

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 599** SLS 10RS 405

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

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| Date: June 21, 2010 | 10:35 AM | Author: GAUTREAUX, B. |
| Dept./Agy.: Natural Resources | | Analyst: Stephanie C. Blanchard |
| Subject: OCS Oil & Gas Activity/Administrative Costs | | |

COASTAL PROTECT/RES FD EN INCREASE SD EX See Note Page 1 of 1
 Provides in each fiscal year, at least \$200,000 but no more than seven percent of the federal revenues received by the state generated from Outer Continental Shelf oil and gas activity may be used for administrative costs or fees. (8/15/10)
 Proposed law provides that in each fiscal year, at least two hundred thousand dollars but no more than seven percent of the federal revenues received by the state generated from Outer Continental Shelf oil and gas activity may be used for administrative costs or fees. Provides an exception for revenues received by the state pursuant to Section 1337 (g) of Title 43 of the United State Code, also known as "8(g)" funds, any securitization or other monetizing of all or any portion of the federal revenues received by the state generated from Outer Continental Shelf oil and gas activity, and any monies received by the state for reimbursement of costs in response to the Deepwater Horizon oil spill.

| EXPENDITURES | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

The effect of this proposed legislation is indeterminable at this time since there are no reliable projections of the revenue derived from Outer Continental Shelf energy activity. The state began receiving revenue from Outer Continental Shelf activity in FY 09 in the amount of \$6,347,321, which was deposited into the Coastal Protection and Restoration Fund. In the current year \$699,757 has been deposited. None of these funds have been used for administrative costs.

According to the Office of Coastal Protection and Restoration possible administrative costs would be annual econometric studies and hearings to solicit projects with the Infrastructure Priority Program.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$100,000 Annual SGF Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Robert E. Hosse
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LFO Staff Director