FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: CS/HB 1063 COMPANION BILL: SB 1148 (Rodriguez)

TITLE: Carbon Sequestration

SPONSOR(S): Cross

LINKED BILLS: None
RELATED BILLS: None

Committee References

Natural Resources & Disasters 15 Y, 2 N, As CS Agriculture & Natural Resources
Budget

State Affairs

SUMMARY

Effect of the Bill:

The bill creates the Carbon Sequestration Task Force (Task Force) adjunct to the Department of Environmental Protection (DEP) to provide recommendations for the development of a statewide carbon sequestration program. The bill outlines the composition of the Task Force and requires the Task Force to convene by September 1, 2025.

The bill lists various duties for the Task Force, which include identifying suitable environments for carbon sequestration, considering methods to increase carbon sequestration, identifying existing carbon markets, and identifying funding mechanisms to encourage carbon sequestration.

By October 1, 2026, the Task Force must submit a report to the DEP Secretary summarizing the Task Force's activities and findings. By October 1, 2027, the Task Force must submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report that compiles its findings.

The bill requires the Task Force to terminate on April 30, 2028.

Fiscal or Economic Impact:

None.

JUMP TO <u>SUMMARY</u> <u>ANALYSIS</u> <u>RELEVANT INFORMATION</u> <u>BILL HISTORY</u>

ANALYSIS

EFFECT OF THE BILL:

The bill creates the <u>Carbon Sequestration</u> Task Force (Task Force) as an <u>advisory body</u> adjunct to the Department of Environmental Protection (DEP) to provide recommendations for the development of a statewide carbon sequestration program. (Section <u>1</u>)

The bill defines "carbon sequestration" as the long-term storage of carbon in plants, soils, geologic formations, and the ocean through land and aquatic habitat management. (Section $\underline{1}$)

The bill requires the Task Force to be composed of the following members:

- The DEP Secretary, or his or her designee.
- The Commissioner of Agriculture, or his or her designee.
- The executive director of the Fish and Wildlife Conservation Commission, or his or her designee.
- The Chief Resilience Officer, or his or her designee.
- The State Geologist.
- A representative from the National Estuary Program, appointed by the DEP Secretary.
- A member of an environmental not-for-profit organization, appointed by the DEP Secretary.
- A landowner of working agricultural lands, appointed by the Commissioner of Agriculture.

STORAGE NAME: h1063a.NRD

DATE: 4/2/2025

1

- A representative from a state university with expertise in energy or sustainability, appointed by the DEP Secretary.
- A representative from the University of Florida Institute of Food and Agricultural Sciences, appointed by the Commissioner of Agriculture.
- A representative from the Florida Sea Grant Program, appointed by the Commissioner of Agriculture. (Section <u>1</u>)

The bill requires appointments to the Task Force to be made by August 1, 2025, and specifies that each appointed member serves at the pleasure of the appointing official. A vacancy on the Task Force must be filled in the same manner as the original appointment. In addition, the Task Force must elect a chair from among its members. (Section 1)

The bill requires the Task Force to convene no later than September 1, 2025, and meet quarterly or upon the call of the chair. The Task Force may hold its meetings in person or by electronic means. (Section 1)

The duties of the Task Force include all of the following:

- Identify and inventory terrestrial and aquatic environments suitable for carbon sequestration in the state.
- Consider possible methods of increasing carbon sequestration within the natural environment through state land and marine resource use policies; agricultural, aquacultural, and silvicultural practices; and other practices to achieve restoration of natural resources and long-term conservation.
- Develop a standardized methodology, including appropriate technology and existing research, to establish baseline carbon levels and account for increases in carbon sequestration over time.
- Evaluate additional ecosystem services and benefits of terrestrial and aquatic environments that may promote conservation and ecosystem restoration success, including water recharge, stormwater filtration, threatened or endangered wildlife habitat, nutrient reduction, flood mitigation and protection, coastal resilience, air quality, soil health, and food security.
- Recommend short-term and long-term benchmarks for increasing carbon sequestration in terrestrial and aquatic ecosystems.
- Identify existing <u>carbon markets</u> and other considerations relevant to participation by the state in such markets.
- Identify potential funding mechanisms to encourage carbon sequestration practices and activities in the state. (Section <u>1</u>)

By October 1, 2026, the Task Force must submit a report to the DEP Secretary summarizing the Task Force's activities and findings for its first year, including a nonrecurring budget request for the 2026-2027 Fiscal Year. (Section 1)

By October 1, 2027, the Task Force must submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report that compiles the findings and recommendations of the Task Force (Section 1)

The bill specifies that the bill does not authorize access to private property without the express written consent of the landowner. In addition, the bill specifies that participation in any carbon sequestration program or activity the task force recommends is strictly voluntary, landowners may not be penalized or denied access to other state programs for declining to participate, and any future regulatory framework or enforcement mechanism related to carbon sequestration must require explicit legislative approval. (Section 1)

The bill requires the Task Force to terminate on April 30, 2028. (Section 1)

The bill has an effective date of July 1, 2025. (Section $\underline{2}$)

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Carbon

 UMP TO
 SUMMARY
 ANALYSIS
 RELEVANT INFORMATION
 BILL HISTORY

Carbon is the foundation of all life and helps regulate the Earth's temperature. It is found in our atmosphere in the form of carbon dioxide. Carbon dioxide is produced both in nature and by human activities. Human-made sources include the burning of fossil fuels such as coal, natural gas, and oil for uses in power generation and transportation. Carbon dioxide is also released through land use changes, biologically through the oceans, the decomposition of organic matter, and forest fires. The build-up of carbon dioxide and other greenhouse gases in the atmosphere can trap heat and contribute to climate change.²

Capturing and sequestering carbon dioxide is one way to defer the effects of atmospheric warming. The scientific community views this practice as an essential part of solving climate change.³

Carbon Sequestration

Carbon sequestration is the process of capturing and storing atmospheric carbon dioxide that reduces the amount of carbon dioxide in the atmosphere.⁴ There are two types of carbon sequestration: geologic and biologic.

Geologic carbon sequestration is the process of storing carbon dioxide in underground geologic formations. The carbon dioxide is usually pressurized until it becomes a liquid, and then it is injected into porous rock formations in geologic basins.⁵ This method of carbon storage is sometimes a part of enhanced oil recovery, otherwise known as tertiary recovery, because it is used later in the life of a producing oil well. In enhanced oil recovery, the liquid carbon dioxide is injected into the oil-bearing formation to reduce the viscosity of the oil and allow it to flow more easily to the oil well.⁶

Biologic carbon sequestration refers to the storage of atmospheric carbon in the natural environment⁷ and is also known as an indirect or passive form of carbon sequestration. This type of carbon sequestration occurs in what are known as carbon sinks,⁸ such as forests, grasslands, soil, oceans, and other bodies of water. For example, by encouraging the growth of plants, particularly trees, advocates of biologic carbon sequestration hope to help reduce the amount of carbon dioxide in the atmosphere.⁹

Carbon Markets

Carbon markets may help achieve net-zero emissions. ¹⁰ Farmers, ranchers, and forest landowners can generate carbon credits by adopting practices to reduce emissions or sequester carbon on their land. Carbon markets may provide them with new income opportunities through carbon credit sales. Purchasing these carbon credits may also help companies achieve voluntary greenhouse gas reduction goals. The future of voluntary carbon markets will be influenced, in part, by the supply of credits, which has varied significantly over time. ¹¹

JUMP TO <u>SUMMARY</u> <u>ANALYSIS</u> <u>RELEVANT INFORMATION</u> <u>BILL HISTORY</u>

¹ University of California, Davis, *What is Carbon Sequestration and How Does it Work?*, https://clear.ucdavis.edu/explainers/what-carbon-sequestration (last visited Apr. 1, 2025).

² *Id.*

³ *Id.*

⁴ United States Geological Survey (USGS), *What is carbon sequestration?*, *available at* https://www.usgs.gov/faqs/what-carbon-sequestration (last visited Apr. 1, 2025).

⁵ United States Geological Survey, What's the difference between geologic and biologic carbon sequestration?, available at https://www.usgs.gov/faqs/whats-difference-between-geologic-and-biologic-carbon-sequestration (last visited Apr. 1, 2025). ⁶ Id.

⁷ *Id.*

⁸ National Geographic, *Carbon Sources and Sinks, available at <u>https://education.nationalgeographic.org/resource/carbon-sources-and-sinks</u> (last visited Apr. 1, 2025).*

⁹ United States Geological Survey, What's the difference between geologic and biologic carbon sequestration?, available at https://www.usgs.gov/faqs/whats-difference-between-geologic-and-biologic-carbon-sequestration (last visited Apr. 1, 2025).

¹⁰ United States Department of Agriculture (USDA), USDA Releases Assessment on Agriculture and Forestry in Carbon Markets (Oct. 23, 2023), available at https://www.usda.gov/media/press-releases/2023/10/23/usda-releases-assessment-agriculture-and-forestry-carbon-markets (last visited Apr. 1, 2025).

¹¹ USDA, Report to Congress: A General Assessment of the Role of Agriculture and Forestry in U.S. Carbon Markets, 2 (October 2023), available at https://www.usda.gov/sites/default/files/documents/USDA-General-Assessment-of-the-Role-of-Agriculture-and-Forestry-in-US-Carbon-Markets.pdf (last visited Apr. 1, 2025).

Sequestering Carbon and Protecting Florida Land Program

In 2021, the Sequestering Carbon and Protecting Florida Land Program was established to invest in carbon sequestration by offering qualified applicants incentive payments for conducting certain approved forest management practices that create new forest stands, thereby increasing the state's forest acreage and the amount of offset carbon dioxide emissions. 12 The program seeks to increase carbon dioxide storage by an estimated 69,000 tons of carbon dioxide over the current anticipated five-year life of the program, which is the equivalent of removing approximately 3,000 passenger vehicles from the road every year. The program also seeks to maximize climate change mitigation and carbon sequestration while providing intangible social, cultural, civic, and workforce benefits.13

The program is administered by the Florida Forest Service within the Department of Agriculture and Consumer Services. Applicants are limited to non-industrial private landowners, county or local governments, or legally organized and registered nonprofit organizations, entities, or institutions owning their own lands. Landowners with a minimum of 20 acres (up to a maximum of 500 acres) may apply. 14

Advisory Bodies

A task force is an advisory body created for one year or less without specific statutory enactment or created for three years or less by specific statutory enactment and appointed to study a specific problem and recommend a solution or policy alternative with respect to that problem.¹⁵ A task force terminates upon the completion of its assignment.16

Advisory bodies and other collegial bodies created as an adjunct to an executive agency must be established, evaluated, or maintained in accordance with the following provisions:

- They may be created only when it is found to be necessary and beneficial to the furtherance of a public purpose.
- They must be terminated by the Legislature when they are no longer necessary and beneficial to further a public purpose. The executive agency to which the advisory body is made an adjunct must advise the Legislature at the time the advisory body is no longer essential to further a public purpose.
- The Legislature and the public must be kept informed of the numbers, purposes, memberships, activities, and expenses of advisory bodies.17

An advisory body may not be created or reestablished unless:

- It meets a statutorily defined purpose:
- Its powers and responsibilities conform with the statutory definitions for governmental units; 18
- Its members, unless expressly provided otherwise in the State Constitution, are appointed for four-year staggered terms; and
- Its members, unless expressly provided otherwise by specific statutory enactment, serve without additional compensation or honorarium, and are authorized to receive only per diem and reimbursement for travel expenses.19

JUMP TO **SUMMARY RELEVANT INFORMATION BILL HISTORY ANALYSIS**

¹² Florida Department of Agriculture and Consumer Services (DACS), Sequestering Carbon and Protecting Florida Land Program, https://grants.fdacs.gov/viewgrant/?id=4a8ed930-529b-ed11-aacf-001dd8098526(last visited Apr. 1, 2025). ¹³ *Id.*

¹⁴ DACS, Florida Sequestering Carbon and Protecting Florida Land Program: Spring Site Preparation 2023, 5 (2023), available at https://grants.fdacs.gov/entity/sharepointdocumentlocation/4c8ed930-529b-ed11-aacf-001dd8098526/d3aacca8-314aed11-bba0-001dd804db73?file=Spring%202023%20Site%20Prep%20Program%20Final.pdf (last visited Apr. 1, 2025).

¹⁵ Section 20.03(5), F.S.

¹⁶ *Id.*

¹⁷ Section 20.052, F.S.

¹⁸ See Section 20.03, F.S., for definitions of governmental units.

¹⁹ Section 20.052(4), F.S.

The private citizen members of an advisory body that is adjunct to an executive agency must be appointed by the Governor, the head of the department, ²⁰ the executive director of the department, or a Cabinet officer. ²¹

Unless an exemption is otherwise specifically provided by law, all meetings of an advisory body must be public.²² Minutes, including a record of all votes cast, must be maintained for all meetings.²³

A law creating or authorizing the creation of an advisory body must provide for the repeal of the advisory body on October 2nd of the third year after enactment unless the law is reviewed and saved from repeal through reenactment by the Legislature.²⁴

BILL HISTORY				
COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Natural Resources & Disasters Subcommittee	15 Y, 2 N, As CS	4/1/2025	Moore	Weiss
THE CHANGES ADOPTED BY THE COMMITTEE:	 Removed the one-time appropriation for \$350,000. Specified that the bill does not authorize access to private property without consent, participation in carbon sequestration activities is voluntary, landowners may not be penalized for not participating, and legislative approval is required for future regulatory or enforcement mechanisms. 			
Agriculture & Natural Resources Budget Subcommittee				
State Affairs Committee				

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

JUMP TO **SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY**

²⁰ "Department" means the principal administrative unit within the executive branch of state government. Section 20.03(8), F.S.

²¹ Section 20.052(5)(a), F.S.

²² Section <u>20.052(5)(c), F.S.</u>

²³ *Id.*

²⁴ Section <u>20.052(8)</u>, F.S.