

House Bill 355 (AS PASSED HOUSE AND SENATE)

By: Representatives Wiedower of the 119<sup>th</sup>, Jones of the 25<sup>th</sup>, Smith of the 70<sup>th</sup>, Gaines of the 117<sup>th</sup>, Burns of the 159<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 5 of Chapter 6 of Title 12 of the Official Code of Georgia Annotated,  
2 relating to the Georgia Carbon Sequestration Registry, so as to provide for the inclusion of  
3 building products in construction on the registry; to provide for definitions; to allow  
4 participants in the registry to voluntarily report the utilization of carbon sequestration and  
5 embodied carbon results; to provide for an advisory committee; to provide for certified  
6 third-party organizations to measure the amount of carbon sequestered from building  
7 materials that sequester carbon dioxide; to require the State Forestry Commission to publish  
8 a list of certified organizations; to provide for related matters; to repeal conflicting laws; and  
9 for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Article 5 of Chapter 6 of Title 12 of the Official Code of Georgia Annotated, relating to the  
13 Georgia Carbon Sequestration Registry, is amended as follows:

## 14 "ARTICLE 5

15 12-6-220.

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

18 12-6-221.

19 As used in this article, the term:

20 (1) 'Building embodied carbon' means the global warming potential results from a  
21 whole-building life cycle assessment covering all life cycle stages, such as extraction,  
22 transportation, manufacturing, construction, and end-of-life, except operational, as further  
23 explained in International Standards Organization 21930: 2017: Sustainability in  
24 buildings and civil engineering works- Core rules for environmental product declarations  
25 of construction products and services as in existence on January 1, 2021.26 (2) 'Carbon sequestration results' means the participant's applicable data on the removal  
27 of carbon dioxide from the atmosphere by sinks resulting from:28 (A) Direct ~~human-induced~~ human induced land use change or forestry activities in this  
29 state;30 (B) Additional ~~human-induced~~ human induced activities in this state related to removal  
31 by sinks in land use change and forestry categories;32 (C) Additional ~~human-induced~~ human induced activities in this state related to removal  
33 by sinks in agricultural soils;34 (D) Additional ~~human-induced~~ human induced activities in this state related to  
35 removals by sinks in products in use from harvested timber or agricultural crops; ~~and~~36 (E) Other ~~human-induced~~ human induced activities in this state related to removals by  
37 sinks; and

38 (F) Construction of buildings in this state that store additional carbon dioxide in  
39 building products relative to the building baseline established by the Sustainable  
40 Building Material Technical Advisory Committee pursuant to Code Section 12-6-224.1.

41 ~~(2)~~ (3) 'Certification' means the determination of whether a given participant's carbon  
42 sequestration result or embodied carbon result has met a minimum quality standard and  
43 complied with an appropriate set of approved procedures and protocols for submitting  
44 carbon sequestration or embodied carbon information.

45 ~~(3)~~ (4) 'Commission' means the State Forestry Commission.

46 ~~(4)~~ (5) 'Director' means the director of the State Forestry Commission.

47 (6) 'Embodied carbon results' means the participant's applicable data on the reduction in  
48 building embodied carbon emissions resulting from the construction of buildings in this  
49 state that have less with lower building embodied carbon relative to the building baseline  
50 established by the Sustainable Building Material Technical Advisory Committee pursuant  
51 to Code Section 12-6-224.1.

52 ~~(5)~~ (7) 'Forest' means lands that support, or can support, at least 10 percent tree canopy  
53 cover and that allow for management of one or more forest resources including but not  
54 limited to timber, fish and wildlife, biodiversity, water quality, air quality, soil  
55 conservation, recreation, aesthetics, or other benefits.

56 (8) 'Global warming potential' means a factor describing the radiative forcing impact of  
57 one mass-based unit of a given greenhouse gas relative to an equivalent unit of carbon  
58 dioxide over a given period of time, as described in International Standards  
59 Organization 14064-1:2006 Greenhouse gases- Part 1: Specification with guidance at the  
60 organization level for quantification and reporting of greenhouse gas emissions and  
61 removals in effect on January 1, 2021.

62 ~~(6)~~ (9) 'Greenhouse gases' means carbon dioxide, methane, nitrous oxide,  
63 hydrofluorocarbons, perfluorocarbons, ~~and~~ sulfur hexafluoride, and nitrogen trifluoride.

64 ~~(7)~~ (10) 'Native forest' means a forest type, natural or artificially regenerated, composed  
65 of any one or more tree species identified as native to this state in G. Norman Bishop,  
66 *Native Trees of Georgia* (Georgia State Forestry Commission 2000 revised edition),  
67 including without limitation improved stock of such tree species developed through  
68 breeding programs.

69 ~~(8)~~ (11) 'Participant' or 'registry participant' means a registrant of carbon sequestration  
70 results with the registry.

71 ~~(9)~~ (12) 'Registry' means the Georgia Carbon Sequestration Registry provided for by this  
72 article.

73 ~~(10)~~ (13) 'Sink' means an ecosystem or crop or product ~~thereof~~, including building  
74 materials, that absorbs or has absorbed carbon, thereby removing it from the atmosphere  
75 and offsetting emissions of carbon dioxide.

76 (14) 'Whole building life cycle assessment' means life cycle assessment, compliant with  
77 International Standards Organization (ISO) 14040-14044 series methodology in effect  
78 on January 1, 2021, for a building or part of a building, including the foundation and  
79 structural skeleton, building envelope, including insulation, external walls, glazing, and  
80 roof. The purpose is to assess the environmental impacts of building-related materials  
81 and processes within an appropriate functional unit, scope, and boundary.

82 12-6-222.

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

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

88 (b) After its establishment, the state-wide uniform automated electronic information  
89 system for purposes of the registry shall be maintained by the Georgia Superior Court

90 Clerks' Cooperative Authority or its designated agent in accordance with Code  
91 Section 15-6-97.2.

92 12-6-223.

93 The purpose of the Georgia Carbon Sequestration Registry shall be to do all of the  
94 following:

95 (1) Encourage voluntary actions to reduce greenhouse gas emissions, including, but not  
96 limited to, the construction of buildings made out of materials that sequester carbon  
97 dioxide;

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

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

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

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

107 12-6-224.

108 For purposes of the registry, the commission shall:

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

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

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

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

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

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

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

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

- 140 (2) Qualify third-party organizations that have the capability to certify reported baseline  
141 carbon sequestration results and that are capable of certifying the participant reported  
142 results as provided in this article; and
- 143 (3) Encourage organizations and individuals from various sectors of the state's economy,  
144 and those from various geographic regions of the state, to report carbon sequestration  
145 results.

146 12-6-224.1.

147 (a) The director shall establish the Sustainable Building Material Technical Advisory  
148 Committee. The advisory committee shall consist of:

149 (1) One representative from the Georgia Institute of Technology with expertise in  
150 engineering and architecture;

151 (2) One representative with extensive knowledge of and expertise in the Georgia State  
152 Minimum Standard Codes;

153 (3) One representative who is a real estate developer or builder;

154 (4) One representative who works in the field of or has expertise in carbon offset  
155 protocol development, including carbon accounting rules such as additionality, baseline,  
156 leakage, and permanence, and requirements for monitoring and reporting;

157 (5) One representative who has whole building life cycle assessment expertise; and

158 (6) Up to three at-large representatives.

159 (b) The director shall determine the chairperson of the committee.

160 (c) Prior to the first meeting of the advisory committee, the director shall hold a listening  
161 session open to members of the public for the purpose of seeking external input on the rules  
162 for the Georgia Carbon Sequestration Registry for building materials.

163 (d) The advisory committee shall serve the director in an advisory capacity in the  
164 rule-making process for the establishment of two baselines: 1) one from which carbon  
165 sequestration of building materials shall be measured; and 2) one from which the building

166 embodied carbon shall be measured. The committee shall use the United States  
167 Department of Energy's Commercial Prototype Building Models in effect on  
168 January 1, 2021, to establish baseline categories using prototype building occupancies and  
169 structural systems.

170 (e) A primary objective of the advisory committee shall be to ensure the interoperability,  
171 general alignment, and compatibility of credits derived from the carbon sequestration  
172 results of building materials and embodied carbon results with global carbon credit and  
173 offset markets, including establishing guidelines for establishing a carbon baseline,  
174 additionality, validation, verification, permanence, and co-benefits.

175 (f) The chairperson shall be responsible for calling all meetings of the advisory committee.  
176 The committee may conduct such meetings at such places and at such times as it may deem  
177 necessary and convenient to enable it to exercise fully and effectively its powers, perform  
178 its duties, and accomplish the objectives and purposes of this article.

179 (g) A majority of the voting members of the advisory committee shall constitute a quorum.  
180 The committee shall take no action except by affirmative vote of the majority of those  
181 present and voting.

182 (h) Any vacancies on the advisory committee shall be filled in the same manner as the  
183 original appointment.

184 (i) Any member of the committee who, during his or her term of appointment, ceases to  
185 meet the qualifications required for the original appointment shall be immediately removed  
186 from his or her office.

187 (j) The advisory committee shall stand abolished no later than one year from the date upon  
188 which the first meeting of the committee takes place. The committee may be reestablished,  
189 at the calling of the director, within five years of its creation in order to make  
190 recommendations to the director for updating or amending the rules and regulations of the  
191 commission. The director shall appoint new members to the reestablished committee in  
192 accordance with subsection (a) of this Code section.



193 (k) Appointed members of the advisory committee shall receive a daily expense allowance  
194 in an amount the same as that specified in subsection (b) of Code Section 45-7-21, as well  
195 as the mileage or transportation allowance authorized for state employees.

196 12-6-225.

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

201 12-6-226.

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

205 12-6-227.

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

207 12-6-228.

208 (a)(1) Participants shall initially report their certified carbon sequestration results for the  
209 most recent year for which they have complete data as specified in this article. This shall  
210 include sequestration of carbon dioxide from standing trees. ~~Participants that have~~  
211 ~~complete data for earlier years that can be certified may establish their baseline as any~~  
212 ~~year beginning on or after January 1, 1990, or such other beginning date as may be~~  
213 ~~established by rule or regulation of the commission.~~ After establishing baseline results,  
214 participants shall report their certified carbon sequestration results in each subsequent  
215 year in order to show changes with respect to their baseline year. Participants may report

216 carbon sequestration results without establishing a baseline for such results or for  
217 emissions. Certified carbon sequestration results reported to the registry by a participant  
218 shall be credited in carbon mass units to an account established for the participant in the  
219 registry.

220 (2) For the reporting of embodied carbon results arising from construction of buildings  
221 in this state, upon completion of the project, developers shall seek the review of a  
222 certified third-party organization that will verify the building embodied carbon from a  
223 baseline of standard buildings established by the advisory committee. The commission  
224 shall publish and maintain a list of approved certified third-party organizations. Only  
225 projects that have been completed after January 1, 2019, shall be considered. After such  
226 projects have been verified and validated by a certified third-party organization, the  
227 director shall be authorized to determine, charge, and retain an administrative fee from  
228 developers for awarding carbon credits to provide for the cost of administering the  
229 provisions of this article.

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

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

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

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

245 12-6-229.

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

250 12-6-230.

251 (a) Participants registering baseline carbon sequestration results in the registry shall  
252 provide certification of their methodologies and results. The commission may, upon  
253 recommendation of the director, following a public process, adopt simplified procedures  
254 to certify carbon sequestration results as appropriate. Participants shall follow commission  
255 approved procedures and protocols in determining carbon sequestration results and supply  
256 the quantity and quality of information necessary to allow an independent ex post  
257 certification of the baseline results reported under this program.

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

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

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

- 267 (2) Check, during certification, the reasonableness of the carbon sequestration  
268 information being reported for a random sample of estimates or calculations; and
- 269 (3) Summarize its review in a report to the board of directors, or equivalent governing  
270 body, of the participating legal entity or to the participating natural person, attesting to  
271 the existence of a program that is consistent with commission approved procedures and  
272 protocols and the reasonableness of the reported carbon sequestration results and noting  
273 any exceptions, omissions, limitations, or other qualifications to their representations.
- 274 (d) In conducting certification for a participant under this program, the approved  
275 organization shall schedule any meeting or meetings with the participant with a minimum  
276 of one week's notice at one or more representative locations and allow the participant to  
277 control property access. The meetings shall be conducted in accordance with a protocol  
278 that is agreed upon in advance by the participant and the approved organization. The  
279 approved organization shall not perform property inspection, direct measurement,  
280 monitoring, or testing unless authorized by the participant.
- 281 (e) To ensure the integrity and constant improvement of the registry program and for the  
282 sequestration of carbon dioxide from standing trees, the commission shall perform on a  
283 random basis an occasional review and evaluation of participants' carbon sequestration  
284 reporting, certifications, and the reasonableness of the information being reported for  
285 analysis of estimates or calculations. The director shall report any findings in writing. The  
286 director shall include a summary of these findings in the biennial report to the Governor  
287 and the General Assembly required by Code Section 12-6-231.
- 288 (f) As it relates to the registry program for building products that sequester carbon dioxide,  
289 the commission shall engage in a review of the standards two years and five years after  
290 such registry is established.
- 291 (g) As is related to the registry program for building embodied carbon, the commission  
292 shall engage in a review of the standards two years and five years after such registry is  
293 established.

294 12-6-231.

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

300 12-6-232.

301 The commission shall do all of the following:

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

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

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

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

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

- 320 (E) Periodically updating the list of approved third-party organizations by doing any  
321 of the following:
- 322 (i) Reviewing the capabilities of approved organizations;
  - 323 (ii) Reviewing applications of organizations seeking to become approved; and
  - 324 (iii) Determining specific organizations to be added to the approved list and specific  
325 organizations no longer qualified to perform the duties of this article;
- 326 (2) Occasionally, and on a random basis, provide for commission employees to  
327 accompany third-party organizations on scheduled visits to observe and evaluate, during  
328 any certification visit, both the following:
- 329 (A) Whether the participant has a program, consistent with commission approved  
330 procedures and protocols, in place for the preparation and submittal of the information  
331 required under this article; and
  - 332 (B) The reasonableness of the carbon sequestration information being reported for a  
333 sample of estimates or calculations; and
- 334 (3) Review future international or federal programs related to greenhouse gas emissions  
335 and make reasonable efforts to promote consistency between the state program and these  
336 programs and to reduce the reporting burden on participants."

337 **SECTION 2.**

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