



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1123** HLS 26RS 2724
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 15, 2026	1:42 PM	Author: BRAUD
Dept./Agy.: Revenue, Treasury, Transportation and Development		Analyst: Mimi Blanchard
Subject: Transportation Backlog Fund		

FUNDS/FUNDING OR -\$20,000,000 GF RV See Note Page 1 of 2
 Establishes the Transportation Backlog Fund to be used to fund certain transportation projects

Current law allocates 1/5 or 20% of severance tax collections other than lignite, sulphur and timber to the parish governing authority in which the severance occurs up to a constitutional cap, with the remaining balance deposited into the State General Fund (SGF).

Proposed law dedicates \$20 M of the monies deposited from severance tax revenues into the SGF to the newly created Transportation Backlog Fund. Monies in the fund shall be utilized for transportation infrastructure projects located within parishes who currently reach their constitutional annual cap and which are included in the Highway Priority Program, Port Construction or Development Program, Airport Construction or Development Priority Program, or Federal Railroad Crossing Safety Program. Projects funded pursuant to proposed law are subject to approval by the Joint Committee on Transportation, Highways, and Public Works prior to distribution of monies from the fund. Effective upon signature.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	(\$20,000,000)	(\$20,000,000)	(\$20,000,000)	(\$20,000,000)	(\$20,000,000)	(\$100,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$100,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable increase in expenditures out of the Transportation Backlog Fund for infrastructure projects located within parishes who currently reach their constitutional annual severance tax cap on oil and gas and which are included in the Highway Priority Program, Port Construction or Development Program, Airport Construction or Development Priority Program, or Federal Railroad Crossing Safety Program. For illustrative purposes, the parishes who reached their constitutional caps on oil & gas severance tax revenue for FY 23 (\$1.14 M), FY 24 (\$1.23 M), and FY 25 (\$1.28 M) are listed on **page 2**.

**Note: It is unclear whether funding for eligible projects is limited to fiscal years in which a parish reaches its constitutional cap, or how proposed law treats parishes that reach the cap intermittently rather than annually, and the resulting impact on project timing.*

Treasury requires certain resources to create and administer a statutory dedication, as in this bill. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

The Department of Transportation and Development (DOTD) reports that it may experience an indeterminable increase in expenditures out of the Transportation Trust Fund (TTF) associated with the management and oversight of projects approved as a result of proposed law. The LFO assumes that all costs of project delivery are eligible uses of the Transportation Backlog Fund and that expenditures out of the TTF are not necessary.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law will decrease SGF and increase Statutory Dedications out of the Transportation Backlog Fund (created in the bill) by \$20 M annually in FY 27 and beyond.

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

House
 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
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 Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

List of Parishes that reached their constitutional caps on oil & gas severance tax revenue by fiscal year:

Table with 3 columns: FY 23, FY 24, FY 25. Lists parishes that reached their constitutional caps on oil & gas severance tax revenue by fiscal year.

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[X] 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}

Signature of Alan M. Boxberger
Alan M. Boxberger
Legislative Fiscal Officer