

SENATE CS FOR CS FOR HOUSE BILL NO. 196(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 5/7/04

Referred: Rules

Sponsor(s): REPRESENTATIVES BERKOWITZ, Gara, Guttenberg, Kerttula, Hawker, Kott, Wilson, Lynn

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to carbon sequestration; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
4 to read:

5 LEGISLATIVE FINDINGS; INTENT. (a) The legislature finds that

6 (1) there is a growing interest in national and international forums for
7 implementing measures to slow and reverse the buildup of atmospheric gases such as carbon
8 dioxide; these measures may potentially include the establishment of systems of trading in
9 credits for adoption of practices, technologies, or other measures that decrease net emissions
10 of carbon dioxide;

11 (2) improved agricultural, forest, and soil management and conservation
12 practices and other methods of stewardship of soil and other land resources have great
13 potential to increase carbon sequestration on state and private lands and help offset carbon
14 dioxide emissions from other sectors of the economy; and

15 (3) it is in the interests of the state, private landowners, and the public in

1 general that the commissioner of natural resources investigate the potential for carbon
 2 sequestration associated with agricultural, forestry, and soil management systems and land
 3 uses occurring on state and private land in Alaska.

4 (b) It is the intent of the legislature that efforts to investigate the potential for carbon
 5 sequestration on state and private lands enhance the ability of the state to participate in any
 6 system of carbon sequestration marketing or trading.

7 * **Sec. 2.** AS 44.37 is amended by adding new sections to read:

8 **Sec. 44.37.200. Carbon sequestration studies and recommendations.** (a)

9 The commissioner of natural resources, in consultation with the commissioner of
 10 environmental conservation, shall conduct research, surveys, and appropriate studies
 11 relating to carbon sequestration.

12 (b) The commissioner of natural resources, in consultation with the
 13 commissioner of environmental conservation, shall

14 (1) prepare the reports required by this chapter and conduct the
 15 assessment described in AS 44.37.210;

16 (2) recommend policies or programs to enhance the ability of the state
 17 to participate in systems of carbon trading; the recommendations may include
 18 potential policies or programs designed to optimize economic benefits to private
 19 landowners participating in carbon transactions; the policies or programs may include
 20 identifying existing nonprofit organizations or other public or private entities or the
 21 potential of creating nonprofit organizations or other public or private entities capable
 22 of serving as assemblers of carbon credits or as intermediaries on behalf of producers
 23 in carbon-trading systems;

24 (3) encourage the production of educational and advisory materials
 25 regarding carbon sequestration on state and private land and participation in systems
 26 of carbon emissions trading;

27 (4) identify and recommend areas of research needed to better
 28 understand and quantify the process of carbon sequestration; and

29 (5) review the carbon sequestration programs and policies of other
 30 states.

31 **Sec. 44.37.210. Assessment by the commissioner.** (a) In consultation with

1 the commissioner of environmental conservation, the commissioner shall make efforts
 2 to assess state and private land in the state for past carbon sequestration and future
 3 carbon sequestration potential. The assessment shall seek to quantify carbon
 4 sequestration associated with agricultural, forest, soil, and land management systems
 5 in this state. From time to time, the commissioner may update the findings as
 6 advancements in understanding of the processes of carbon sequestration and new data
 7 become available.

8 (b) The assessment described in this section shall be conducted in a manner
 9 that provides a means for the state and owners of private land to estimate past and
 10 future net carbon sequestration resulting from agricultural and forestry practices,
 11 conservation measures, management systems, and land uses.

12 **Sec. 44.37.220. Definitions.** In AS 44.37.200 - 44.37.220,

13 (1) "carbon sequestration" means the long-term storage of carbon in
 14 forests, soils, the ocean, and other carbon sinks;

15 (2) "commissioner" means the commissioner of natural resources.

16 * **Sec. 3.** AS 44.37.200, 44.37.210, and 44.37.220 are repealed June 30, 2009.

17 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 18 read:

19 **REPORT TO THE LEGISLATURE.** Within one year after the effective date of this
 20 section, the commissioner of natural resources, in consultation with the commissioner of
 21 environmental conservation, shall prepare and submit a report to the legislature regarding
 22 carbon sequestration. The report may include a discussion of

23 (1) the potential for and potential forms of carbon dioxide emissions
 24 regulation;

25 (2) the potential for development of a system or systems of carbon emissions
 26 trading or markets for carbon sequestered on state and private land;

27 (3) agricultural, forest, and soil management systems or land uses that increase
 28 stored soil carbon;

29 (4) methods for measuring and modeling net carbon sequestration associated
 30 with various agricultural, forestry, and soil practices, management systems, or land uses
 31 occurring on state and private land;

1 (5) areas of scientific uncertainty with respect to quantifying and
2 understanding carbon sequestration associated with soil and forest management activities;

3 (6) recommendations developed under AS 44.37.200;

4 (7) the assessment as described in AS 44.37.210.

5 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **DIRECTION TO SEEK FUNDING SOURCES.** (a) The Department of Natural
8 Resources shall seek and apply for funding of the activities that would be authorized by secs.
9 2 and 4 of this Act by contacting the United States Department of Energy, The Pew Charitable
10 Trusts, and other appropriate federal and private sources.

11 (b) The Department of Natural Resources shall notify the revisor of statutes of the day
12 on which the department receives approval for funding under (a) of this section that is
13 sufficient to cover the costs of the activities that would be authorized by secs. 2 and 4 of this
14 Act.

15 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **CONDITIONAL EFFECT OF SECTIONS 2, 3, AND 4 OF THIS ACT.** Sections 2,
18 3, and 4 of this Act take effect only if the Department of Natural Resources receives the
19 approval for funding described in sec. 5(b) of this Act.

20 * **Sec. 7.** If, under sec. 6 of this Act, secs. 2, 3, and 4 of this Act take effect, they take effect
21 on the date that the Department of Natural Resources receives the approval for funding under
22 sec. 5(b) of this Act but not later than the date set out in sec. 3 of this Act on which
23 AS 44.37.200, 44.37.210, and 44.37.220 are repealed.

24 * **Sec. 8.** Sections 1, 5, and 6 of this Act take effect immediately under AS 01.10.070(c).