

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|   |                                |
|---|--------------------------------|
| <b>Date:</b> April 24, 2026 3:11 PM                       | <b>Author:</b> SAWYER          |
| <b>Dept./Agy.:</b> Treasury, Dept. of Revenue             | <b>Analyst:</b> Mimi Blanchard |
| <b>Subject:</b> Watershed Restoration & Conservation Fund |                                |

WATER/RESOURCES EG 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 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.

Effective July 1, 2026.

| EXPENDITURES   | 2026-27          | 2027-28         | 2028-29         | 2029-30         | 2030-31         | 5 -YEAR TOTAL |
|----------------|------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| State Gen. Fd. | \$0              | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Agy. Self-Gen. | <b>SEE BELOW</b> | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Ded./Other     | <b>INCREASE</b>  | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> |               |
| Federal Funds  | \$0              | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Local Funds    | \$0              | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |

| REVENUES       | 2026-27         | 2027-28         | 2028-29         | 2029-30         | 2030-31         | 5 -YEAR TOTAL |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| State Gen. Fd. | <b>DECREASE</b> | <b>DECREASE</b> | <b>DECREASE</b> | <b>DECREASE</b> | <b>DECREASE</b> |               |
| Agy. Self-Gen. | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Ded./Other     | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> |               |
| Federal Funds  | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Local Funds    | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |

**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). Monies in the fund are to be used to support the reclamation, restoration and long-term stewardship of lands and watersheds within the Amite River Basin.

Proposed law limits the dedication to the geographic boundaries of the District. Louisiana Department of Revenue (LDR) has reported that will add an attribute to taxpayers accounts to parse out collections solely within the district, as they do not currently have such a mechanism in place for sand severance tax, with no associated additional expenditures. LFO believes that LDR may incur SGR expenditures to modify tax forms, reporting, and computer systems, as current reporting is limited to the parish level. Expenditures reported by LDR for similar modifications totaled \$25,210. LFO believes system adjustments will occur simultaneously with standard annual adjustments, however; LDR may determine within the budget process whether the implementation of cumulative session actions may warrant additional resources.

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 within the geographic boundaries of the Amite River Basin Drainage and Water Conservation District. There are seven parishes whose boundaries overlap with the geographic boundaries of the District.

Using FY 25 actual sand severance tax collections from those parishes provided by LDR 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  
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*  
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**Legislative Fiscal Officer**

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**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 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}

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