



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 691** HLS 25RS 2783

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: HB 568

| | | |
|--|----------|--------------------------------|
| Date: June 11, 2025 | 12:47 PM | Author: CARRIER |
| Dept./Agy.: Energy and Natural Resources | | |
| Subject: Carbon Capture and Storage Damage Accountability | | Analyst: Mimi Blanchard |

ENERGY

EN SEE FISC NOTE SD RV See Note

Page 1 of 1

Establishes public safety and accountability procedures for carbon dioxide sequestration

Current law requires operators of Class VI carbon dioxide sequestration wells to report certain incidents within 24 hours, including risks to underground sources of drinking water, permit violations, and injection system malfunctions. Civil penalties of up to \$5,000 per day may be imposed for violations.

Proposed law adds reporting requirements for carbon dioxide releases and equipment malfunctions, and requires that reports include the incident location, cause (if known), potential risks, mitigation steps, and a corrective timeline. Operators must notify emergency responders, local officials, and the department must publish reports online. Civil penalties are increased to \$200,000 per day.

Effective upon governor’s signature.

| 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. | \$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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 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. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| 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) reports no additional costs associated with the bill, as it does not impact current code or operations, and any increased review time or staff costs for the Emergency and Remedial Response Plan are expected to be minimal.

REVENUE EXPLANATION

DENR reports that penalty fines (up to \$200,000 per day per violation) related to carbon dioxide incidents could increase revenues to the Carbon Dioxide Geologic Storage Trust Fund, however incidents cannot be foreseen and therefore revenues cannot be quantified in relation to such events.

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



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