

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 802** HLS 26RS 646

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE COMM AMD**

Sub. Bill For.:

Date: April 21, 2026 8:05 AM	Author: MCMAKIN
Dept./Agy.: Treasury, Dept. of Revenue	Analyst: Mimi Blanchard
Subject: Watershed Restoration & Conservation Fund	

WATER/RESOURCES OR DECREASE GF RV See Note
Provides with respect to the management of watershed restoration

Current Law allocates 1/5 or 20% of severance tax collections other than lignite, sulfur and timber to the parish governing authority in which the severance occurs up to a constitutional cap, with the remaining deposited to SGF.

Proposed law retains current law, but instead requires remaining portions of sand severance taxes collected in parishes wholly located within the geographic boundaries of the Amite River Basin Drainage and Water Conservation District district be deposited into the Watershed Restoration and Conservation Fund (created in the bill) rather than to the SGF. Proposed law authorizes the board of commissioners for the Amite River Basin Drainage and Water Conservation District to use monies in the fund for any purpose authorized in the chapter. Proposed law specifies annual reporting requirements due March 1st of each calendar year. **House Committee Amendments adopted on 4/01/26 changed the author of the bill to Representative Sawyer. Effective July 1, 2026.*

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law is assumed to increase expenditures out of the newly created Statutory Dedication, the Watershed Restoration and Conservation Fund, in an amount equal to annual deposits into the fund (see Revenue Explanation below).

Proposed law limits the dedication to parishes wholly located within the Amite River Basin Drainage and Water Conservation District. The LFO notes that no parishes have been identified that meet this requirement, though several parishes have overlapping geographic boundaries with the district. To the extent proposed law is intended to dedicate only the portion of severance taxes collected within district boundaries, LFO assumes LDR will incur SGR expenditures to modify tax forms, reporting, and computer systems, and may require one or more additional staff, as current reporting is limited to the parish level. To the extent proposed law instead applies to entire parishes with any overlap, LFO anticipates no additional cost to LDR. To the extent that LDR's SGR does not cover associated expenditures, other MOF may be necessary, assumed to be SGF.

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.

REVENUE EXPLANATION

Proposed law will result in an indeterminable decrease in SGF revenues from FY 27 to FY 31, and a corresponding increase in statutory dedications to the Watershed Restoration and Conservation Fund (created in the bill). Proposed law dedicates remaining portions of sand severance taxes collected in parishes *wholly* located within the geographic boundaries of the Amite River Basin Drainage and Water Conservation District district. LFO has not identified any parishes which are *wholly* located within the district, however, several parishes have overlapping geographic regions within the boundaries of the district.

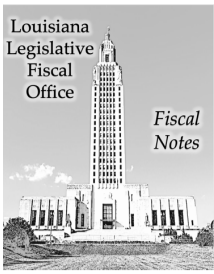
If the intent of proposed law is to draw severance from those parishes, using FY 25 actual sand severance tax collections and applying the annual growth rates of severance tax in the current REC, the total sand severance taxes collected for the Watershed Restoration and Conservation Fund would average approximately \$96,624 from FY 27 to FY 31. Actual fiscal impact in any given fiscal year will depend on total severance tax collections for that year and totals will vary based on changes in production and prices. **Note: The reports used for this estimate combine sand and shell severance taxes, slightly inflating the estimate. Additionally, these collections are representative of the parish as a whole, rather than only the portions of the parishes which are located within the district.*

SEE CONTINUED REVENUE EXPLANATION ON PAGE 2

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
Alan M. Boxberger
Legislative Fiscal Officer



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 802** HLS 26RS 646

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE COMM AMD**

Sub. Bill For.:

Date: April 21, 2026 8:05 AM	Author: MCKIN
Dept./Agy.: Treasury, Dept. of Revenue	Analyst: Mimi Blanchard
Subject: Watershed Restoration & Conservation Fund	

CONTINUED EXPLANATION from page one:

CONTINUED REVENUE EXPLANATION

The Coastal Protection and Restoration Authority (CPRA) originally reported that proposed law is not anticipated to impact revenues to the Coastal Protection and Restoration Fund, as the required constitutional dedication remains unchanged. An additional 2% dedication to the Coastal Protection and Restoration Fund is allowed when mineral revenues exceed required allocations as provided in La R.S. 49:214.5.4, though CPRA reports that this has only been triggered once in the last five years. LFO assumes that their impact remains unchanged as a result of the proposed amendments.

Senate

Dual Referral Rules

- 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
Legislative Fiscal Officer