
DIGEST

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HB 353 Original

2025 Regular Session

Mack

Abstract: Establishes requirements for carbon dioxide sequestration regarding stranded minerals, emergency preparedness, financial security, liability, siting restrictions, and water quality and provides for liability and penalties for reporting violations.

Present law establishes the La. Geologic Sequestration of Carbon Dioxide Act, which provides for definitions, authority of the commissioner of conservation, and requirements for the injection of carbon dioxide and for carbon dioxide storage facilities.

Proposed law retains present law and adds definitions for "public water system" and "transmission pipeline".

Present law establishes duties of the commissioner, including required findings for the use of an underground reservoir for carbon dioxide storage.

Proposed law retains present law and adds a requirement that the commissioner also find that the proposed storage facility is either not located above a oil, gas, or other mineral reservoir, or that, if it is located above such a reservoir, that the affected mineral interest owners have consented to the storage facility or that all of the minerals in such reservoir have already been produced.

Present law requires storage facility owners and operators to report certain operational data quarterly and report certain conditions or events within 24 hours of their occurrence.

Proposed law retains present law and adds that a violation of these reporting requirements subjects the operator and owner to the following:

- (1) Civil penalties established under present law for violations of any carbon dioxide sequestration statutes.
- (2) Criminal penalties for any knowing or willful violation, which may include fines of up to \$25,000 per day of violation, the costs of prosecution, and up to one year of imprisonment. Restricts criminal prosecution if the person is under a compliance order or subject to a civil penalty action for the same violation.

Present law requires storage facilities to have an emergency and remedial response plan in place prior to injection and requires storage facility owners and operators to provide parish governing authorities with a copy of the plan.

Present law requires that the plan include continuing training for operating and maintenance personnel and one tabletop exercise for emergency response with each parish within the facility's area of review.

Proposed law retains present law and adds that transmission pipelines must also have emergency and remedial response plans that the pipeline operator must provide to parish governing authorities.

Proposed law also adds that the following be included as part of the facility and pipeline emergency and remedial response plans:

- (1) Continuing training for law enforcement and emergency response agencies, first responders, and parish offices of homeland security and emergency preparedness.
- (2) Community notification systems to warn people within an affected area, or at least within a two mile radius, of an imminent threat involving the storage facility or pipeline, which system must be tested semiannually.
- (3) Procedures for the use of the community notification system, the use of evacuation and shelter-in-place notifications, and continuing outreach and educational programming about the system and these notifications for the public and local government agencies.

Proposed law provides that the tabletop exercise required under present law be conducted once a year for the duration of injection operations, in addition to the one tabletop exercise prior to injection.

Proposed law also requires storage facility and transmission pipeline owners or operators to provide fire departments that may have to respond to facility- and pipeline-related emergencies with the equipment and supplies necessary for an effective response.

Proposed law requires storage facility's to obtain financial security or insurance to cover the costs of the following related to contamination of public water systems by carbon dioxide:

- (1) Remediation of the contamination.
- (2) Damages to system equipment and facilities caused by contamination or remediation.
- (3) Expenses incurred by the system due to contamination or remediation.

Proposed law specifies that the owners and operators of storage facilities and transmission pipelines are liable for damages stemming from a loss of containment or unauthorized release of carbon dioxide.

Present law prohibits the commissioner of conservation from permitting a Class VI injection wellhead within 500 feet of any school, health care facility, or inhabited dwelling not owned by the operator or an owner in interest that has agreed to a wellhead being located within 500 feet of the dwelling.

Proposed law modifies present law by making transmission pipelines also subject to the setback requirements and increases the setback from 500 feet to a ½ mile.

Proposed law also expands the establishments from which the wells and pipelines must be set back from to include other educational institutions, all healthcare facilities as defined under present law definition contained in R.S. 40:1802, and houses of worship.

Proposed law requires that notice of the construction of any Class VI well or transmission pipeline must be provided to all residences, businesses, and governmental entities within two miles of the construction. Proposed law further requires that this notice be provided at least 60 days prior to any required public hearing or comment period.

Present law requires that storage facility owners and operators conduct periodic testing and monitoring of ground water quality above the confining zone and report semiannually to the office of conservation regarding such testing and monitoring.

Proposed law repeals present law and requires the following of storage facility owners and operators instead:

- (1) Remediation plans for ground water contamination by carbon dioxide.
- (2) Continuous monitoring of all underground sources of drinking water and semiannual reporting to the department.
- (3) Routine sampling of public water systems by a third party when requested by the system.
- (4) Provision of potable water and water safe for other uses when monitoring indicates that a source of drinking water is unsafe and for as long as that source of drinking water remains unsafe.

Directs the La. State Law Institute to alphabetize and renumber the definitions contained in proposed law and to correct any cross-references that may need to be changed as a result of the renumbering.

(Amends R.S. 30:1104(C)(intro. para.), 1107.2, 1113, and 1114; Adds R.S. 30:1103(17) and (18), 1104(C)(4), 1107.1(D), 1107.3, and 1109(B)(3))