

The House Committee on Natural Resources & Environment offers the following substitute to SB 356:

A BILL TO BE ENTITLED
AN ACT

1 To provide for a registry of offsetting reductions in greenhouse gases obtained by carbon
2 sequestration; to amend Chapter 6 of Title 12 of the Official Code of Georgia Annotated,
3 relating to forest resources and other plant life, so as to enact the "Georgia Carbon
4 Sequestration Registry Act"; to provide a short title; to define certain terms; to establish the
5 Georgia Carbon Sequestration Registry; to provide for purposes of the registry; to provide
6 for functions; to provide for procedures and protocols; to provide for construction; to provide
7 for voluntary participation; to provide for reporting procedures; to provide for standardized
8 forms and software; to provide for third-party verification of accuracy of results; to provide
9 for reports to the General Assembly and Governor; to amend Article 2 of Chapter 6 of Title
10 15 of the Official Code of Georgia Annotated, relating to clerks of superior courts, so as to
11 change certain provisions relating to duties of clerks generally, use of a computerized
12 record-keeping system, and printed copies of grantee and grantor indices; to change certain
13 provisions relating to the Georgia Superior Court Clerks' Cooperative Authority; to provide
14 for an information system for purposes of the carbon sequestration registry; to provide for
15 related matters; to provide contingent effective dates; to repeal conflicting laws; and for
16 other purposes.

17 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

18 **SECTION 1.**

19 Chapter 6 of Title 12 of the Official Code of Georgia Annotated, relating to forest resources
20 and other plant life, is amended by inserting a new article to read as follows:

21 **"ARTICLE 5**

22 12-6-220.

23 This article shall be known and may be cited as the 'Georgia Carbon Sequestration Registry
24 Act.'

S. B. 356 (SUB)

1 12-6-221.

2 As used in this article, the term:

3 (1) 'Carbon sequestration results' means the participant's applicable data on the removal
4 of carbon dioxide from the atmosphere by sinks resulting from:

5 (A) Direct human-induced land use change or forestry activities in this state;

6 (B) Additional human-induced activities in this state related to removal by sinks in
7 land use change and forestry categories;

8 (C) Additional human-induced activities in this state related to removal by sinks in
9 agricultural soils;

10 (D) Additional human-induced activities in this state related to removals by sinks in
11 products in use from harvested timber or agricultural crops; and

12 (E) Other human-induced activities in this state related to removals by sinks.

13 (2) 'Certification' means the determination of whether a given participant's carbon
14 sequestration result has met a minimum quality standard and complied with an
15 appropriate set of approved procedures and protocols for submitting carbon sequestration
16 information.

17 (3) 'Commission' means the State Forestry Commission.

18 (4) 'Director' means the director of the State Forestry Commission.

19 (5) 'Forest' means lands that support, or can support, at least 10 percent tree canopy cover
20 and that allow for management of one or more forest resources including but not limited
21 to timber, fish and wildlife, biodiversity, water quality, air quality, soil conservation,
22 recreation, aesthetics, or other benefits.

23 (6) 'Greenhouse gases' means carbon dioxide, methane, nitrous oxide,
24 hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

25 (7) 'Native forest' means a forest type, natural or artificially regenerated, composed of
26 any one or more tree species identified as native to this state in G. Norman Bishop, *Native*
27 *Trees of Georgia* (Georgia Forestry Commission 2000 revised edition), including without
28 limitation improved stock of such tree species developed through breeding programs.

29 (8) 'Participant' or 'registry participant' means a registrant of carbon sequestration results
30 with the registry.

31 (9) 'Registry' means the Georgia Carbon Sequestration Registry provided for by this
32 article.

33 (10) 'Sink' means an ecosystem or crop or product thereof that absorbs or has absorbed
34 carbon, thereby removing it from the atmosphere and offsetting emissions of carbon
35 dioxide.

1 12-6-222.

2 (a)(1) The commission shall establish a Georgia Carbon Sequestration Registry, which
3 shall be in operation not later than one year after the effective date of this article.

4 (2) The commission may contract with the Georgia Superior Court Clerks' Cooperative
5 Authority to develop and implement a state-wide uniform automated electronic
6 information system for purposes of the registry.

7 (b) After its establishment, the state-wide uniform automated electronic information
8 system for purposes of the registry shall be maintained by the Georgia Superior Court
9 Clerks' Cooperative Authority or its designated agent in accordance with Code Section
10 15-6-97.2.

11 12-6-223.

12 The purpose of the Georgia Carbon Sequestration Registry shall be to do all of the
13 following:

14 (1) Encourage voluntary actions to reduce greenhouse gas emissions;

15 (2) Enable participants to voluntarily record carbon sequestrations made after January
16 1, 1990, or such other beginning date as may be established by rule or regulation of the
17 commission, in a consistent format that is certified;

18 (3) Ensure that sources in the state receive appropriate consideration for certified carbon
19 sequestration results under any future federal or international regulatory regime relating
20 to greenhouse gas emissions;

21 (4) Recognize, publicize, and promote participants in the registry; and

22 (5) Recruit broad participation in the process from all economic sectors and regions of
23 the state.

24 12-6-224.

25 For purposes of the registry, the commission shall:

26 (1)(A) Adopt rules or regulations specifying acceptable types of carbon sequestration
27 results consistent with paragraph (1) of Code Section 12-6-221 and this paragraph and
28 providing procedures and protocols for the monitoring, estimating, calculating,
29 reporting, and certification of carbon sequestration results for purposes of participation
30 in the registry.

31 (B) Procedures and protocols relative to forestry activities that are reported as a
32 participant's carbon sequestration results under subparagraph (A) of paragraph (1) of
33 Code Section 12-6-221 shall require, at a minimum, that those forestry activities meet
34 the following criteria in order to be reported as any part of a participant's carbon
35 sequestration results:

1 (i) Forestry activities shall be based on forest management practices within a defined
 2 project area that meet or exceed *Georgia's Best Management Practices for Forestry*
 3 as published by the commission and that are not the subject of any ongoing
 4 remediation or penalty pursuant to judicial or administrative judgment or order for
 5 violation of any applicable requirements of federal, state, or local land use laws,
 6 regulations, or ordinances. Best management practices and federal, state, or local land
 7 use laws, regulations, or ordinances shall be those in effect each time a participant
 8 registers a defined project area in the registry;

9 (ii) Forestry activities reported as carbon sequestration results shall reflect the amount
 10 of time that net carbon gains are stored; and

11 (iii) Forestry activities shall maintain and promote native forests.

12 (C) Procedures and protocols relative to sinks in agricultural soils that are reported as
 13 a participant's carbon sequestration results under subparagraph (C) of paragraph (1) of
 14 Code Section 12-6-221 shall be adopted by the commission in accordance with the
 15 recommendation of the Commissioner of Agriculture.

16 (D) The commission shall consider the availability and suitability of simplified
 17 techniques and tools when adopting procedures and protocols for the certification of
 18 carbon sequestration results.

19 (E) The procedures and protocols adopted by the commission shall include a uniform
 20 format for reporting carbon sequestration results to facilitate their recognition in any
 21 future regulatory regime;

22 (2) Qualify third-party organizations that have the capability to certify reported baseline
 23 carbon sequestration results and that are capable of certifying the participant-reported
 24 results as provided in this article; and

25 (3) Encourage organizations and individuals from various sectors of the state's economy,
 26 and those from various geographic regions of the state, to report carbon sequestration
 27 results.

28 12-6-225.

29 The procedures and protocols for monitoring, estimating, calculating, reporting, and
 30 certifying carbon sequestration results established by, or approved pursuant to, this article
 31 shall be the only procedures and protocols recognized by the state for the purposes of the
 32 registry as described in Code Section 12-6-223.

1 12-6-226.

2 Procedures and protocols adopted pursuant to subparagraph (B) of paragraph (1) of Code
3 Section 12-6-224 shall not be interpreted or construed as a condition for any lease, permit,
4 license, certificate, or other entitlement for an ongoing use of forest land.

5 12-6-227.

6 Participation in the registry shall be voluntary, and participants may withdraw at any time.

7 12-6-228.

8 (a) Participants shall initially report their certified carbon sequestration results for the most
9 recent year for which they have complete data as specified in this article. Participants that
10 have complete data for earlier years that can be certified may establish their baseline as any
11 year beginning on or after January 1, 1990, or such other beginning date as may be
12 established by rule or regulation of the commission. After establishing baseline results,
13 participants shall report their certified carbon sequestration results in each subsequent year
14 in order to show changes with respect to their baseline year. Participants may report
15 carbon sequestration results without establishing a baseline for such results or for
16 emissions. Certified carbon sequestration results reported to the registry by a participant
17 shall be credited in carbon mass units to an account established for the participant in the
18 registry.

19 (b)(1) Registry credits for certified carbon sequestration results may be sold, purchased,
20 or otherwise transferred in whole or in part without any regard to or effect on or being
21 affected by ownership of other personal property or any real property, and such credits
22 may be retained in whole or in part without any regard to or effect on or being affected
23 by any sale, purchase, or other transfer of other personal property or any real property.

24 (2) In addition to annual reports submitted pursuant to subsection (a) of this Code
25 section, participants shall report to the registry any sales, purchases, or other transfers of
26 registry credits for certified carbon sequestration results, in whole or in part, within ten
27 days after the completion of such transaction, and participants' registry accounts shall be
28 updated to reflect such transfers.

29 (c) The basic unit of participation in the registry shall be a natural person or a legal entity
30 in its entirety such as a corporation or other legally constituted body, a city or county, or
31 a state government agency.

32 (d) Reports to the registry by participants may be filed in the office of the clerk of the
33 superior court in any county of this state.

1 12-6-229.

2 To support the estimation, calculation, reporting, and certification of carbon sequestration
3 results in a consistent format, the commission, in consultation with the Georgia Superior
4 Court Clerks' Cooperative Authority, shall adopt standardized forms that all participants
5 shall use to calculate, report, and certify emissions results.

6 12-6-230.

7 (a) Participants registering baseline carbon sequestration results in the registry shall
8 provide certification of their methodologies and results. The commission may, upon
9 recommendation of the director, following a public process, adopt simplified procedures
10 to certify carbon sequestration results as appropriate. Participants shall follow
11 commission-approved procedures and protocols in determining carbon sequestration results
12 and supply the quantity and quality of information necessary to allow an independent ex
13 post certification of the baseline results reported under this program.

14 (b) The commission shall provide a list of approved third-party organizations recognized
15 as competent to certify carbon sequestration results as provided in this article. The
16 commission shall reopen the qualification process periodically in order for new
17 organizations to be added to the approved list.

18 (c) Where required for certification, organizations approved pursuant to subsection (b) of
19 this Code section shall do all of the following:

20 (1) Evaluate whether the participant has a program, consistent with
21 commission-approved procedures and protocols, in place for preparation and submittal
22 of the information reported under this article;

23 (2) Check, during certification, the reasonableness of the carbon sequestration
24 information being reported for a random sample of estimates or calculations; and

25 (3) Summarize its review in a report to the board of directors, or equivalent governing
26 body, of the participating legal entity or to the participating natural person, attesting to
27 the existence of a program that is consistent with commission-approved procedures and
28 protocols and the reasonableness of the reported carbon sequestration results and noting
29 any exceptions, omissions, limitations, or other qualifications to their representations.

30 (d) In conducting certification for a participant under this program, the approved
31 organization shall schedule any meeting or meetings with the participant with a minimum
32 of one week's notice at one or more representative locations and allow the participant to
33 control property access. The meetings shall be conducted in accordance with a protocol that
34 is agreed upon in advance by the participant and the approved organization. The approved
35 organization shall not perform property inspection, direct measurement, monitoring, or
36 testing unless authorized by the participant.

1 (e) To ensure the integrity and constant improvement of the registry program, the
2 commission shall perform on a random basis an occasional review and evaluation of
3 participants' carbon sequestration reporting, certifications, and the reasonableness of the
4 information being reported for analysis of estimates or calculations. The director shall
5 report any findings in writing. The director shall include a summary of these findings in
6 the biennial report to the Governor and the General Assembly required by Code Section
7 12-6-231.

8 12-6-231.

9 Not later than two years after the effective date of this article and biennially thereafter, the
10 director shall report to the Governor and the General Assembly on the number of
11 participants in the registry, the amounts of carbon sequestered by those participants, and
12 ways to make the registry more workable for participants that are consistent with the goals
13 and intent of this article.

14 12-6-232.

15 The commission shall do all of the following:

16 (1) Develop a process for qualifying third-party organizations recognized by the state as
17 competent to certify the carbon sequestration results of the types of natural persons or
18 legal entities that may choose to participate in this registry, by doing all of the following:

19 (A) Developing a list of the minimum technical and organizational capabilities and
20 other qualification standards that approved third-party organizations shall meet. Those
21 qualifications shall include the ability to sign an opinion letter, for which they may be
22 held financially at risk, and certifying the participant-reported carbon sequestration
23 results as provided in this article. Such capabilities and standards for third-party
24 organizations related to certification of carbon sequestration results achieved by sinks
25 in agricultural soils under subparagraph (C) of paragraph (1) of Code Section 12-6-221
26 shall be adopted by the commission in accordance with the recommendation of the
27 Commissioner of Agriculture;

28 (B) Publicizing an applications process or otherwise encouraging interested
29 organizations to submit their qualifications for review;

30 (C) Evaluating applicant organizations according to the list of qualifications described
31 in subparagraph (A) of this paragraph;

32 (D) Determining specific third-party organizations as qualified to certify participants'
33 actual carbon sequestration results in accordance with this article; and

34 (E) Periodically updating the list of approved third-party organizations by doing any
35 of the following:

- 1 (i) Reviewing the capabilities of approved organizations;
- 2 (ii) Reviewing applications of organizations seeking to become approved; and
- 3 (iii) Determining specific organizations to be added to the approved list and specific
- 4 organizations no longer qualified to perform the duties of this article;
- 5 (2) Occasionally, and on a random basis, provide for commission employees to
- 6 accompany third-party organizations on scheduled visits to observe and evaluate, during
- 7 any certification visit, both the following:
- 8 (A) Whether the participant has a program, consistent with commission-approved
- 9 procedures and protocols, in place for the preparation and submittal of the information
- 10 required under this article; and
- 11 (B) The reasonableness of the carbon sequestration information being reported for a
- 12 sample of estimates or calculations; and
- 13 (3) Review future international or federal programs related to greenhouse gas emissions
- 14 and make reasonable efforts to promote consistency between the state program and these
- 15 programs and to reduce the reporting burden on participants."

16 SECTION 2.

17 Article 2 of Chapter 6 of Title 15 of the Official Code of Georgia Annotated, relating to

18 clerks of superior courts, is amended in subsection (a) of Code Section 15-6-61, relating to

19 duties of clerks generally, used of a computerized record-keeping system, and printed copies

20 of grantee and grantor indices, by inserting a new paragraph to read as follows:

21 "(15.1) To participate in any network established by the Georgia Superior Court Clerks´

22 Cooperative Authority relating to the transmission and retrieval of electronic information

23 concerning carbon sequestration results and related transactions for any such information

24 systems established by such authority for purposes of the carbon sequestration registry

25 established pursuant to Article 5 of Chapter 6 of Title 12, so as to provide for public

26 access to carbon sequestration registry information. Each clerk of the superior court shall

27 provide to the authority or its designated agent in accordance with the rules and

28 regulations of the authority such information evidencing carbon sequestration results and

29 related transactions and access to such information which is of record in the office of

30 clerk of the superior court and which is necessary for purposes of the carbon

31 sequestration registry. Each clerk of the superior court shall provide and transmit carbon

32 sequestration results and related transaction information filed in the office of the clerk of

33 superior court to the authority for testing and operation of the electronic information

34 system for the carbon sequestration registry at such times and in such form as prescribed

35 by the authority. Each clerk shall charge and collect such fees as may be established by

36 the Georgia Superior Courts Clerks´ Cooperative Authority, which shall be paid into the

1 county treasury less and except any sums as are otherwise directed to be paid to the
 2 authority, all in accordance with rules and regulations adopted by the authority pursuant
 3 to Code Section 15-6-97.2;"

4 **SECTION 3.**

5 Said article is further amended by striking paragraph (3) of subsection (a) of Code Section
 6 15-6-94, relating to the Georgia Superior Court Clerks' Cooperative Authority, and inserting
 7 in lieu thereof the following:

8 "(3) The purpose of the authority shall be to provide a cooperative for the development,
 9 acquisition, and distribution of record management systems, information, services,
 10 supplies, and materials for superior court clerks of the state, on such terms and conditions
 11 as may be determined to be in the best interest of the operation of the office of the clerk
 12 of superior court, local government, and the state, in light of the following factors:

13 (A) The public interest in providing cost-efficient access to record management
 14 systems, information, services, supplies, and materials, and a pool which will provide
 15 related resources and uniformity;

16 (B) Cost savings to local government and the state, through efficiency in the provision
 17 of record management systems, information, services, supplies, and materials;

18 (C) Fair and adequate compensation to local governments for costs incurred in the
 19 operation of the offices of clerks of superior court; and

20 (D) Such other factors as are in the public interest and welfare.

21 The authority shall be the sole owner of its compiled and developed information
 22 developed through any function performed or any program or system administered on
 23 behalf of the authority. For the purposes of this subsection the authority shall not be
 24 considered the sole owner of information developed pursuant to Code Section 15-6-97.1
 25 or Code Section 15-6-97.2 and Article 5 of Chapter 6 of Title 12."

26 **SECTION 4.**

27 Said article is further amended by inserting a new Code section to read as follows:

28 "15-6-97.2.

29 (a) The Georgia Superior Court Clerks' Cooperative Authority or its designated agent shall
 30 maintain a state-wide uniform automated electronic information system for purposes of the
 31 carbon sequestration registry established under Article 5 of Chapter 6 of Title 12. In
 32 furtherance of such purpose, the authority shall have the ability to contract with the clerks
 33 of superior courts and any other parties that the authority deems necessary. Standardized
 34 forms used for registry reporting purposes shall be established by the State Forestry
 35 Commission in accordance with Code Section 12-6-229.

1 (b) For purposes of this Code section, the Georgia Superior Court Clerks' Cooperative
2 Authority shall have the following powers and duties in addition to those otherwise
3 provided by law:

4 (1) To establish such registration and transaction fees to be charged and collected by the
5 clerks of superior courts and the portion thereof that shall be remitted to the authority, in
6 such amounts as are reasonable and necessary to offset the costs of administering and
7 maintaining the electronic information system for the registry, and to provide for the
8 collection of moneys;

9 (2) To manage, control, and direct such funds as are remitted to the authority and the
10 expenditures made therefrom;

11 (3) To distribute the moneys at the discretion of the authority in such manner and subject
12 to such terms and limitations as the Georgia Superior Court Clerks' Cooperative
13 Authority in its discretion shall determine will best further the public purpose of the
14 registry;

15 (4) To adopt rules and regulations; and

16 (5) To exercise all other powers necessary for maintenance of the electronic information
17 system for the registry."

18 **SECTION 5.**

19 This Act shall become effective only upon the effective date of a specific appropriation of
20 funds for purposes of this Act as expressed in a line item of an appropriations Act enacted
21 by the General Assembly.

22 **SECTION 6.**

23 All laws and parts of laws in conflict with this Act are repealed.