



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 696** HLS 25RS 2641

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **HB 353**

Date: May 23, 2025	10:33 AM	Author: MACK
Dept./Agy.: Energy and Natural Resources		
Subject: Carbon Dioxide Sequestration Regulation and Safety		Analyst: Mimi Blanchard

ENERGY

EG INCREASE SD EX See Note

Provides relative to carbon dioxide sequestration

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Current law establishes the Louisiana Geologic Sequestration of Carbon Dioxide Act, including definitions, authority of the Commissioner of Conservation, and requirements for emergency preparedness and groundwater monitoring at carbon dioxide storage facilities.

Proposed law retains current law and adds definitions for “public water system” and “transmission pipeline.” It extends emergency preparedness requirements to pipeline operators, requires operators to offer annual training exercises, and prohibits injection until local fire departments are equipped with necessary emergency supplies and protective gear. Proposed law replaces current groundwater monitoring provisions with requirements for quarterly monitoring of drinking water sources, third-party testing upon request, remediation plans, and provision of alternative water supplies if contamination occurs. Proposed law requires operators to obtain financial security or insurance to cover remediation and related costs, and mandates public notice prior to pipeline construction.

Effective August 1, 2025.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

The Department of Energy and Natural Resources (DENR) maintains that it will occur additional costs of approximately \$15,500 in FY 26 and \$16,000 in FY 27 from the Carbon Dioxide Geologic Storage Trust Fund for review requirements. DENR also reported a \$2,500 cost from the Oil and Gas Regulatory Dedicated Fund Account to update Pipeline Safety regulations, with minimal additional costs anticipated for financial security verification. The LFO anticipates the department will require additional resources to carry out new oversight responsibilities under the provisions of this instrument, including: reviewing quarterly groundwater monitoring reports submitted by operators, evaluating third-party testing results provided by public water systems upon request, and confirming when a source of drinking water has been successfully remediated following a contamination event.

REVENUE EXPLANATION

To the extent the provisions of the bill affect the current permitting process under federal regulations or the state’s primacy over Class VI well permitting administered by the Department of Energy and Natural Resources (DENR), the bill may conflict with federal requirements, which could result in delays, federal intervention, or changes to the state’s permitting authority, with indeterminable effects on revenue collections. Any such impact would be speculative. As more information is obtained, the fiscal note will be updated.

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

- ☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- ☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
Legislative Fiscal Officer