms with more general language to account for potential changes in registry protocols as the industry matures.