

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 327** HLS 26RS 282

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 1, 2026	1:57 PM	Author: MCCORMICK
Dept./Agy.: Conservation & Energy		Analyst: Mimi Blanchard
Subject: Carbon Dioxide Sequestration - Owner Consent		

ENERGY OR SEE FISC NOTE GF RV Page 1 of 1
 Declares that carbon dioxide sequestration is illegal without a property owner's consent

Proposed law declares carbon dioxide sequestration without property owner's consent illegal unless the property owner could not be located after a reasonable search and good faith effort by the storage facility owner or operator.

Effective August 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.	\$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

REVENUES	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.	\$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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	

EXPENDITURE EXPLANATION
 To the extent that projects do not proceed as a result of denial of owner consent, the loss of dedications to the Mineral and Energy Operation Fund (ME&O) and the Wildlife and Fisheries Conservation Fund may affect the operations of the C&E or the Department of Wildlife and Fisheries (LDWF), and additional SGF support may be required. The ME&O Fund supports C&E's administration and regulation of minerals, groundwater, and energy activities. The Conservation Fund is appropriated to LDWF and must be used for the conservation and management of natural resources and wildlife, including land acquisitions, federal matching programs, and the operation of the department and the Wildlife and Fisheries Commission.

LFO does not anticipate any potential losses to the Carbon Dioxide Geologic Storage Trust Fund to impact C&E operations, as monies in this fund support regulatory oversight of carbon dioxide sequestration activities that would no longer proceed should projects be impacted.

REVENUE EXPLANATION
 Proposed law declares carbon dioxide sequestration without property owner's consent illegal unless the property owner could not be located after a reasonable search and good faith effort by the storage facility owner or operator. To the extent that property owners do not consent to such projects, both state and local revenues will decrease by an indeterminable amount.

There are currently 99 pending Class VI well applications associated with 30 projects statewide. Each Class VI injection well has a one-time application fee of \$100,000, plus \$10,000 for each additional well at a storage facility with total fees capped at \$200,000 for the initial filing. Additionally, a periodic area of review filing fee of \$25,000 is collected within 5 years of first injection. All of these fees are deposited into the Carbon Dioxide Geologic Storage Trust Fund to support regulatory oversight by C&E.

Bonus or lease revenue from Class VI carbon capture and storage (CCS) projects are allocated 40% to the State General Fund, 30% to the Mineral and Energy Operation Fund, and 30% to the parish or parishes (split according to share of acreage) where the injection well is located. For projects located within Wildlife Management Areas (WMAs) regulated by the Louisiana Department of Wildlife and Fisheries (LDWF), 100% of the CCS revenue is directed to LDWF for the management of the WMA. Private landowners in parishes in which wells are located may receive royalty payments if their land is included in a unitized storage area, depending on the terms of the operating agreement.

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