

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 890** HLS 26RS 298

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

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

Sub. Bill For.:

Date: May 4, 2026	6:30 PM	Author: COATES
Dept./Agy.: Conservation & Energy, Wildlife & Fisheries, CPRA		Analyst: Mimi Blanchard
Subject: Coastal Use Permit Requirements		

COASTAL RES/COASTAL ZONE OR SEE FISC NOTE GF RV See Note Page 1 of 2
Imposes additional requirements for certain coastal use permits on Lake Maurepas and Lake Pontchartrain

Proposed law establishes additional requirements for coastal use permit applications involving pipeline trenching or burial, platform construction or anchoring systems, dredging or sediment displacement, or geophysical or seismic survey activities occurring in, on, or beneath submerged lands of Lake Maurepas and Lake Pontchartrain. Proposed law excludes integrated coastal protection projects and projects undertaken by member-owned electric cooperatives or investor-owned utilities regulated by the Public Service Commission or the Council of the City of New Orleans. Proposed law requires applicants to provide specified scientific documentation and prohibits the Department of Conservation and Energy (C&E) from issuing a permit unless an independent reviewer (selected by C&E and paid for by the applicant) makes written findings that such activities minimize disturbance of submerged lands and will not result in permanent alteration of lake bottom contours, harmful sediment contamination, or long-term impacts to sediment transport or benthic productivity. Proposed law also requires that the reviewer's written findings be made public prior to any required public hearing, and requires maintenance of an administrative record supporting C&E's final determination. Proposed law applies to permit applications for which a final permit has not been issued as of the effective date.

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

Annual Total

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	

Annual Total

EXPENDITURE EXPLANATION

To the extent that projects do not proceed as a result of additional permitting requirements, the loss of dedications to the Mineral & Energy Operation (ME&O) Fund and the Conservation Fund may affect the operations of the Department of Conservation and Energy (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 establishes additional requirements for coastal use permit applications involving pipeline trenching or burial, platform construction or anchoring systems, dredging or sediment displacement, or geophysical or seismic survey activities occurring in, on, or beneath submerged lands of Lake Maurepas and Lake Pontchartrain. C&E reports that there is currently one Class VI carbon capture and storage (CCS) project in the construction phase and awaiting final injection permit approval within the boundaries of Lake Maurepas that will require a coastal use permit. **To the extent that additional permitting requirements of proposed law prevent permits from being issued for this project and construction associated with this project does not proceed, or that future CCS projects are unable to construct CO₂ pipelines through Lake Maurepas, state revenues associated with CCS activity may be reduced. Any such impact is speculative and indeterminable, but likely significant.**

Bonus or lease revenue from Class VI CCS projects are allocated 40% to the SGF, 30% to the ME&O Fund, and 30% to the parish or parishes (split according to share of acreage) where the injection well is located. **Associated revenues for the current project include \$2.9 M for the remaining portion of the construction phase in FY 27, including approximately \$1.14 M SGF, \$856,500 to the ME&O Fund, and \$856,500 to effected parishes -**

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

Alan M. Boxberger
Legislative Fiscal Officer

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 890** HLS 26RS 298

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

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

Sub. Bill For.:

Date: May 4, 2026	6:30 PM	Author: COATES
Dept./Agy.: Conservation & Energy, Wildlife & Fisheries, CPRA		Analyst: Mimi Blanchard
Subject: Coastal Use Permit Requirements		

CONTINUED EXPLANATION from page one:

CONTINUED REVENUE EXPLANATION

- (\$460,540 to Livingston, \$356,304 to St. John the Baptist, and \$39,656 to Tangipahoa).

Once injection begins, based on the minimum guaranteed annual payments specified in the Lake Maurepas project agreement, revenues associated with injection are anticipated at approximately \$8.6 M annually beginning in FY 28, including \$3.44 M SGF, \$2.6 M to the ME&O Fund, and \$2.6 M to affected parishes (\$1.4 M to Livingston, \$1.1 M to St. John the Baptist, and \$119,489 to Tangipahoa). Private landowners in those parishes may receive royalty payments if their land is included in a unitized storage area, depending on the terms of the operating agreement.

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. **The LFO is unclear whether or not applications fees already paid for pending projects would have to be refunded should projects not proceed as a result of proposed law.**

Because pipelines are required to transport captured carbon dioxide to Class VI injection wells, a prohibition on coastal use permits for the construction of such pipelines even in a specified geographic area could prevent otherwise permitted multi-parish or interstate CCS projects from proceeding. **C&E reports that any impact to the construction of CO2 pipelines in the Lake Maurepas area will additionally prevent two CCS projects located within the Maurepas Swamp WMA from proceeding.** For projects located within Wildlife Management Areas (WMAs) regulated by LDWF, 100% of the CCS revenue is directed to LDWF to be deposited into the Conservation Fund for the management of the WMA. **Revenues associated with these projects are approximately \$3.3 M to the Conservation Fund in FY 27.** Once Class VI wells begin injecting CO2, LDWF receives 70% of injection revenues for such projects, with the remaining 30% to the parish or parishes (split according to share of acreage). **The revenues associated with injection are estimated at approximately \$7 M annually beginning in FY 28, including \$4.9 M to the Conservation Fund and \$2.1 M to affected parishes (\$697,500 M to St. James, \$1.2 M to St. John the Baptist, and \$198,150 to Ascension).** LFO cannot corroborate or refute the potential associated impacts to adjacent projects.

C&E reports that to the extent the additional permitting requirements established in proposed law affects project participation in the Lake Maurepas or Lake Pontchartrain areas, associated revenues from coastal use permit application fees deposited into the Coastal Resources Trust Dedicated Fund Account may additionally be impacted.

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

Alan M. Boxberger
Legislative Fiscal Officer