

2026 Regular Session

HOUSE BILL NO. 499

BY REPRESENTATIVES MCCORMICK, OWEN, AND SCHAMERHORN

ENERGY: Provides relative to compensation for pore space owners

1 AN ACT

2 To amend and reenact R.S. 30:1104.2(C) and (D), relative to compensation of owners in
3 interest in a carbon dioxide sequestration unit; to provide for the calculation of
4 compensation for nonconsenting owners in interest within a unit; to provide for
5 minimum compensation per acre; to authorize courts to obtain information regarding
6 compensation; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:1104.2(C) and (D) are hereby amended and reenacted to read as
9 follows:

10 §1104.2. Unitization

11 * * *

12 C.(1) An order for unit operation shall provide for just and equitable sharing
13 of the benefits generated from use of such tracts for geologic storage and shall
14 provide for just and equitable compensation to all owners in interest, including the
15 storage operator, other owners in interest who consented in writing to geologic
16 storage, and owners in interest who did not consent in writing to geologic storage,
17 except that the order shall not vary, alter, or otherwise apply a standard of benefit
18 sharing or compensation to the terms of any contracts between the storage operator
19 and any owner in interest. The order shall set forth the method, formula, or other
20 basis by which the just and equitable sharing of the benefits shall be determined,

1 including the timing of payments thereof. In determining the method, formula, or
 2 other basis, the commissioner may take into consideration such factors that include
 3 but are not limited to the computational modeling submitted by an existing or
 4 proposed storage operator, whether there is an impact to a tract, the extent of any
 5 impact to a tract, each separately owned tract's proportionate share of the total
 6 surface acreage contributed to the storage unit, the costs required to perform the unit
 7 operation, and the viability of any third-party geologic storage projects within the
 8 storage unit and any associated third-party contracts executed by an owner in
 9 interest.

10 (2) A nonconsenting owner in interest shall not be compensated with an
 11 amount per acre which is less than the average compensation paid per acre to all
 12 other owners in interest in the storage unit.

13 D. Judicial review of orders, rules, and regulations issued by the
 14 commissioner pursuant to this Section shall be conducted pursuant to the provisions
 15 and requirements of R.S. 30:12. Additionally, subject to timely filing for court
 16 review pursuant to R.S. 30:12, the proposed storage unit operator or any owner in
 17 interest who has not entered into an agreement for geologic storage with the
 18 proposed storage unit operator shall have the right to have the reviewing court
 19 determine whether the purpose for the storage unit is public and necessary, whether
 20 the compensation provided for is just, and, if not, the amount of just compensation
 21 due. As to any owner in interest having the right to have a reviewing court
 22 determine whether the compensation is just under this Subsection, the court's review
 23 in those instances shall be limited to the compensation affecting that specific owner
 24 in interest. The court may request all information necessary to determine just
 25 compensation. The review of whether the compensation is just may be heard
 26 through a trial by jury if timely requested by any party. Judicial reviews conducted
 27 under this Subsection shall be tried by preference and shall be conducted with the
 28 greatest possible dispatch.

29 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 499 Original

2026 Regular Session

McCormick

Abstract: Establishes minimum per acre compensation for nonconsenting landowners within a carbon dioxide storage unit.

Present law (R.S. 30:1104.2(C)) requires a unitization order to provide for just and equitable compensation for all owners in interest and the storage operator. Present law also requires the order to provide for the method, formula, or other basis to determine the just and equitable share of the benefits.

Proposed law retains present law but sets a minimum for any per acre compensation paid to a nonconsenting unit participant, so that nonconsenting owners in interest cannot be paid less than the average per acre compensation to all other owners in interest in the unit.

Present law (R.S. 30:1104.2(D)) authorizes the operator of a proposed storage unit or any owner in interest who has not entered into a contract with the proposed storage unit operator to have the court review whether the purpose for the storage unit is public and necessary, whether the compensation is just, and, if not, the amount of just compensation due. Specifies that the court's review in those instances is limited to the compensation affecting the specific owner in interest seeking review. Specifies that a jury trial on the matter may be requested, and the proceeding will be conducted by preference.

Proposed law retains present law and permits the court to request information necessary to determine compensation for an owner in interest.

(Amends R.S. 30:1104.2(C) and (D))