

SENATE BILL NO. 396

June 10, 2025, Introduced by Senator MCCANN and referred to Committee on Energy and Environment.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 502 and 1301 (MCL 324.502 and 324.1301),
section 502 as amended by 2004 PA 587 and section 1301 as amended
by 2018 PA 451, by adding section 52509, and by adding subchapter 6
to chapter 3 of article III.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 502. (1) The ~~commission~~**department** may promulgate rules,
2 not inconsistent with law, governing its organization and

1 procedure.

2 (2) The department may do 1 or more of the following:

3 (a) Promulgate and enforce reasonable rules concerning the use
4 and occupancy of lands and property under its control in accordance
5 with section 504.

6 (b) Provide and develop facilities for outdoor recreation.

7 (c) Conduct investigations it considers necessary for the
8 proper administration of this part.

9 (d) Remove and dispose of forest products as required for the
10 protection, reforestation, and proper development and conservation
11 of the lands and property under the control of the department.

12 (e) Require the payment of a fee as provided by law for a
13 daily permit or other authorization that allows the person to hunt
14 and take waterfowl on a public hunting area managed and developed
15 for waterfowl.

16 **(f) Create a program to incentivize innovation for the use and**
17 **reutilization of captured carbon dioxide substances.**

18 (3) Except as provided in subsection (4), the department may
19 enter into contracts for the taking of coal, oil, gas, and other
20 mineral products from state owned lands, upon a royalty basis or
21 upon another basis, and upon the terms the department considers
22 just and equitable subject to section 502a. ~~This contract power~~
23 ~~includes authorization to~~ **The department may** enter into contracts
24 for the **capture, disposal, or** storage of gas, **carbon dioxide**
25 **substances**, or ~~other~~ mineral products in or upon state owned lands,
26 if the consent of the state agency having jurisdiction and control
27 of the state owned land is first obtained. A contract permitted
28 under this section for the taking of coal, oil, gas, or metallic
29 mineral products, or for the **capture, disposal, or** storage of gas,

1 **carbon dioxide substances**, or ~~other~~ mineral products, is not valid
2 unless the contract is approved by the state administrative board.
3 ~~Money received from a contract for the storage of gas or other~~
4 ~~mineral products in or upon state lands shall be transmitted to the~~
5 ~~state treasurer for deposit in the general fund of the state to be~~
6 ~~used for the purpose of defraying the expenses incurred in the~~
7 ~~administration of this act and other purposes provided by law.~~
8 ~~Other money~~ **Money** received from a contract ~~permitted~~ under this
9 subsection **for the taking of coal, oil, gas, or metallic mineral**
10 **products**, except money received from lands acquired with money from
11 the former game and fish protection fund or the game and fish
12 protection account of the Michigan conservation and recreation
13 legacy fund provided for in section 2010, shall be transmitted to
14 the state treasurer for deposit in the Michigan natural resources
15 trust fund created in section 35 of article IX of the state
16 constitution of 1963 and provided for in part 19. ~~However, the~~
17 ~~money~~ **Money** received from the payment of service charges by a
18 person using areas managed for waterfowl shall be credited to the
19 game and fish protection account of the Michigan conservation and
20 recreation legacy fund provided for in section 2010 and used only
21 for the purposes provided by law. Money received from bonuses,
22 rentals, delayed rentals, royalties, and the direct sale of
23 resources, including forest resources, from lands acquired with
24 money from the former game and fish protection fund or the game and
25 fish protection account of the Michigan conservation and recreation
26 legacy fund provided for in section 2010 shall be credited to the
27 Michigan game and fish protection trust fund established in section
28 41 of article IX of the state constitution of 1963 and provided for
29 in part 437, except as otherwise provided by law.

1 (4) The department shall not enter into a contract that allows
2 drilling operations beneath the lake bottomlands of the Great
3 Lakes, the connected bays or harbors of the Great Lakes, or the
4 connecting waterways as defined in section 32301, for the
5 exploration or production of oil or gas.

6 (5) This section does not permit a contract for the taking of
7 gravel, sand, coal, oil, gas, or other metallic mineral products
8 that does not comply with applicable local ordinances and state
9 law.

10 (6) Unless otherwise provided by law, money received from
11 bonuses, rentals, delayed rentals, and royalties collected or
12 reserved under provisions of leases for the capture, disposal, or
13 storage of gas, carbon dioxide substances, or mineral products in
14 or upon state lands shall be credited as follows:

15 (a) For lands other than tax reverted lands, to the fund from
16 which the land was purchased.

17 (b) For tax reverted lands, as follows:

18 (i) 50% to the Michigan game and fish protection trust fund
19 created in article IX, section 41 of the state constitution of 1963
20 and provided for in part 437.

21 (ii) 50% to the forest development trust account created in
22 section 52509.

23 (7) The department may sell carbon offset credits that it owns
24 from public land under its management, if all the following
25 criteria are met:

26 (a) The carbon offset credits are third-party verified.

27 (b) The sale of carbon offset credits allows for continued
28 land management as outlined by the department's land management
29 plans or strategies.

1 (8) This section does not create a preemptive right for the
2 department or this state to own any carbon offset credits related
3 to public land if a third party has legal rights to the credits.
4 Notwithstanding any law to the contrary, carbon offset credits or
5 tax credits that result from the sequestration of carbon dioxide on
6 public lands during the effective period of permitted sequestration
7 and until issuance of a certificate of project completion are the
8 property of a carbon sequestration project operator. Nothing in
9 this subsection prohibits a carbon sequestration project operator
10 from contracting for the sale, transfer, or other lawful
11 disposition of the credits.

12 (9) As used in this section, "carbon dioxide substance" means
13 a gaseous or liquid substance, consisting primarily of carbon
14 dioxide, that will be disposed of or put in storage, or that has
15 been or will be used to produce hydrocarbons in a secondary or
16 enhanced recovery operation.

17 Sec. 1301. As used in this part:

18 (a) "Application period" means the period beginning when an
19 application for a permit is received by the state and ending when
20 the application is considered to be administratively complete under
21 section 1305 and any applicable fee has been paid.

22 (b) "Department" means the department, agency, or officer
23 authorized by this act to approve or deny an application for a
24 particular permit. As used in sections 1315 to 1317, "department"
25 means the department of ~~environmental quality~~**environment, Great**
26 **Lakes, and energy**.

27 (c) "Director" means the director of the state department
28 authorized under this act to approve or deny an application for a
29 particular permit or the director's designee. As used in sections

1 1313 to 1317, "director" means the director of the department of
 2 ~~environmental quality.~~**environment, Great Lakes, and energy.**

3 ~~(d) "Environmental permit review commission" or "commission"~~
 4 ~~means the environmental permit review commission established under~~
 5 ~~section 1313(1).~~

6 (d) ~~(e)~~ "Environmental permit panel" or "panel" means a panel
 7 of the environmental permit review commission, appointed under
 8 section 1315(2).

9 (e) "Environmental permit review commission" or "commission"
 10 means the environmental permit review commission established under
 11 section 1313(1).

12 (f) "Permit", except as provided in subdivision (g), means a
 13 permit, operating license, or registration required by any of the
 14 following sections or by rules promulgated thereunder, or, in the
 15 case of section 9112, by an ordinance referred to in that section:

16 (i) Section 3104, floodplain alteration permit.

17 (ii) Section 3503, permit for use of water in mining iron ore.

18 (iii) Section 4105, sewerage system construction permit.

19 (iv) Section 6516, vehicle testing license.

20 (v) Section 6521, motor vehicle fleet testing permit.

21 (vi) Section 8310, restricted use pesticide dealer license.

22 (vii) Section 8310a, agricultural pesticide dealer license.

23 (viii) Section 8504, license to manufacture or distribute
 24 fertilizer.

25 (ix) Section 9112, local soil erosion and sedimentation control
 26 permit.

27 (x) Section 11509, solid waste disposal area construction
 28 permit.

29 (xi) Section 11512, solid waste disposal area operating

1 license.

2 (xii) Section 11542, municipal solid waste incinerator ash
3 landfill operating license amendment.

4 (xiii) Section 11702, septage waste servicing license or septage
5 waste vehicle license.

6 (xiv) Section 11709, septage waste site permit.

7 (xv) Section 30104, inland lakes and streams project permit.

8 (xvi) Section 30304, state permit for dredging, filling, or
9 other activity in wetland. Permit includes an authorization for a
10 specific project to proceed under a general permit issued under
11 section 30312.

12 (xvii) Section 31509, dam construction, repair, or removal
13 permit.

14 (xviii) Section 32312, flood risk, high risk, or environmental
15 area permit.

16 (xix) Section 32512, permit for dredging and filling
17 bottomland.

18 (xx) Section 32603, permit for submerged log removal from Great
19 Lakes bottomlands.

20 (xxi) Section 35304, department permit for critical dune area
21 use.

22 (xxii) Section 36505, endangered species permit.

23 (xxiii) Section 41329, nonnative aquatic species sales
24 registration.

25 (xxiv) Section 41702, game bird hunting preserve license.

26 (xxv) Section 42101, dog training area permit.

27 (xxvi) Section 42501, fur dealer's license.

28 (xxvii) Section 42702, game dealer's license.

(xxviii) Section 44513, charter boat operating permit under reciprocal agreement.

(xxix) Section 44516, boat livery operating permit.

(xxx) Section 45902, game fish propagation license.

(xxxi) Section 45906, game fish import license.

(xxxii) Section 48705, permit to take amphibians and reptiles for scientific or educational use.

(xxxiii) Section 61525, oil or gas well drilling permit.

(xxxiv) Section 62509, brine, storage, or waste disposal well drilling or conversion permit or test well drilling permit.

(xxv) Section 63103a, ferrous mineral mining permit.

(xxvi) Section 63514 or 63525, surface coal mining and reclamation permit or revision of the permit, respectively.

(xxvii) Section 63704, sand dune mining permit.

(xxviii) Section 65102, carbon sequestration project operating permit.

(xxix) ~~(xxviii)~~ Section 72108, use permits for a Pure Michigan Trail.

(xl) ~~(xxix)~~ Section 76109, sunken aircraft or watercraft abandoned property recovery permit.

(xli) ~~(xxx)~~ Section 76504, Mackinac Island ~~motor vehicle and~~ land use permits.

(xlii) ~~(xxxi)~~ Section 80159, buoy or beacon permit.

(g) "Permit", as used in sections 1313 to 1317, means any permit or operating license that meets both of the following conditions:

(i) The applicant for the permit or operating license is not this state or a political subdivision of this state.

(ii) The permit or operating license is issued by the department of ~~environmental quality~~ **environment, Great Lakes, and energy** under this act or the rules promulgated under this act.

(h) "Processing deadline" means the last day of the processing period.

(i) "Processing period", subject to section 1307(2) and (3), means the following time period after the close of the application period, for the following permit, as applicable:

(i) Twenty days for a permit under section 61525 or 62509, **except as follows for a permit under section 61525 for a well for secondary recovery, for the disposal of salt water or brine produced in association with oil or gas operations or other oil field wastes, or for the development of reservoirs for the storage of liquid or gaseous hydrocarbons:**

(A) **Twenty-five days if the department does not receive public comment on the application.**

(B) **Thirty-five days if the department receives public comment but does not hold a public hearing on the application.**

(C) **Sixty days if the department receives public comment and holds a public hearing on the application.**

(ii) Thirty days for a permit under section 9112 or 44516.

(iii) Thirty days after the department consults with the underwater salvage and preserve committee created under section 76103, for a permit under section 76109.

(iv) Sixty days, for a permit under section 30104 **or 32512** for a **project in a** minor project **category** established under section 30105(7) or 32512a(1), ~~or~~ **respectively, for** an authorization for a specific project to proceed under a general permit issued under section 30105(8) or 32512a(2), or for a permit under section 32312

1 or 41329.

2 (v) Sixty days or, if a hearing is held, 90 days for a permit
3 under section 35304.

4 (vi) Sixty days or, if a hearing is held, 120 days for a permit
5 under section 30104, other than a permit or authorization described
6 in subparagraph ~~(ii) or~~ (iv), or for a permit under section 31509.

7 (vii) Ninety days for a permit under section 11512, a revision
8 of a surface coal mining and reclamation permit under section
9 63525, or a permit under section 72108.

10 (viii) Ninety days or, if a hearing is held, 150 days for a
11 permit under section 3104 or 30304, or a permit under section 32512
12 other than a permit described in subparagraph (iv).

13 (ix) Ninety days after the close of the review or comment
14 period under section ~~32604~~, **32605**, or if a public hearing is held,
15 90 days after the date of the public hearing for a permit under
16 section 32603.

17 (x) One hundred twenty days for a permit under section 11509,
18 11542, 63103a, 63514, or 63704.

19 (xi) One hundred fifty days for a permit under section 36505.
20 However, if a site inspection or federal approval is required, the
21 150-day period is tolled pending completion of the inspection or
22 receipt of the federal approval.

23 **(xii) Two hundred days for a permit under section 65102.**

24 **(xiii)** ~~(xii)~~ For any other permit, 150 days or, if a hearing is
25 held, 90 days after the hearing, whichever is later.

26 **Sec. 52509. (1) The forest management fund is created in the**
27 **state treasury.**

28 **(2) The state treasurer shall deposit money and other assets**
29 **received under section 502(6)(b)(ii) or from any other source in the**

1 fund. The state treasurer shall direct the investment of money in
 2 the fund and credit interest and earnings from the investments to
 3 the fund.

4 (3) The department is the administrator of the fund for audits
 5 of the account.

6 (4) The department shall, upon appropriation, expend from the
 7 fund during any state fiscal year an amount not greater than 1/3 of
 8 the revenue received by the fund, including interest and earnings,
 9 during the previous state fiscal year. Money shall be expended from
 10 the fund only for 1 or more of the following purposes:

11 (a) Road infrastructure on state forest.

12 (b) Habitat management activities on state forest.

13 (c) Reforestation and other forest management activities to
 14 maintain the health of state forest.

15 (d) Administration of carbon-related leasing programs.

16 Article III

17 NATURAL RESOURCES MANAGEMENT

18 Chapter 3

19 MANAGEMENT OF NONRENEWABLE RESOURCES

20 Subchapter 6

21 CARBON SEQUESTRATION

22 Part 651

23 CARBON SEQUESTRATION REGULATION

24 Sec. 65101. As used in this part:

25 (a) "Carbon dioxide stream" means carbon dioxide that has been
 26 captured from an emission source, incidental associated substances
 27 derived from the source materials and the capture process, and any
 28 substances added to enable or improve the injection process. Carbon
 29 dioxide stream does not include a substance that meets the

1 definition of a hazardous substance under 40 CFR 261.3.

2 (b) "Carbon sequestration project" means 1 or more injection
3 wells, a storage reservoir, and underground and surface facilities
4 and equipment used or proposed to be used in geologic storage.
5 Carbon sequestration project does not include an enhanced oil
6 recovery well or pipelines used to transport a carbon dioxide
7 stream to a carbon sequestration project.

8 (c) "Carbon sequestration project operator" means a person
9 that holds or is an applicant for a permit.

10 (d) "Confining zone" means that term as defined in section 2
11 of the subsurface pore space act.

12 (e) "Division" means the geologic resources management
13 division of the department of environment, Great Lakes, and energy.

14 (f) "Federal regulations" means any regulatory requirement
15 applicable to a carbon sequestration well project under the United
16 States Environmental Protection Agency underground injection
17 control program for class VI wells provided for in 40 CFR part 145.

18 (g) "Geologic storage" means the permanent underground storage
19 of a carbon dioxide stream in a storage reservoir. Geologic storage
20 does not include the injection or disposal of oil or gas field
21 wastes subject to a permit and bond under section 61525.

22 (h) "Permit", unless the context indicates otherwise, means a
23 permit issued under this part authorizing a person to operate a
24 carbon sequestration project.

25 (i) "Pore space" means that term as defined in section 2 of
26 the subsurface pore space act.

27 (j) "Reservoir" means a subsurface sedimentary stratum,
28 formation, aquifer, cavity, or void, whether natural or
29 artificially created, including, but not limited to, oil and gas

1 reservoirs, saline formations, and coal seams, suitable for or
2 capable of being made suitable for injecting and storing a carbon
3 dioxide stream.

4 (k) "Storage reservoir" means a reservoir proposed,
5 authorized, or used for storing a carbon dioxide stream beneath the
6 lowermost formation containing an underground source of drinking
7 water by a confining zone as part of a carbon sequestration
8 project. Storage reservoir includes the proposed and actual
9 subsurface 3-dimensional extent of the carbon dioxide stream plume,
10 associated area of elevated pressure, and displaced fluids.

11 (l) "Unit area" means the pore space and surface lands included
12 in a carbon sequestration project.

13 Sec. 65102. (1) A person shall not engage in geologic storage
14 or construct or operate a carbon sequestration project except
15 pursuant to a permit issued by the division pursuant to part 13 or
16 by the United States Environmental Protection Agency. Any owner or
17 operator of the carbon sequestration project may apply for a
18 permit.

19 (2) Before the submission of an application for a permit, a
20 permit applicant shall submit to the division the information
21 required by federal regulations and information demonstrating that
22 the project operator will comply with federal regulations to
23 maximize receipt of available tax credits for carbon oxide
24 sequestration as provided by section 45Q of the internal revenue
25 code of 1986, 26 USC 45Q.

26 (3) If an electric provider or independent power producer
27 submits an application for a permit to the department, the electric
28 provider or independent power producer shall simultaneously submit
29 a copy of the application to the Michigan public service commission

1 for informational purposes.

2 (4) The owner of a carbon sequestration project or a carbon
3 sequestration project operator is exempt from obtaining a permit
4 under part 625, but is not exempt from obtaining any other permit
5 or approval required under this act. This part does not exempt an
6 electric provider or independent power producer to which a permit
7 is issued from obtaining any other permit, a license, or an
8 authorization for the recovery of costs that is required by federal
9 or state law.

10 (5) A permit applicant or a carbon sequestration project
11 operator may claim information submitted to the department under
12 this part as confidential business information. Any such claims
13 must be asserted at the time of submission in the manner prescribed
14 on the application form or instructions or, in the case of other
15 submissions to the department, by placing the words "confidential
16 business information" on each page containing the information. The
17 department shall deny a claim of confidential business information
18 if confidentiality is prohibited by federal regulations or state
19 law.

20 (6) A permit applicant shall provide the names and addresses
21 of record for all of the following persons:

22 (a) Persons that have interests within the portion of the
23 storage reservoir underlying the area included within the carbon
24 sequestration project and within 1/2 mile of the boundaries of such
25 portion of the storage reservoir, including the following:

26 (i) Oil, gas, and mineral lessees.

27 (ii) Oil, gas, and mineral owners.

28 (iii) Holders of permits to drill and operate under part 615 or
29 625.

1 (iv) Pore space owners.

2 (v) Owners and lessees of subsurface geological formations and
3 confining zones.

4 (b) Surface owners of land overlying the portion of the
5 storage reservoir underlying the area included within the
6 applicable carbon sequestration project and within 1/2 mile of the
7 boundaries of that portion of the storage reservoir.

8 (7) The department may enter into cooperative agreements with
9 other governments or government entities to regulate carbon
10 sequestration projects that extend beyond this state's regulatory
11 authority.

12 Sec. 65103. The division may charge a fee for a permit
13 application in an amount that does not exceed the actual reasonable
14 cost of processing the application.

15 Sec. 65104. (1) The division shall hold a public hearing on a
16 permit application within 60 days after the application is
17 considered to be administratively complete under section 1305. The
18 division may prepare a draft permit in accordance with federal
19 regulations.

20 (2) The division shall provide notice of a public hearing
21 under subsection (1) at least 30 days before the public hearing as
22 follows:

23 (a) By publication in 1 or more newspapers of general
24 circulation in each county in which all or part of the proposed
25 carbon sequestration project is to be located.

26 (b) By posting the notice on the division's website.

27 (c) By first-class mail with proof of delivery to each of the
28 following:

29 (i) The following persons that have interests within the

1 portion of the storage reservoir underlying the area covered by the
2 carbon sequestration project and within 1/2 mile of the boundaries
3 of that portion of the storage reservoir, using information
4 provided by the applicant in section 65102(6):

5 (A) Oil, gas, and mineral lessees.

6 (B) Oil, gas, and mineral owners.

7 (C) Holders of permits to drill and operate under part 615 or
8 625.

9 (D) Pore space owners.

10 (E) Owners and lessees of subsurface geological formations and
11 confining zone.

12 (ii) Surface owners of land overlying the portion of the
13 storage reservoir underlying the area covered by the applicable
14 carbon sequestration project and within 1/2 mile of the boundaries
15 of that portion of the storage reservoir.

16 (3) The notice under subsection (2) shall include the purpose,
17 time, and location of the meeting and may include a copy of a draft
18 permit or information on how to obtain a copy.

19 (4) If substantial compliance with the notice requirements in
20 this section is achieved, inadvertent mistakes in compliance are
21 not a bar to processing the permit.

22 (5) The owner of a mineral interest may request a hearing with
23 the department during the permit processing period to present
24 evidence that the mineral interest would be damaged by the project
25 as proposed in the permit application. The department shall do all
26 of the following:

27 (a) Attempt to mediate the dispute.

28 (b) Request modifications to drilling and construction plans
29 as necessary to ensure the mineral interest is not damaged.

1 (c) Suggest an arrangement between the carbon sequestration
2 project operator and the owner of the mineral interest to
3 reasonably address any potential damage.

4 (d) Consider the evidence presented when making the final
5 permit decision.

6 Sec. 65105. (1) The division shall issue a permit if the
7 division determines all of the following:

8 (a) The carbon sequestration project operator has complied
9 with this part in relation to the application.

10 (b) The carbon sequestration project operator has submitted to
11 the division all information required under federal regulations.

12 (c) The carbon sequestration project will comply with federal
13 regulations, including, but not limited to, requirements to protect
14 underground sources of drinking water.

15 (d) If the drilling and installation of a well and subsequent
16 injection of a carbon dioxide stream into the storage reservoir
17 will endanger or damage any oil, gas, or other mineral resource or
18 formation in any material respect, the endangerment or damage is or
19 can be reasonably addressed in an arrangement between the applicant
20 and the mineral lessee or mineral owners within the unit area.

21 (e) The carbon sequestration project operator has obtained all
22 legal rights or authorizations associated with the proposed carbon
23 sequestration project that are necessary to operate the carbon
24 sequestration project, as demonstrated by 1 or more of the
25 following:

26 (i) Documentation that the carbon sequestration project
27 operator owns some or all of the property necessary to operate the
28 proposed carbon sequestration project.

29 (ii) Written approval of the persons holding some or all of the

1 legal rights in the property necessary to operate the proposed
2 carbon sequestration project.

3 (iii) An order for unit operations under part 653. However, the
4 division may issue a permit contingent on the applicant obtaining
5 an order for unit operations under part 653.

6 (2) The division shall incorporate permit conditions required
7 by federal regulations, including, but not limited to, the
8 following:

9 (a) Financial responsibility requirements.

10 (b) Requirements to record and report monitoring results.

11 (3) The division may establish a schedule of compliance or
12 alternative schedule of compliance permitted under federal
13 regulations.

14 (4) An applicant shall maintain records of all data used to
15 complete permit applications and any supplemental information
16 submitted under federal regulations for a period of at least 10
17 years after the division issues a certificate of project completion
18 under section 65109.

19 (5) All permit applications, reports, or changes to
20 authorization shall be signed in the manner required under federal
21 regulations. A person that signs an application or report shall
22 include the certification required under federal regulations.

23 (6) The duration of a permit issued under this part shall
24 comply with federal regulations.

25 Sec. 65106. When the division issues a permit, it shall also
26 issue a certificate stating that the permit has been issued. The
27 certificate shall describe the area covered and include other
28 information the division considers appropriate. The carbon
29 sequestration project operator shall file a copy of the certificate

1 with the county register of deeds of each county where the storage
2 facility is located.

3 Sec. 65107. (1) Unless otherwise expressly provided by
4 contract, bill of sale, deed, mortgage, deed of trust, or other
5 legally binding document or by other applicable law, a carbon
6 sequestration project operator holds title to or control of the
7 carbon dioxide stream injected into and stored in a storage
8 reservoir until the division issues a certificate of project
9 completion under section 65109.

10 (2) A carbon sequestration project operator is not liable for
11 the presence of or pressure from the injected carbon dioxide stream
12 if this state has assumed any potential liability associated with
13 the carbon dioxide stream under section 65110(c). Otherwise, a
14 carbon sequestration project operator is not liable for the
15 presence of or pressure from the injected carbon dioxide stream
16 unless the person asserting that the carbon sequestration project
17 operator is liable establishes that the carbon dioxide stream has
18 caused any of the following:

19 (a) A substantial interference with the reasonable use of the
20 person's real property.

21 (b) A direct physical injury to the person or the person's
22 tangible property.

23 (c) A substantial interference with the recovery of oil or gas
24 from the person's producing oil and gas reservoir.

25 (3) A permit may be transferred to a new carbon sequestration
26 project operator or owner only if the permit has been modified or
27 revoked and reissued, or a minor modification made, to identify
28 that new carbon sequestration project operator.

29 Sec. 65108. (1) The division shall review a permit issued

1 under this part as required by federal regulations.

2 (2) Pursuant to federal regulations, a permit may be modified,
3 revoked and reissued, or terminated at the request of the permittee
4 or upon the division's initiative.

5 Sec. 65109. (1) Unless a different time frame is established
6 by rule, beginning 25 years after cessation of carbon dioxide
7 injection, a carbon sequestration project operator may submit to
8 the division an application for a certificate of project
9 completion. The division may approve a shorter time frame than
10 otherwise applicable if requested by a carbon sequestration project
11 operator and if the time frame is supported by data demonstrating
12 reservoir containment and non-endangerment of underground sources
13 of drinking water.

14 (2) If the division determines that the application for a
15 certificate of project completion is incomplete or inaccurate, the
16 division shall return the application to the carbon sequestration
17 project operator with a written statement of the deficiencies of
18 the application and the right to submit a corrected application
19 with the department.

20 (3) The division shall hold a public hearing on an application
21 for a certificate of project completion within 60 days after
22 receiving a complete and accurate application. The division shall
23 provide notice of the purpose, time, and location of the public
24 hearing in compliance with section 65104(2) and (3).

25 (4) Within 180 days after receiving a complete and accurate
26 application, the division shall issue or deny a certificate of
27 project completion and notify the carbon sequestration project
28 operator of the reasons for denial. The division shall issue a
29 certificate of project completion if the division determines all of

1 the following:

2 (a) The carbon sequestration project operator is in compliance
3 with all laws governing the carbon sequestration project.

4 (b) The carbon sequestration project operator has done all of
5 the following:

6 (i) Submitted to the division a well plugging plan and notice
7 of intent to plug required under federal regulations.

8 (ii) Plugged the wells, removed equipment and facilities, and
9 completed any reclamation work required by the division

10 (iii) Submitted to the division a plugging report required under
11 federal regulations.

12 (iv) Prepared, maintained, and complied with a plan for post-
13 injection site care and site closure required under federal
14 regulations.

15 (v) Submitted to the division all other notices and reports
16 required under federal regulations.

17 (vi) Complied with any other federal regulations regarding
18 post-injection site care and site closure.

19 (c) The storage reservoir is reasonably expected to retain
20 mechanical integrity and the carbon dioxide stream is reasonably
21 expected to remain emplaced.

22 (5) A carbon sequestration project operator that is denied a
23 certificate of project completion may submit a new application for
24 a certificate of project completion under subsection (1).

25 Sec. 65110. When a certificate of project completion is issued
26 under section 65109, all of the following apply:

27 (a) This state assumes title to and ownership of and
28 responsibility for the carbon sequestration project and carbon
29 dioxide stream injected into the storage reservoir.

1 (b) This state assumes responsibility for all regulatory
2 requirements associated with the carbon sequestration project, and
3 the carbon sequestration project operator and the owner of the
4 carbon sequestration project are released from responsibility for
5 all regulatory requirements associated with the carbon
6 sequestration project.

7 (c) This state assumes any potential liability associated with
8 the carbon sequestration project and carbon dioxide stream injected
9 into the storage reservoir, and the carbon sequestration project
10 operator, the owner of the carbon sequestration project, and the
11 owner of the carbon dioxide stream injected into the storage
12 reservoir are released from all liability associated with the
13 carbon sequestration project and the carbon dioxide stream.
14 However, the carbon sequestration project operator shall retain
15 liability associated with the carbon sequestration project if any
16 of the following occurs:

17 (i) The carbon sequestration project operator violated state
18 law related to the project, the violation was not remedied before
19 the issuance of the certificate of project completion, and any
20 applicable statutes of limitation have not run.

21 (ii) The division determines, after notice and hearing, that
22 the carbon sequestration project operator provided deficient or
23 erroneous information that was material and relied upon by the
24 division to support the issuance of the certificate of project
25 completion.

26 (iii) Liability arises from the carbon sequestration project
27 operator's conduct associated with the project that, if known,
28 would have materially affected the division's decision in issuing
29 the certificate of project completion.

1 (d) If a performance bond or other form of financial
2 responsibility required to be provided by the carbon sequestration
3 project operator or the owner of the carbon dioxide stream injected
4 into the storage reservoir has a duration that extends beyond the
5 date of the issuance of the certificate of completion, that
6 performance bond or other form of financial responsibility is no
7 longer required and shall be released within 60 days after issuance
8 of the certificate of project completion.

9 Sec. 65111. (1) The division may request the attorney general
10 to commence a civil action for appropriate relief, including a
11 permanent or temporary injunction, for a violation of this part or
12 a permit or order issued or rule promulgated under this part. An
13 action under this subsection may be brought in the circuit court
14 for the county of Ingham or for the county in which the defendant
15 is located, resides, or is doing business. The court has
16 jurisdiction to restrain the violation and to require compliance.
17 In addition to any other relief granted under this subsection, the
18 court may impose a civil fine of not less than \$2,500.00 for each
19 instance of violation and, if the violation is continuous, not more
20 than \$2,500.00 for each day of violation.

21 (2) A person who willfully violates this part or a permit or
22 order issued or rule promulgated under this part is guilty of a
23 misdemeanor punishable by a fine of not less than \$5,000.00 for
24 each instance of violation and, if the violation is continuous, not
25 more than \$5,000.00 for each day of violation.

26 Sec. 65112. (1) Within 1 year after the effective date of the
27 amendatory act that added this section, the division shall submit
28 to the United States Environmental Protection Agency administrator
29 an application to administer a class VI well program. The

1 application shall include a complete program description, a letter
2 from the governor, and a statement from the attorney general, to
3 the United States Environmental Protection Agency administrator
4 under federal regulations.

5 (2) The division may enter into a memorandum of agreement with
6 the regional administrator of the United States Environmental
7 Protection Agency as permitted by federal regulations.

8 Sec. 65113. (1) The division shall implement this part in a
9 manner that complies with federal regulations.

10 (2) To comply with federal regulations or otherwise implement
11 this part, the division may promulgate rules pursuant to the
12 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
13 24.328.

14 Sec. 65114. This part does not prohibit an oil, gas, or
15 mineral owner or lessee, a carbon sequestration project operator,
16 or a prospective carbon sequestration project operator from
17 drilling through or near a reservoir, a disposal well project, or
18 an oil and gas producing reservoir, or through an enhanced oil
19 recovery project, to explore for and develop minerals if the
20 drilling activities, including, but not limited to, completion
21 activities on previously drilled wells, meet both of the following
22 requirements:

23 (a) Comply with the requirements of this act for drilling to
24 strata beneath gas storage reservoirs, disposal well projects, or
25 oil and gas producing reservoirs, or drilling through existing
26 enhanced recovery projects.

27 (b) Preserve the integrity of any reservoir.

28 Sec. 65115. (1) Each calendar year, by a date specified by the
29 division, a carbon sequestration project operator shall pay the

1 division a fee set by the division for each ton of carbon dioxide
2 stream injected for storage in the preceding calendar year. The fee
3 shall be based on the department's anticipated reasonable expenses
4 associated with long-term monitoring and management of the carbon
5 sequestration project after issuance of a certificate of project
6 completion under section 65109.

7 (2) The fee under this section shall not exceed 22 cents per
8 ton of carbon dioxide stream injected. The state treasurer shall
9 adjust this maximum amount annually by the inflation rate as that
10 term is defined in section 34d of the general property tax act,
11 1893 PA 206, MCL 211.34d.

12 (3) The fees collected pursuant to this section shall be
13 remitted to the state treasurer for deposit as follows:

14 (a) 2 cents or 20%, whichever is greater, in the Michigan game
15 and fish protection trust fund established in section 41 of article
16 IX of the state constitution of 1963 and provided for in part 437.

17 (b) 1 cent or 5%, whichever is greater, to each of the
18 following funds:

19 (i) The community benefits fund created in section 65116.

20 (ii) The long-term remediation fund created in section 65117.

21 (iii) The first responders fund created in section 65118.

22 (c) The balance to the carbon sequestration fund created in
23 section 65119.

24 Sec. 65116. (1) The community benefits fund is created in the
25 state treasury.

26 (2) The state treasurer shall deposit into the fund all fee
27 revenue received under section 65115(3)(b)(i) and revenue from any
28 other source designated for the fund. The state treasurer shall
29 direct the investment of money in the fund and credit interest and

1 earnings from investments to the fund.

2 (3) The division is the administrator of the fund for audits
3 of the fund.

4 (4) The division shall expend money from the fund, upon
5 appropriation, only for grants to surface owners of land overlying
6 the portion of the storage reservoir underlying the area included
7 within the applicable carbon sequestration project and within 1/2
8 mile of the boundaries of that portion of the storage reservoir, to
9 mitigate adverse impacts of a carbon sequestration project.

10 Sec. 65117. (1) The long-term remediation fund is created in
11 the state treasury.

12 (2) The state treasurer shall deposit into the fund all fee
13 revenue received under section 65115(3) (b) (ii) and revenue from any
14 other source designated for the fund. The state treasurer shall
15 direct the investment of money in the fund and credit interest and
16 earnings from investments to the fund.

17 (3) The division is the administrator of the fund for audits
18 of the fund.

19 (4) The division shall expend money from the fund, upon
20 appropriation, only for remediation of carbon dioxide leakage from
21 a carbon sequestration project after a certificate of project
22 completion is issued for the project under section 65109.

23 Sec. 65118. (1) The first responders fund is created in the
24 state treasury.

25 (2) The state treasurer shall deposit into the fund all fee
26 revenue received under section 65115(3) (b) (iii) and revenue from any
27 other source designated for the fund. The state treasurer shall
28 direct the investment of money in the fund and credit interest and
29 earnings from investments to the fund.

1 (3) The division is the administrator of the fund for audits
2 of the fund.

3 (4) The division shall expend money from the fund, upon
4 appropriation, only for grants to local units of government for
5 training and equipment for life support agencies, as defined in
6 section 20906 of the public health code, 1978 PA 368, MCL
7 333.20906, and fire departments to respond to an emergency at a
8 carbon sequestration project.

9 Sec. 65119. (1) The carbon sequestration fund is created in the
10 state treasury.

11 (2) The state treasurer shall deposit into the fund all fee
12 revenue received under section 65115(3)(c) and revenue from any
13 other source designated for the fund. The state treasurer shall
14 direct the investment of money in the fund and credit interest and
15 earnings from investments to the fund.

16 (3) The division is the administrator of the fund for audits
17 of the fund.

18 (4) The division shall expend money from the fund, upon
19 appropriation, only for the following purposes:

20 (a) To pay expenses the division incurs in long-term
21 monitoring and management of a closed carbon sequestration project
22 after issuance of a certificate of project completion under section
23 65109.

24 (b) To pay expenses that are incurred to perform regulatory
25 responsibilities with respect to a carbon sequestration project
26 that are not paid for by any other fee imposed under this part.

27 Part 653

28 CARBON SEQUESTRATION UNITIZATION

29 Sec. 65301. As used in this part:

1 (a) "Carbon sequestration project" means that term as defined
2 in section 65101.

3 (b) "Confining zone" means that term as defined in section 2
4 of the subsurface pore space act.

5 (c) "Division" means that term as defined in section 65101.

6 (d) "Order for unit operations" means an order of the division
7 under section 65304(4).

8 (e) "Plan for unit operations" means a plan under section
9 65305.

10 (f) "Pore space" means that term as defined in section 2 of
11 the subsurface pore space act.

12 (g) "Storage reservoir" means that term as defined in section
13 65101.

14 (h) "Unit area" means that term as defined in section 65101.

15 Sec. 65302. Subject to the limitations of this part, the
16 division shall make and enforce such orders, rules, and regulations
17 and do such things as may be necessary or proper to carry out the
18 purposes of this part. This duty includes the adoption of a
19 schedule of fees to be paid upon the filing of petitions,
20 amendments to petitions, and other instruments in connection with
21 petitions that bear reasonable relation to the cost of examination,
22 inspection, and supervision required under this part.

23 Sec. 65303. Any applicant or prospective applicant for a
24 permit under part 651 may file with the division a verified
25 petition requesting an order for unit operations of the carbon
26 sequestration project or parts of the carbon sequestration project
27 and for pooling of interests in pore space in the applicable
28 portion of the storage reservoir. The petition shall contain all of
29 the following:

1 (a) A copy of any permit, draft permit, or application for a
2 permit under part 651 for the carbon sequestration project or any
3 part thereof.

4 (b) A legal description of the proposed unit area, including
5 total acreage, township, range, and section information.

6 (c) The names, as disclosed by the records in the office of
7 the register of deeds for each county in which the proposed unit
8 area is located, of the following:

9 (i) Each person that owns or has an interest in the surface
10 estate or pore space within the proposed unit area, including
11 mortgagees and the owners of other liens or encumbrances.

12 (ii) Each person that owns or has an interest in the surface
13 estate or pore space not within but immediately adjoining the
14 proposed unit area.

15 (iii) Each oil, gas, and mineral owner and lessee within the
16 areas identified in subparagraphs (i) and (ii).

17 (d) The address of each person identified in subdivision (c) (i)
18 and (ii), if known. If the name and address of any person is
19 unknown, the petition shall so indicate.

20 (e) A statement of the type of operations proposed to comply
21 with this part and part 651.

22 (f) A proposed plan for unit operations applicable to the
23 proposed unit area that the petitioner considers fair, reasonable,
24 and equitable. The proposed plan shall include provisions for
25 determining all of the following:

26 (i) The pore space to be used within the unit area.

27 (ii) The quantity of pore space storage capacity that will be
28 assigned to each separately owned parcel within the unit area.

29 (iii) The appointment of a unit operator.

1 (iv) The effective date of the plan for unit operations.

2 (v) The manner in which the unit area will be supervised and
3 managed.

4 (g) A verified statement indicating in detail what action the
5 petitioner has taken to contact and obtain the approval of each
6 person of record that owns or has an interest in the proposed unit
7 area and that has not approved the proposed plan for unit
8 operations. If the plan for unit operations will be considered at a
9 supplemental hearing before the supervisor, the verified statement
10 may be filed separately before the supplemental hearing rather than
11 as part of the petition.

12 (h) An appraisal setting forth the proposed compensation to be
13 paid to a person that owns or otherwise has an interest in pore
14 space and that has not approved the proposed plan for unit
15 operations.

16 (i) A copy of any written agreements between the applicant and
17 owners of pore space within the portion of the storage reservoir
18 proposed to be included in a carbon sequestration project.

19 Sec. 65304. (1) Upon the filing of a petition for unit
20 operations under this part, the petitioner shall provide notice by
21 first-class mail, with proof of delivery, to the following persons
22 at their last known address:

23 (a) The last owner of record of the pore space interests
24 underlying the lands or areas directly affected by the proposed
25 action; the surface owners; oil, gas, and mineral owners and
26 lessees; and the owners and lessees of the subsurface geological
27 formations and confining zone.

28 (b) The last owner of record of the pore space interests
29 underlying the lands or areas immediately adjacent to, and

1 contiguous to, the lands or areas directly affected by the proposed
2 action, and the surface owners.

3 (2) The notice under subsection (1) shall include all of the
4 following:

5 (a) The procedure required to file a protest against the
6 petition.

7 (b) The name, address, and phone number of a representative of
8 the petitioner who is available to discuss the petition.

9 (c) A statement that the division may issue an order approving
10 the petition without a hearing if a protest is not received in the
11 time period provided in subsection (4).

12 (d) For the notice to pore space and surface owners who have
13 not approved the plan for unit operations, a copy of the petition,
14 except that the petitioner may omit from the notice parts of the
15 petition referred to in section 65303(c) and (d).

16 (3) The failure of a petitioner to give notice under
17 subsections (1) and (2) to a person entitled to notice is not a bar
18 to holding a hearing or issuing an order under this part if the
19 petitioner substantially complied with the notice requirements of
20 this part.

21 (4) To protest the petition, a person shall submit to the
22 division a written notice of the protest and the reason or reasons
23 for the protest not more than 15 days after the completion of the
24 publication of notice under section 65316. If such a notice of
25 protest is timely submitted, the division shall hold a hearing on
26 the petition. If such a notice of protest is not timely submitted,
27 the division may issue an order for unit operations without holding
28 a hearing.

29 (5) The division shall issue an order for unit operations of

1 the carbon sequestration project or parts of the carbon
2 sequestration project and for pooling of interests in pore space in
3 the applicable portion of the storage reservoir if the division
4 finds all of the following:

5 (a) That the material representations contained in the
6 verified petition are substantially true.

7 (b) That the unitization requested will facilitate the
8 operation of a carbon sequestration project under part 651.

9 (c) That the type of operations contemplated by the proposed
10 plan for unit operations is feasible and the injection of carbon
11 dioxide stream into the storage reservoir for the unit will not
12 endanger or injure any oil, gas, or other mineral formation in any
13 material respect unless otherwise addressed in an arrangement
14 between the applicant and the oil, gas, or mineral owner or lessee
15 within the unit area.

16 (d) That the application outlines operations that will comply
17 with part 651.

18 Sec. 65305. An order for unit operations under section
19 63504(5) shall include terms and conditions that are fair,
20 reasonable, and equitable. The order shall prescribe a plan for
21 unit operations that includes all of the following:

22 (a) A description of the unit area, including any part of the
23 surface estate within the unit area that will be used as part of
24 the carbon sequestration project. This part does not authorize the
25 location of any monitoring well on the surface estate of any tract.
26 Any monitoring well location and facilities will be determined
27 through negotiation between the applicant and owners of the surface
28 estate.

29 (b) A statement in reasonable detail of the operations

1 contemplated.

2 (c) The quantity of pore space capacity allocated to each
3 separately owned tract within the unit area, representing each
4 tract's share of pore space being used in the carbon sequestration
5 project, and the method used to make that allocation.

6 (d) The general manner in which the unit and the further
7 development and operation of the unit area shall or may be
8 conducted.

9 (e) Provisions, based upon appraisals submitted by the
10 applicant and pore space owners whose interests have not been
11 acquired for use in unit operations, for compensation for the fair
12 market value of the pore space.

13 (f) Provisions for supervision and management of the unit
14 operations.

15 (g) The effective date of the plan for unit operations and the
16 date when unit operations may commence.

17 (h) The time when, conditions under which, and method by which
18 the unit shall be dissolved and its affairs wound up.

19 (i) A requirement that the carbon sequestration project
20 comprising the unit area obtain a permit under part 651.

21 (j) Findings by the division that the injection of the carbon
22 dioxide stream into the carbon sequestration project for the unit
23 will not endanger or injure any oil, gas, or other mineral
24 formation in any material respect, or that any such endangerment or
25 injury has been or can be reasonably addressed in an arrangement
26 between the petitioner and the mineral lessee or mineral owners
27 within the unit area.

28 (k) Any additional provisions that the division finds are
29 appropriate for carrying on the unit operations.

1 Sec. 65306. An order for unit operations under section
2 65304(5) does not take effect until the division makes a finding,
3 either in the order for unit operations or in a supplemental order,
4 that the plan for unit operations has been approved in writing by
5 persons owning at least 70% of the pore space storage capacity
6 within the unit area. For purposes of this part, any unknown or
7 unlocatable pore space owners shall be considered to have approved
8 the plan of unit operations and are subject to a proposed unit if
9 the petitioner complied with the notice requirements set forth in
10 section 65304(1) and (2). The lessees of state-owned pore space
11 that is leased through a state leasing program under section 65314
12 and comprises all or a portion of the pore space storage capacity
13 for a carbon sequestration project shall be considered to have
14 approved the plan of unit operations under this section. The plan
15 of unit operations is subordinate to the terms and conditions of
16 any state pore space lease.

17 Sec. 65307. If persons owning at least 70% of the pore space
18 storage capacity within the unit area have not approved the plan
19 for unit operations when the division issues the order for unit
20 operations, the division on its own motion or the motion of any
21 interested person shall, after providing notice, hold 1 or more
22 supplemental hearings to determine if the plan for unit operations
23 has been approved under section 65306. If the division finds that
24 the plan has been approved, the division shall issue a supplemental
25 order declaring the plan effective and setting forth the date for
26 the commencement of unit operations. If, within 180 days from the
27 date on which the order for unit operations is issued, the division
28 does not find that the plan has been approved, the order for unit
29 operations is ineffective and shall be revoked by the division

1 unless for good cause shown the division extends the time for an
2 additional period not to exceed 1 year.

3 Sec. 65308. An order for unit operations may be amended by an
4 order issued by the division in the same manner and subject to the
5 same conditions as apply to the issuance of an original order for
6 unit operations. The division, upon its own motion or upon
7 application, and with notice and hearing, may modify an order for
8 unit operations regarding the operation, size, or other
9 characteristics of the unit area to prevent or assist in preventing
10 a substantial inequity resulting from operation of the unit.

11 Sec. 65309. Operations conducted pursuant to an order for unit
12 operations constitute a fulfillment of all the express and implied
13 obligations of each lease or contract covering the lands in the
14 unit area to the extent that compliance with the obligations is
15 prevented by the order for unit operations.

16 Sec. 65310. Except to the extent that the parties affected
17 agree otherwise, an order for unit operations does not result in a
18 transfer of all or part of the title of any person's pore space
19 rights in any tract within the unit area.

20 Sec. 65311. If the plan for unit operations under section
21 65305 so provides, a unit created under this part may, through its
22 operator, sue, be sued, and contract as a unit in its own right.
23 The operator of the unit, on behalf and for the account of all
24 owners of interest within the unit area, may supervise, manage, and
25 conduct further development and operations for the carbon
26 sequestration project within the unit area under the authority and
27 limitations of the order for unit operations.

28 Sec. 65312. After the effective date of an order for unit
29 operations, the unit area defined in the order shall not be

1 operated by persons other than the unit operator or persons acting
2 under the unit operator's authority, or operated other than in the
3 manner and to the extent provided in the plan for unit operations.

4 Sec. 65313. Property rights, leases, contracts, and all other
5 rights and obligations shall be considered to be amended and
6 modified to the extent necessary to conform to this part and to any
7 valid and applicable plan for unit operations or order of the
8 division made pursuant to this part.

9 Sec. 65314. The division shall not require the unitization of
10 state-owned properties or parts of state-owned properties under
11 this part if this state provides for the orderly development of
12 state-owned pore space through a leasing program.

13 Sec. 65315. (1) The department may promulgate rules to
14 implement this part pursuant to the administrative procedures act
15 of 1969, 1969 PA 306, MCL 24.201 to 24.328.

16 (2) Except as provided under section 65304, the division shall
17 not issue, put into effect, revoke, change, renew, or extend an
18 order under this part, unless the division has held a public
19 hearing. The public hearing shall be held at such time, place, and
20 manner as provided for in this part or by rules promulgated under
21 this part, including notice as provided in section 65316.

22 Sec. 65316. (1) If a written notice of protest is timely filed
23 under section 65304(4), the division shall not issue, put into
24 effect, revoke, change, renew, or extend an order under this part,
25 unless the division has held a public hearing on the proposal. The
26 public hearing shall be held at such time, place, and manner as
27 provided for in this part or by rules promulgated under this part.

28 (2) Jurisdictional requirements of notice for all hearings
29 required by this part, except proceedings for criminal or civil

1 enforcement of this part, are satisfied by publication of the time,
2 place, and issues involved in the hearing as provided in either of
3 the following:

4 (a) Publication once each week for 2 weeks consecutively in a
5 newspaper of general circulation in the county in which the unit
6 area or any portion of the unit area is located with the date of
7 last publication at least 20 days before the date set for the
8 hearing.

9 (b) Publication at least 20 days before the date set for the
10 hearing in a trade journal, periodical, newsletter, or paper, or
11 commercially available scout report, in general circulation within
12 appropriate industries as determined by the supervisor.

13 Sec. 65317. The rules, procedures, penalties, and other
14 provisions set forth in section 61709 and sections 61728 to 61737
15 governing the process employed by the division for the unitization
16 of oil and gas drilling units apply to a petition filed for
17 unitization of pore space interests within a unit area under this
18 part and any order under this part. However, to the extent that the
19 provisions set forth in section 61709 and sections 61728 to 61737
20 conflict with this part, the provisions of this part control.

21 Sec. 65319. A certified copy of an order of the division
22 issued under this part may be recorded in the office of the
23 register of deeds for each county where all or any portion of the
24 unit area is located, and such recordation constitutes notice to
25 all persons in interest and their heirs, successors, and assigns.

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 103rd Legislature are
28 enacted into law:

29 (a) Senate Bill No. 395.

1

2 (b) Senate Bill No. 394.